

sec news digest

U.S. SECURITIES EXCHANGE COMMISSION
RECEIVED

Issue 76-47
(SEC Docket, Vol. 9, No. 2 - March 23)

March 9, 1976

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COURT ENFORCEMENT ACTIONS

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COMPLAINT NAMES ASCOT OILS, INC., OTHERS

The Fort Worth Regional Office announced the filing of a civil injunctive complaint on February 27 in Federal District Court at Shreveport, Louisiana naming as defendants Ascot Oils, Inc., Atlanta Drilling Company, Inc., James R. Cunningham, Darryl A. Buckingham, William L. Franklin, Archibald L. French, Donald D. Gardner, Keith H. Houser, John C. King, all of Shreveport; Belmont Oil Company and Earl L. Robbins, both of Houston, Texas; Laurel Oil and Gas Company, f/k/a Laurel Energy Company, and Jerry C. Suggs, both of Tulsa, Oklahoma; Destin Oil Company, Joe F. Isaacks and Donald L. Kirsch, all of Oklahoma City, Oklahoma; George A. Gray and Robert G. Ralston, both of Metairie, Louisiana; and Thomas S. Parkman of New Orleans, Louisiana. The complaint alleged that all the defendants offered and sold unregistered fractional undivided working interests in oil and gas leases located in Texas, Louisiana, Arkansas, Oklahoma, Kansas and Mississippi, issued by Ascot Oils, Inc., Atlanta Drilling Company, Inc., Belmont Oil Company, Laurel Oil and Gas Company and Destin Oil Company, in violation of the registration provisions of the securities laws.

The complaint alleged that since 1962, Ascot Oils, Inc. has filed 273 Schedule D offering sheets with the Commission and has raised in excess of \$14,689,220 in the sale of fractional undivided working interests in oil and gas leases, through the use of questionable sales methods. The sales methods alleged in the complaint consisted of the salesmen making unsolicited long distance telephone calls in which numerous false and misleading misrepresentations were made in order to induce investors to purchase interests without consideration of the merits of the investment. (SEC v. Ascot Oils, Inc., et al., W.D. La.). (LR-7302)

NICHOLAS CHIOLA INDICTED

The Chicago Regional Office announced the return of an indictment by a Federal Grand Jury on February 17 charging Nicholas Chiola with violations of Sections 17(a) and 32(a) of the Securities Exchange Act of 1934, as amended.

The indictment alleged that the defendant caused Mesirow and Company, a registered broker-dealer, to fail to make and keep current its books and records by, among other things, depositing Mesirow company checks into his personal bank account and thereafter concealing the defalcation by making false entries in the company's stock borrowed account. (U.S. v. Nicholas Chiola, N.D. Ill., Eastern Division, 76-CR-194). (LR-7303)

INVESTMENT COMPANY ACT RELEASES

INSTITUTIONAL LIQUID ASSETS

A notice has been issued giving interested persons until April 2 to request a hearing on an application by Institutional Liquid Assets, Inc., a no-load, diversified mutual fund registered under the Act, for an order of exemption from Rule 19b-1 under the Act permitting the fund to distribute any capital gains immediately after their realization, rather than only once annually. (Rel. IC-9190 - Mar. 8)

MASSACHUSETTS CASH MANAGEMENT TRUST

A notice has been issued giving interested persons until April 2 to request a hearing on an application of Massachusetts Cash Management Trust for an order pursuant to Section 6(c) of the Act exempting it from provisions of Section 19(b) of the Act and Rule 19b-1 thereunder. (Rel. IC-9191 - Mar. 8)

**CONTINENTAL BANKERS LIFE INSURANCE
COMPANY OF THE SOUTH**

A notice has been issued giving interested persons until April 5 to request a hearing on an application of Continental Bankers Life Insurance Company of the South (CBL), a Tennessee stock life insurance company, and Peoples Investment Annuity Separate Account A (Separate Account A) and Peoples Investment Annuity Separate Account B (Separate Account B), separate accounts of CBL registered under the Investment Company Act of 1940 as diversified open-end management companies, for an order declaring that Separate Account A and Separate Account B have ceased to be investment companies. (Rel. IC-9192 - Mar. 8)

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until April 2 to request a hearing on an application of Massachusetts Mutual Life Insurance Company and Massmutual Income Investors, Inc., a registered closed-end investment company, for an order exempting a transaction involving the purchase of a new issue of Notes of McCormick & Co. from Section 17(d) of the Act and Rule 17d-1 thereunder and from Section 17(a) of the Act. (Rel. IC-9193 - Mar. 8)

HOLDING COMPANY ACT RELEASES

CENTRAL AND SOUTH WEST CORPORATION

A notice has been issued giving interested persons until March 31 to request a hearing on a proposal by Central and South West Corporation, a registered holding company, that it amend its Charter to increase its authorized common stock and to change certain preemptive rights provisions. An order has been issued authorizing the solicitation of proxies in connection with the proposals. (Rel. 35-19420 - Mar. 5)

GENERAL PUBLIC UTILITIES CORPORATION

A notice has been issued giving interested persons until April 2 to request a hearing on a proposal of General Public Utilities Corporation, a registered holding company, to amend its Automatic Dividend Reinvestment Plan under which Plan it would issue and sell up to 5,341,998 of its common stock to its common stockholders. (Rel. 35-19421 - Mar. 8)

THE SOUTHERN COMPANY

An order has been issued approving a proposal of The Southern Company, and three of its wholly-owned subsidiaries, Alabama Power Company, Gulf Power and Mississippi Power Company, whereby each company will issue notes to banks and issue and sell commercial paper to dealers in excess of the amounts permitted by Section 6(b) of the Public Utility Holding Company Act of 1935. The companies propose to issue such short-term debt in the following maximum aggregate principal amounts; Southern, \$65 million; Alabama \$350 million; Gulf, \$65 million; and Mississippi, \$35 million. The proceeds of the sales are to be used by Southern to make capital contributions to its subsidiaries and by the subsidiaries to finance their respective construction program. (Rel. 35-19422 - Mar. 8)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Chicago Board Options Exchange. The rule change (SR-CBOE-75-6) is intended to broaden the obligation of supplemental Market Maker's and strengthen the Exchange's initial and maintenance margin requirements. (Rel. 34-12167)

NOTICE OF PROPOSED RULE CHANGE

The Commission gives notice of filing of a proposed rule change by and order approving proposed rule change of the Boston Stock Exchange. The rule change (SR-BSE-76-6) would eliminate the requirement that a differential be charged an odd-lot when coupled with a round-lot. (Rel. 34-12171)

MISCELLANEOUS

EXEMPTIONS FROM DISPLAY REQUIREMENTS OF RULE 17a-15

The Commission has granted conditional exemptions from the requirements for the display of last sale report set by Rule 17a-15 to Bunker Ramo Corporation, GTE Information Systems, Inc. and AutEx, Inc. (Rel. 34-12175)

SECURITIES ACT REGISTRATIONS

(S-1) THE HERTZ CORPORATION

660 Madison Ave., New York, N.Y. 10021 - \$50 million of sinking fund debentures, due 2001, to be offered for sale through underwriters headed by Lehman Brothers Incorporated, One William St., New York, N.Y. 10004 and Lazard Freres & Co., One Rockefeller Plaza, New York, N.Y. 10020. The corporation is principally engaged in the business of renting and leasing automobiles and trucks. (File 2-55645 - Mar. 4)

(S-7) PORTLAND GENERAL ELECTRIC COMPANY

621 S.W. Alder St., Portland, Ore. 97205 - \$40 million of first mortgage bonds, due 2006, and 1,000,000 shares of series cumulative preferred stock (\$25 par). The names and addresses of the managing underwriters are: Blyth Eastman Dillon & Co. Incorporated, One Chase Manhattan Plaza, New York, N.Y. 10005, and Dean Witter & Co. Incorporated, 14 Wall St., New York, N.Y. 10005. Portland General Electric Company is an electric utility engaged in the generation, purchase, transmission, distribution and sale of electricity. (File 2-55653 - Mar. 5)

(S-6) THE CORPORATE INCOME FUND, TWENTY-EIGHTH MONTHLY PAYMENT SERIES

\$20 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, 125 High St., Boston, Mass. 02110. The Fund, a unit investment trust, is to be created by a trust agreement among Merrill Lynch, Bache Halsey Stuart Inc. and Reynolds Securities Inc., as sponsors, The Bank of New York and Shawmut Bank of Boston, N.A., as trustees, and Interactive Data Services, Inc., as evaluator. The Fund's primary objective is providing a high level of current income through investment in a fixed portfolio of long-term debt obligations, issued primarily by corporations. (File 2-55660 - Mar. 5)

(S-7) HOLIDAY INNS, INC.

3742 Lamar Ave., Memphis, Tenn. 38118 - 1,000,000 shares of common stock, to be offered for sale by certain shareholders. The managing underwriters are Smith Barney, Harris Upham & Co., Inc. and Merrill Lynch, Pierce, Fenner & Smith, Inc. Holiday Inns, Inc., is engaged in the food and lodging business, the interstate bus business, operates a fleet of cargo ships and sells furnishings, equipment and supplies. (File 2-55661 - Mar. 5)

(S-14) INTERLAKE, INC.

310 South Michigan Ave., Chicago, Ill. 60604 - 450,734 shares of common stock. It is proposed that the shares will be issued, upon consummation of a proposed merger of a wholly-owned subsidiary of Interlake, Inc. into Arwood Corporation, to the common and preferred stockholders of Arwood Corporation in exchange for all of the outstanding shares of common stock, without par value and Series A 4% cumulative convertible preferred stock of Arwood Corporation at the rate of 0.333 of a share of Interlake, Inc. common stock and 0.536 of a share of Interlake, Inc. common stock for each share of common stock and preferred stock, respectively, of Arwood Corporation. Interlake principally is in the business of manufacturing and selling (a) iron, steel and related products as an integrated steel producer, (b) packaging and fabricating products and (c) material handling and storage products. (File 2-55662 - Mar. 5)

(S-16) PEABODY GALION CORPORATION

450 Park Ave., New York, N.Y. 10022 - 88,610 shares of common stock, which may be offered for sale from time to time on the New York Stock Exchange, Inc. or in the so-called "third market" at prices current at the time of sale. All of these shares were issued in connection with acquisitions made by Peabody. Peabody designs, manufactures and sells environmental control products and furnishes environmental and industrial services. (File 2-55663 - Mar. 8)

(S-16) KANSAS-NEBRASKA NATURAL GAS COMPANY, INC.

300 North St. Joseph Ave., Hastings, Neb. 68901 - 24,873 shares of common stock, which may be offered for sale from time to time by the named selling shareholders at prices current at the time of sale. Kansas-Nebraska Natural Gas Company, Inc. is primarily an integrated natural gas enterprise. (File 2-55664 - Mar. 8)

REGISTRATIONS EFFECTIVE

March 4: Tax-Exempt Securities Trust, Series 6, 2-55436.

March 5: Daniel Woodhead Inc., 2-55479; The Duriron Co. Inc., 2-55491; Foursquare Fund Inc., 2-55237; Humana Inc., 2-55546; Modine Manufacturing Co., 2-55398; Security Bancorp Inc., 2-54053.

March 8: GIT Industries Inc., 2-55137; Kerr Glass Manufacturing Corp., 2-55583; Millipore Corp., 2-55564; Peoples Income Properties Ltd., 2-55212; Petro-Search 1976 Exploration and Development Program, 2-54866 (90 days); Rosemount Inc., 2-55526; The Toledo Edison Co., 2-55442.

NOTE TO DEALERS. When applicable the 90-day period of time dealers are required to use the prospectus is noted above in parentheses after the name of the issuer. As to the other issuers, there may be no such requirement to use a prospectus, or the requirement may be for a period of only 40 days; see Section 4(3) of the Securities Act of 1933 and Rule 174 (17 CFR 230.174) thereunder.

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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