

# sec news digest

Issue 75-114  
(SEC Docket, Vol. 7, No. 3 - June 24)

June 12, 1975

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## RULES AND RELATED MATTERS

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### COMMISSION PROPOSES GUIDELINES TO STANDARDIZE MONEY MARKET YIELD QUOTATIONS

The Commission today published for comment proposed guidelines which, if adopted, would standardize current yield quotations of money market funds by requiring them to be quoted on the basis of the fund portfolio's yield to average life (YAL). YAL is the rate of return which would be received by shareholders if all of the securities currently in the funds' portfolio, valued at market, were held to maturity, redeemed at par value, and the proceeds distributed to the shareholders.

Under the proposed guidelines, it would be considered materially misleading for a money market fund, its principal underwriter, or any broker-dealer: (1) to report a current rate of return on investment in such a fund by telephone, newspaper or otherwise, unless such report includes a statement of rate of return on a YAL basis; (2) to provide a YAL quotation unless it is accompanied by the dollar-weighted average portfolio maturity of such fund; and (3) to represent or imply, directly or indirectly, that any YAL quotation is a current quotation if it is based on market values as of a date more than one business day prior to the close of business on the date on which such quotation is disseminated.

YAL quotations could be accompanied by a statement of percentage return as presently permitted by the Commission's Statement of Policy on sales literature provided that such statement of percentage return is calculated on the basis of actual experience for an entire fiscal or calendar year, and not on the basis of a lesser period annualized.

In addition, the proposal requests comments on whether it would be appropriate to require that an historical rate of return figure be furnished to investors along with the fund's YAL.

Comments should be addressed to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549. All such communications must be received on or before July 31, 1975 and should bear the File No. S7-568. (Rel. 33-5589)

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## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

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### BARRETT AND COMPANY, INC. REVOKED; PRESIDENT BARRED

The Commission has revoked the broker-dealer registration of Barrett and Company, Inc., of Minneapolis, Minnesota, and barred Robert M. Barrett, formerly its president, from association with any broker or dealer. The revocation and bar were based on findings that the firm, aided and abetted by Barrett, violated the financial responsibility, bookkeeping and reporting provisions of the securities laws from about September 1, 1971 to about March 29, 1972.

Barrett and Company, Inc. consented to the findings and revocation without admitting or denying the charges against it. Its president failed to answer the order that instituted this proceeding and was therefore deemed in default. (Rel. 34-11457)

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## TRADING SUSPENSIONS

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### TRADING SUSPENDED IN FAIRFIELD COMMUNITIES LAND COMPANY

The SEC announced the temporary suspension of over-the-counter trading in the securities of Fairfield Communities Land Company of Little Rock, Arkansas, for the ten-day period beginning on June 11 and terminating at midnight (EDT) on June 20, 1975.

The suspension was initiated because of the unavailability of adequate and accurate information about the company, its financial condition and operations. (Rel. 34-11463)

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## COURT ENFORCEMENT ACTIONS

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### COMPLAINT NAMES COSMOPOLITAN INVESTORS FUNDING CO.

The SEC announced the filing of a complaint in the U.S. District Court for the Middle District of Pennsylvania seeking to enjoin Cosmopolitan Investors Funding Co., Robert J. DiStefano, Robert R. Nelson, Ramon N. D'Onofrio, Alfred P. Herbert, Herbert & D'Onofrio A.G., formerly known as D'Onofrio & Feeney A.G., Ernst Ballmer and Bank Hofmann A.G. from violations of the antifraud provisions of the securities laws and Cosmopolitan Investors Funding Co., Robert J. DiStefano and Robert R. Nelson from violations of the reporting, proxy and solicitation provisions of the securities laws.

The complaint alleged a fraudulent scheme whereby DiStefano and Nelson, respectively president and vice-president of Cosmopolitan, purchased with corporate money shares of two off-shore mutual funds which were of little or no value and received as a part of the transaction over one-third of the purchase price as kickbacks deposited in their secret Swiss bank accounts. The complaint further alleged that Cosmopolitan's periodic filings and proxy statements did not accurately reflect these transactions. (SEC v. Cosmopolitan Investors Funding Co., et al.). (LR-6927)

### J. HARLOW TUCKER CONVICTED

The Seattle Regional Office announced that on June 11 J. Harlow Tucker, of Spokane, Washington, entered a plea of guilty on June 4, 1975 to five counts of an indictment charging him with fraud in the sale of the securities of The Davenport Hotel, Inc., in violation of the securities laws. (U.S. v. Tucker, E.D. Wash. CR-74-77). (LR-6929)

### ORDER DISMISSING COMMISSION'S ACTION AGAINST HAROLD P. KOENIG, OTHERS

The SEC announced that on March 21 the Honorable Inzer B. Wyatt, U.S. District Judge for the Southern District of New York, issued an order dismissing the Commission's action against Harold P. Koenig (Koenig), Ecological Science Corporation (now known as AMICOR Incorporated) and Cesare De Franceschini (De Franceschini) without any final judgment on the merits and without prejudice to the prior proceedings therein, including that the order of preliminary injunction issued on July 7, 1972 against all defendants survives the Court's order. Judge Wyatt's order was issued after a stipulation was entered into between counsel for the Commission and for Koenig, Ecological Science Corporation and De Franceschini agreeing that this action be closed without prejudice either to the prior proceedings or to the positions asserted in this litigation by the respective parties thereto.

The stipulation was entered into following an order of the U.S. District Court for the Southern District of New York entering a judgment acquitting on all counts Koenig and others in United States v. Koenig, et al., (SEC v. Harold P. Koenig, et al., U.S.D.C., S.D.N.Y., 71 Civil 5016). (LR-6930)

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## INVESTMENT COMPANY ACT RELEASES

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### 399 FUND

An order has been issued on an application of 399 Fund, a mutual fund, temporarily exempting it from Section 15(a) so as to permit Thorndike, Doran, Paine & Lewis, Inc., to continue serving as investment adviser to the fund under the same terms as contained in the present contract, following the sale of a controlling block of the adviser's securities and prior to approval of a new investment advisory contract by the shareholders of the fund. (Rel. IC-8814 - June 11)

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## HOLDING COMPANY ACT RELEASES

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### MONONGAHELA POWER COMPANY

An order has been issued authorizing Monongahela Power Company (Monongahela), subsidiary of Allegheny Power System, Inc., to issue and sell up to \$30 million of first mortgage bonds at competitive bidding. Monongahela will use the net proceeds to pay short-term debt and all or part of previously issued first mortgage bonds. (Rel. 35-19034 - June 10)

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## SECURITIES ACT REGISTRATIONS

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### (S-11) AMERICAN COMMONWEALTH TRUST

513 S. Whitaker St., Savannah, Ga. 31401 - 1,500,000 shares of beneficial interest, to be offered for sale through Atlantic Charter Corporation, 620 Montrose St., Clermont, Florida 32711 and other selected broker/dealers on a best efforts basis. The Trust plans to operate as a real estate investment trust investing in equity and mortgage interests in non-profit organizations. (File 2-53893 - June 6)

### (S-14) AMERICAN SECURITY CORPORATION

730 15th St., N.W., Washington, D.C. 20013 - 2,425,500 shares of common stock under a plan of reorganization for registrant and its bank affiliate, American Security and Trust Company, Washington, D.C. holders of American Security units consisting of one share of the registrant's present common stock and one share of the stock of its bank affiliate, will receive for each unit one share of the new common stock being registered and the bank affiliate will merge into a newly formed national bank, which will continue the business of the bank affiliate as a wholly-owned subsidiary of the registrant. American Security Corporation owns and leases to the bank affiliate a number of its banking offices and engages in various real estate loan, investment and related activities. (File 2-53911 - June 10)

### (S-6) MUNICIPAL INVESTMENT TRUST FUND, FORTY-FIRST MONTHLY PAYMENT SERIES

\$40 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. The Fund, a unit investment trust, is to be created by a trust agreement among Merrill Lynch, Bache & Co. Incorporated and Reynolds Securities Inc., as sponsors, The Bank of New York, as trustee, and Standard & Poor's Corporation, as evaluator. The Fund's primary objective is providing tax exempt income through investment in a fixed portfolio of interest-bearing, long-term state, municipal and public authority bonds. (File 2-53906 - June 10)

### (S-11) ' FIDEICOMISO CONDOMINIOS KIN-HA

Isabel La Catolica, 24-3° Piso, Mexico 1, D.F. - 93 rights of beneficiary corresponding to resort condominium units currently under construction in Cancun, located on the Upper Northeast Yucatan Peninsula in the State of Quintana Roo, Republic of Mexico. Opportunity to join rental pool program in conjunction with the Presidente Club de Golf Hotel and operated by Nacional Hotelera, S.A. Units range in price from \$35,700 to \$75,400. (File 2-53905 - June 10)

### (S-1) USLIFE CORPORATION

125 Maiden Lane, New York, N.Y. 10038 - \$50 million of notes, due 1985. The public offering price and interest rate not yet established. Managing underwriters are Lehman Brothers Incorporated, One William St., New York, N.Y. 10004 and Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N.Y. 10004. USLIFE Corporation is a life insurance-based financial services company. (File 2-53906 - June 10)

### (S-16) NORTON SIMON, INC.

277 Park Ave., New York, N.Y. 10017 - 17,000 shares of convertible preferred stock (Series A), which may be offered for sale from time to time at prevailing market prices on the New York Stock Exchange or otherwise by a selling stockholder. Norton Simon, Inc. is a consumer oriented company which, through its subsidiaries operates principally in the United States and also in a number of important international markets. It has major market positions within the business of food and food service, cosmetics and per-

sonal care, soft drinks and distilled spirits. It also has significant operations in its two other lines of business, which are packaging and communications, graphic systems and other. (File 2-53907 - June 10)

(S-7) SOUTH CAROLINA ELECTRIC & GAS COMPANY

328 Main St., Columbia, S.C. 29218 - \$25 million of first and refunding mortgage bonds, due 2005, and 1,000,000 shares of common stock, each to be offered for sale through underwriters headed by Kidder, Peabody & Co. Incorporated, 10 Hanover Square, New York, N.Y. 10005. The company furnishes electric and gas service in central, southern and southwestern portions of South Carolina. (File 2-53908 - June 10)

(S-14) COMBINED COMMUNICATIONS CORPORATION

411 North Central Ave., Phoenix, Ariz. 85004 - 125,201 shares of cumulative convertible preferred stock, Series A, and a maximum of 382,226 shares of common stock, no par value, to be issued in connection with the merger of Pacific United Service Corp., Glendale, California. Also included are an indeterminate number of shares of common stock. Combined Communications Corp., is engaged in outdoor advertising, sign manufacturing, television and radio broadcasting, and other media-related activities. (File 2-53904 - June 11)

(S-1) AMERIBANC, INC.

Sixth and Francis Sts., St. Joseph, Mo. 64502 - 131,000 shares of common stock. It is proposed to offer 105,000 of these shares for all the issued and outstanding stock of the Exchange Bank of Richmond, at a rate of 2.625 Ameribanc shares for each Richmond share; and it is proposed to offer the remaining shares for all the issued and outstanding stock of the Farmers State Bank, at a rate of thirteen Ameribanc shares for each Princeton share. Ameribanc presently controls five subsidiary banks. (File 2-53900 - June 10)

(S-4) THE WEDNESDAY ALPHA CORPORATION

203 Park Bldg., Cleveland, Ohio 44114 - \$1,400,000 shares of common stock, to be offered for sale through underwriters headed by L. A. Caunter & Co., 203 Park Bldg., Cleveland, Ohio 44114. The company is a closed-end investment company with no prior history. (File 2-53804 - June 11)

NOTICE

Many requests for copies of documents referred to in the SEC News Digest have erroneously been directed to the Government Printing Office. Copies of such documents and of registration statements may be ordered from the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. The reproduction cost is 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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