

sec news digest

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U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

July 1, 1975

RULES AND RELATED MATTERS

JUL 2 1975

NOTICE OF EXTENSION OF TIME FOR PUBLIC COMMENT
ON RULE CHANGES OF THE NATIONAL ASSOCIATION OF
SECURITIES DEALERS, INC.

LIBRARY

The Commission has determined to extend until July 18, 1975 the time for submitting comments on proposed rule changes filed by the National Association of Securities Dealers, Inc. (NASD) relating to over-the-counter trading in eligible listed securities, and the reporting by NASD members of over-the-counter transactions in such securities in the consolidated transaction reporting system contemplated by the joint industry plan filed with and declared effective by the Commission pursuant to Securities Exchange Act Rule 17a-15. The time originally specified for submitting such comments expired on June 30, 1975. The Commission is particularly interested in receiving comments on the competitive effects and other consequences of those rule changes relating to (a) the imposition of reporting charges on certain NASD members and (b) the reporting of principal transactions effected over-the-counter (especially those of block size) in connection with which a commission, commission equivalent or differential has been charged. All interested persons are invited to submit their comments in writing to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 on or before July 18, 1975. All such comments should refer to File No. SR-1 and will be available for public inspection. (Rel. 34-11508)

TRADING SUSPENSIONS

TRADING SUSPENDED IN NATIONAL TELEPHONE COMPANY

The SEC announced on June 30 the temporary suspension of over-the-counter trading in the securities of National Telephone Company, Incorporated, of East Hartford, Connecticut, for the ten-day period beginning June 30, 1975 and terminating at midnight (EDT) on July 9, 1975.

The Commission initiated the trading suspension at the request of the company because of the lack of adequate and accurate information concerning the company's operations and financial condition. The Commission has been informed by the company that it will be unable to timely file its annual report on Form 10K due June 30, 1975 for the fiscal year ended March 31, 1975 and that it is continuing to seek satisfactory credit arrangements with its financing institutions. (Rel. 34-11506)

TRADING SUSPENDED IN RICHARDS AIRCRAFT SUPPLY CO.

The SEC announced on June 30 the temporary suspension of over-the-counter trading in the common stock of Richards Aircraft Supply Co., Inc. (Richards), of Fort Lauderdale, Florida, for the ten-day period beginning on June 30, 1975 and terminating at midnight (EDT) on July 9, 1975.

The suspension was initiated to allow dissemination of information contained in a proxy recently filed with the Commission by Richards relating to a sale of its inventory and its sales, accounts receivable and earnings previously reported for the three months ended December 31, 1974, and six months ended March 31, 1975. According to the materials filed with the Commission, "...certain accounting irregularities were adopted in the months of January, February, March, and April of 1975, to misstate the actual accounts receivable of the company..." The results of these irregularities were the overstatement of earnings per share by \$1.29 as of December 31, 1974, and \$2.70 as of March 31, 1975. In fact, Richards incurred income losses for both of these quarters, \$118,976 for December 31, 1974 and \$193,811 for March 31, 1975. Richards has also reported that it will present to a meeting of shareholders to be held on June 30, 1975, a plan to sell all of its inventory, valued as of May 31, 1975, at \$2,396,735, in bulk for \$1,600,000. (Rel. 34-11507)

ADDITIONAL ACTION ON TWO TRADING SUSPENSIONS

The SEC has announced the suspension of (a) over-the-counter trading in the securities of Royal Properties, Inc. for the further ten-day period July 2 - 11, inclusive; and (b) exchange and over-the-counter trading in the securities of BBI, Inc. for the further ten-day period July 3 - 12, inclusive.

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES GERALD GREENSPAN

The New York Regional Office announced the filing on June 12 of a civil injunctive action in the U.S. District Court for the Southern District of New York against Gerald Greenspan, also known as Jay Greene.

The complaint alleged that Greenspan violated the antifraud provisions of the securities laws by engaging in a scheme to artificially raise and maintain the price of the common stock of Family Record Plan, Incorporated (FRP), a company whose shares are traded on the American Stock Exchange. (SEC v. Gerald Greenspan, U.S.D.C., S.D.N.Y., Civil Action No. 2826). (LR-6954)

FORMER PACKER, WILBUR & CO. INC. OFFICERS INDICTED

The New York Regional Office announced that on June 19 a federal grand jury in New York City filed a ten count indictment charging four former officers and employees of Packer, Wilbur & Co. Inc., a broker-dealer firm now in receivership, with securities fraud, mail fraud, interstate transportation of forged securities and conspiracy. The four defendants charged are Robert Berkson, of Pound Ridge, New York, former secretary of Packer, Wilbur; James Gallentine, of Kearney, New Jersey, former cashier of Packer, Wilbur; Wilbur Hyman, of Almeria, Spain, former president of Packer, Wilbur; and Maurice Rind, of Forest Hills, New York, former president of Packer, Wilbur. The defendants are charged with misappropriating customers' securities held in trust by Packer, Wilbur, selling the securities and using the proceeds, which were in excess of \$200,000 for their own benefit. The indictment alleges that the sales were accomplished by the use of forged stock transfer powers. (U.S. v. Berkson, S.D.N.Y.). (LR-6955)

INVESTMENT COMPANY ACT RELEASES

CHANNING INCOME FUND

A notice has been issued giving interested persons until July 22 to request a hearing on an application by Channing Income Fund, Inc., Channing Securities, Inc., and Channing Shares, Inc., all mutual funds, for an order permitting the merger of Channing Income and Channing Securities with and into Channing Shares which is to be renamed American General Shares Inc. (Rel. IC-8838 - June 27)

HOLDING COMPANY ACT RELEASES

OHIO EDISON COMPANY

A supplemental order has been issued authorizing Ohio Edison Company, a registered holding company and its subsidiary, Pennsylvania Power Company, to extend from June 30, 1975 to June 30, 1976 the time during which the companies may make short-term borrowings and/or guarantees. (Rel. 35-19066 - June 30)

SYSTEMS FUELS

An order has been issued regarding System Fuels, Inc., a subsidiary of Arkansas Power & Light Company, Louisiana Power & Light Company, Mississippi Power & Light Company, and New Orleans Public Service Inc., subsidiaries of Middle South Utilities, authorizing certain proposed transactions related to the sale and lease by System Fuels, Inc., of oil storage and handling facilities. (Rel. 35-19058 - June 23)

SECURITIES ACT REGISTRATIONS

(S-7) ARCO PIPE LINE COMPANY
ATLANTIC RICHFIELD COMPANY

Arco Pipe Line Company, Arco Bldg., Independence, Kan. 67301 - \$200 million of guaranteed notes, due 1983, to be issued by Arco Pipe Line Company and unconditionally guaranteed by Atlantic Richfield Company. The notes are being offered for sale through underwriters headed by Smith, Barney & Co. Incorporated, 20 Broad St., New York, N.Y. 10005 and Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. Arco Pipe Line Company, a wholly-owned subsidiary of Atlantic Richfield Company, operates common carrier crude oil and products pipelines. (File 2-54026 - June 25)

(S-1) MAY 1976 DRILLING PROGRAMS

One Energy Sq., Tenth Floor, 4925 Greenville Ave., Dallas, Tex. 75206 - \$25 million of preformation partnership interest (units of participation) in May 1976 Drilling Programs, which will expend the units in up to three programs which will be constituted as limited partnerships, such interests obligate May Petroleum Inc., under certain conditions to repurchase a portion of the interests. The units of participation are to be offered for sale as 2,500 units at \$10,000 per unit, by selected members of the NASD on a best-efforts basis. The programs are to be formed to drill for and produce oil and gas. (File 2-54028 - June 25)

(S-1) HEINOLD 1975 INDIANA SOYBEAN FUND

Suite 2040, 141 W. Jackson Blvd., Chicago, Ill. 60603 - 400 units of limited partnership interest, to be offered for sale at \$5,000 per unit, on a best-efforts basis by Heinold, O'Connor & Cloonan, Inc., a securities dealer, Suite 2045, 141 W. Jackson Blvd., Chicago, Ill. The company is a limited partnership which will engage in the trading of commodity futures contracts in soybeans. (File 2-54029 - June 25)

(S-1) HEINOLD 1975 ILLINOIS SOYBEAN FUND

Suite 2040, 141 W. Jackson Blvd., Chicago, Ill. 60603 - 400 units of limited partnership interest, to be offered for sale at \$5,000 per unit, on a best-efforts basis by Heinold, O'Connor & Cloonan, Inc., a securities dealer, Suite 2045, 141 W. Jackson Blvd., Chicago, Ill. The company is a limited partnership which will engage in the trading of commodity futures contracts in soybeans. (File 2-54030 - June 25)

(S-1) HEINOLD 1975 INDIANA CORN FUND

Suite 2040, 141 W. Jackson Blvd., Chicago, Ill. 60603 - 400 units of limited partnership interest, to be offered for sale at \$5,000 per unit, on a best-efforts basis by Heinold, O'Connor & Cloonan, Inc., a securities dealer, Suite 2045, 141 W. Jackson Blvd., Chicago, Ill. The company is a limited partnership which will engage in the trading of commodity futures contracts in corn. (File 2-54031 - June 25)

(S-7) MOUNTAIN FUEL SUPPLY COMPANY

180 East First South St., Salt Lake City, Utah 84139 - \$25 million of debentures, due 2000, to be offered for sale by underwriters represented by The First Boston Corporation, 20 Exchange Pl., New York, N.Y. 10005. The company is primarily engaged in both the natural gas business as a public utility and in the non-utility business of producing and selling oil. (File 2-54034 - June 25)

(S-16) W. R. GRACE & CO.

1114 Avenue of the Americas, New York, N.Y. 10036 - 380,914 shares of common stock, which may be offered for sale from time to time by certain stockholders at prices current at the time of sale. The company is an international chemical company with interests in natural resources and consumer products and services. (File 2-54036 - June 26)

(S-1) BANK SECURITIES, INC.

Security Center Mall, Alamogordo, New Mexico 88310 - \$2,500,000 of 8% convertible subordinated debentures, due 1990, and 350,000 shares of common stock, to be sold at a price of 100% per debenture through certain officers of BSI, and Doherty & Co. on a best-efforts basis, and \$16.25 per share through Doherty & Co., on a best-efforts basis. The company is a bank holding company. (File 2-54037 - June 25)

(S-6) TAX-EXEMPT SECURITIES TRUST, SERIES 3

42 Wall St., New York, N.Y. 10005 - \$10 million of units. The Trust is one of a series of unit investment trusts created under a trust indenture and agreement among Loeb, Rhoades & Co. and Harris, Upham & Co. Incorporated, as sponsors, United States Trust Company of New York, as trustee and Standard & Poor's Corporation, as evaluator. The Trust consists of interest-bearing obligations of states, counties, territories, possessions and municipalities of the United States and authorities or political subdivisions thereof, the interest on which is, in the opinion of bond counsel, exempt from all Federal income tax under existing law. (File 2-54041 - June 25)

(S-10) NRM PETROLEUM CORPORATION

525 Kanawha Valley Bldg., Charleston, W. Va. 25301 - \$450,000 of undivided working interests in three oil and gas tracts, to be offered for sale in units, each unit to be \$15,000 per smallest fractional interest offered. The proceeds of the offering will be used to drill test wells on the oil and gas tracts registered in the prospectus. (File 2-54042 - June 26)

(S-7) NORTHERN INDIANA PUBLIC SERVICE COMPANY (NIPSCO)

5265 Hohman Ave., Hammond, Ind. 46320 - \$80 million of first mortgage bonds, due 1983, to be offered for sale through underwriters managed by Dean Witter & Co. Incorporated, 14 Wall St., New York, N.Y. 10005 and Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. NIPSCO is a public utility operating company engaged in supplying electrical energy and natural gas. (File 2-54044 - June 26)

REGISTRATIONS EFFECTIVE

June 25: Associated Grocers Inc., 2-53274; Mim Holdings Ltd., 2-53266; Public Equity Corp., 2-52490.

June 26: Corporate Investment Trust Fund, Twelfth Monthly Payment Series, 2-53873; Equity Growth Fund of America, Inc., 2-52817; Foote, Cone & Belding Communications, Inc., 2-53841; Honeywell Inc., 2-53790; International Harvester Credit Corp., 2-53914; Kansas Gas & Electric Co., 2-53764; Penn Virginia Corp., 2-53667; United Gas Pipe Line Co., 2-53852; Victoria Station Inc., 2-53869.

June 27: Can Am Drilling Programs Inc., 2-53063; Southwestern Investment Co., 2-53456; Technical Publishing Co., 2-53824; The Weatherhead Co., 2-53931.

MISCELLANEOUS

CORRECTION RE COMMISSION INVITES BRIEF.....

The Release No. for this item was incorrectly reported in the News Digest of June 30 as 34-11501. The correct number is 34-11500.

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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