

# sec news digest

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Issue 79-151

August 6, 1979

AUG 7 1979

## RULES AND RELATED MATTERS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

### EXEMPTIONS FOR CERTAIN INVESTMENT ADVISERS AND PRINCIPAL UNDERWRITERS OF INVESTMENT COMPANIES

The Commission has authorized publication of Rules 2a-6 and 15a-4 under the Investment Company Act of 1940. Rule 2a-6 would deem certain transactions not to involve the assignment of an investment advisory contract or an underwriting contract for purposes of Sections 15(a) and 15(b) of the Act. Rules 15a-4 would permit a succession investment adviser to serve a maximum of 90 days prior to receiving a vote of the investment company's shareholders when certain events cause the termination of a previous investment advisory contract. Comments on the proposed rule should be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, N.W., Washington, D.C. 20549 on or before October 5 and should refer to File No. S7-795. (Rel. IC-10809)

FOR FURTHER INFORMATION CONTACT: Mark B. Goldfus at (202) 755-0230

### INTERPRETIVE RELEASE ISSUED ON RULES RELATING TO REALES OF SECURITIES

The Commission has issued a release setting forth the views of its staff on various interpretive questions relating to resales of restricted and other securities pursuant to Rules 144, 145(d), 148 and 237 under the Securities Act of 1933. The release provides guidance both on the amendments to Rules 144 and 148 adopted by the Commission in September 1978 and March 1979 (see Rel. 33-5979 and 33-6032, respectively) and on other significant recurring issues arising under the rules as well. (Rel. 33-6099)

FOR FURTHER INFORMATION CONTACT: Peter J. Romeo at (202) 755-1240

### REQUEST FOR COMMENT ON PROPOSED RULE CONCERNING ANNUAL ASSESSMENTS FOR NONMEMBER BROKER-DEALERS

The Commission today published for comment a proposed rule amendment providing that annual assessments for nonmember (SECO) broker-dealers be comparable to assessments imposed on members of the National Association of Securities Dealers, Inc., unless the Commission determined otherwise for a particular year. The Commission also published for comment a proposed information and assessment form for nonmember broker-dealers establishing annual assessments for the current fiscal year. All comments on this matter should be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 on or before September 7 and should refer to File No. S7-794. (Rel. 34-16080)

FOR FURTHER INFORMATION CONTACT: Janet R. Zimmer at (202) 755-7718

### CORRECTION RE RELEASE NUMBERS OF GOING PRIVATE TRANSACTIONS BY PUBLIC COMPANIES OR THEIR AFFILIATES

The adoption of Rule 13e-3 and Schedule 13E-3 relating to going private transactions by public companies or their affiliates and proposed amendments thereto were announced in the News Digest of August 3. Those releases were inadvertently assigned Release Numbers 33-7000 and 33-7001, respectively. The correct numbers are 33-6100 and 33-6101.

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## HOLDING COMPANY ACT RELEASES

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### JERSEY CENTRAL POWER & LIGHT COMPANY

An order has been issued permitting the withdrawal of a proposal by Jersey Central Power & Light Company, subsidiary of General Public Utilities Corporation, that it issue and sell up to \$60 million of cumulative preferred stock. (Rel. 35-21167 - July 31)

### GENERAL PUBLIC UTILITIES CORPORATION

An order has been issued permitting the withdrawal of a proposal by General Public Utilities Corporation (GPU), a registered holding company, and its subsidiary, Jersey Central Power & Light Company, that Jersey Central issue and sell up to \$50 million of debentures which were to be guaranteed by GPU. (Rel. 35-21168 - July 31)

### PENNSYLVANIA ELECTRIC COMPANY

An order has been issued authorizing a proposal of Pennsylvania Electric Company (Penelec), subsidiary of General Public Utilities Corporation, that Penelec sell transmission lines to an unaffiliated electric utility. (Rel. 35-21172 - Aug. 3)

### OHIO POWER COMPANY

An order has been issued authorizing a proposal of Ohio Power Company, subsidiary of American Electric Power Company, Inc., that it acquire certain rail-related assets for the repair of coal rail cars. (Rel. 35-21173 - Aug. 8)

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## SELF-REGULATORY ORGANIZATIONS

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### WITHDRAWAL OF PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board has withdrawn, by letter, a proposed rule change under Rule 19b-4 (SR-MSRB-79-2) to provide that delivery of municipal securities accompanied by a delivery ticket containing an error relating solely to the CUSIP number of the securities shall constitute good delivery. Publication of the withdrawal is expected to be made in the Federal Register during the week of August 13. (Rel. 34-16079)

### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by The Options Clearing Corporation (SR-OCC-79-2) modifying its formula for computing participants' clearing fund contributions. (Rel. 34-16081)

### NOTICE OF PROPOSED RULE CHANGE

The Options Clearing Corporation, Inc. has filed a proposed rule change pursuant to Rule 19b-4 (SR-OCC-79-4) establishing procedures to follow when it determines that an imminent or pending tender offer, exchange offer, or suspension of trading in an underlying security threatens to reduce the available supply of the underlying security to a level insufficient to permit the performance of the obligations under options contracts written on the underlying security. Publication of the proposal is expected to be made in the Federal Register during the week of August 6. (Rel. 34-16084)

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## SECURITIES ACT REGISTRATIONS

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- (S-18) WORLD TIMES, INC., 8 Arlington St., Boston, Mass. 02116 - \$1,200,000 of unsecured 8% convertible debentures, due 12/31/85, Second Series. (File 2-65117 - Aug. 1)
- (S-1) GALVESTON-HOUSTON COMPANY, 4801 Woodway, Suite 180E, Houston, Tex. 77056 - 533,551 shares of common stock. Underwriters: Kidder, Peabody & Co. Inc. and Rotan Mosle Inc. The company manufactures and markets products and furnishes services for the drilling, completion and workover of oil and gas wells. (File 2-65160 - Aug. 2)

- (S-8) CONTINENTAL ILLINOIS CORPORATION, 231 South LaSalle St., Chicago, Ill. 60693 (312) 828-4217 - 1,500,000 shares of common stock. (File 2-65161 - Aug. 3)
- (S-8) UNITED TELECOMMUNICATIONS, INC., P.O. Box 11315, Kansas City, Mo. 64112 (913) 676-3000 - 169,348 shares of common stock. (File 2-65162 - Aug. 3)
- (S-14) NCNB CORPORATION, One NCNB Plaza, Charlotte, N.C. 28255 (704) 374-5000 - 1,014,077 shares of common stock. (File 2-65163 - Aug. 3)
- (S-7) LYNCH COMMUNICATION SYSTEMS INC., 204 Edison Way, Reno, Nev. 89520 (702) 786-4020 - \$7,500,000 of convertible subordinated debentures, due 1999. Underwriters: Rauscher Pierce Refsnes, Inc. and Sutro & Co. Inc. The company is engaged in the design, manufacture and sale of electronic telecommunications equipment. (File 2-65164 - Aug. 3)
- (S-16) AMERICAN ELECTRIC POWER COMPANY, INC., 2 Broadway, New York, N.Y. 10004 (212) 440-9000 - 8,800,000 shares of common stock. (Rights Offering) (File 2-65165 - Aug. 3)
- (S-6) KEMPER INVESTORS LIFE INSURANCE COMPANY VARIABLE ANNUITY ACCOUNT B, 120 South LaSalle St., Chicago, Ill. 60603 (312) 346-3223 - (File 2-65166 - Aug. 3)
- (S-8) POTLATCH CORPORATION, One Maritime Plaza, San Francisco, Cal. 94111 (415) 981-5980 - \$12 million of interests and 352,941 shares of common stock. (File 2-65167 - Aug. 3)
- (S-11) COMPASS INVESTMENT GROUP, 720 Gilmore St., Jacksonville, Fla. 32204 - \$14,393,000 of 12% senior subordinated debentures, due 1994. (File 2-65168 - Aug. 3)
- (S-1) ZENEX SYNTHETIC LUBRICANTS, INC., 8600 N.W. South River Dr., Miami, Fla. 33166 (305) 883-2220 - 1,000,000 shares of common stock. The company is in the business of marketing and distributing diester synthetic crankcase lubricants for gasoline and diesel engines. (File 2-65169 - Aug. 3)
- (S-8) COPPERWELD CORPORATION, Tow Oliver Plaza, Pittsburgh, Pa. 15222 (412) 263-3200 - 12,680 shares of common stock. (File 2-65170 - Aug. 3)
- (S-8) STAFF BUILDERS, INC., 122 East 42nd St., New York, N.Y. 10017 (212) 867-2345 - 207,346 shares of common stock. The company is engaged in the business of supplying temporary personnel to businesses, industries, governmental agencies and users of health care services. (File 2-65171 - Aug. 3)

#### REGISTRATIONS EFFECTIVE

July 16: The Oklahoma Morris Plan Co., 2-63948.  
 July 18: The Morris Plan Co., 2-63347.  
 July 23: Bally Manufacturing, 2-64796.  
 July 25: Diamond International Corp., 2-64957; Empire Petroleum Fund Ltd. - 1979, 2-64422; The Wickes Corp., 2-64994.  
 July 26: American Financial Corp., 2-65062; Great Canadian Oil Sands Limited/Sun Oil Co. Limited, 2-64463; Public Service Co. of New Mexico, 2-64945; Quaker Chemical Corp., 2-64744.  
 July 27: Bucyrus-Erie Co., 2-64816; Mutual of Omaha Money Market Account, Inc., 2-64406; Tandem Computers Inc., 2-64856; Wendy's International, Inc., 2-64942.

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
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