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Issue 79-112

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ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND
EXCHANGE COMMISSION

E. R. WHITE & CO. REVOKED AND
EVERETT R. WHITE BARRED

The Commission announced that administrative proceedings pursuant to Section 9(b) of the Investment Company Act of 1940 and Sections 203(e) and (f) of the Investment Advisers Act of 1940 have been instituted against E. R. White & Co. (ERW) of Unionville, Connecticut, a registered investment adviser, and Everett R. White (White) of Hartford, Connecticut, president, treasurer, director and majority shareholder of ERW. White also was president and a director of Integrated Growth Fund, formerly registered with the Commission as an investment company.

The Commission simultaneously announced the settlement of the proceeding pursuant to an Offer of Settlement submitted by ERW and White in which they consented, without admitting or denying the findings made by the Commission, to the entry of an order providing for the findings and sanctions.

The Commission found that: (1) ERW and White wilfully violated and wilfully aided and abetted violations of the antifraud provisions of the Securities Exchange Act of 1934; (2) ERW wilfully violated, and White wilfully aided and abetted violations of, the recordkeeping provisions of the Advisers Act; (3) White wilfully aided and abetted violation of the annual report, quarterly report, semi-annual stockholder report, and recordkeeping provisions of the Investment Company Act; and (4) White wilfully converted Investment Company funds to his own use, in violation of the Investment Company Act.

Based on the above, the Commission ordered that ERW's investment adviser registration be revoked, and that White be barred from being associated with any broker, dealer, investment company, or investment adviser. (Rel. IC-10709)

COMMISSION ANNOUNCEMENTS

ATTORNEY EXCHANGE PROGRAM

The SEC and the Alabama Securities Commission announced that on May 23, an agreement was entered into between the respective staffs of the two Commissions whereby two enforcement attorneys on the staff of the Alabama Securities Commission, will be temporarily detailed to the SEC's staff. The pilot program is prompted by the Inter-governmental Personnel Act of 1970, which provides opportunities for temporary personnel changes between Federal and State agencies for the purpose of enhancing professional skills. The objective of the program is to educate state enforcement attorneys to SEC investigative and enforcement procedures and techniques.

Chairman Harold Williams, in a keynote address at the Annual Convention of the North American Securities Administration Association in September, 1978, called for a partnership between the SEC and State Securities Administrators to enforce the securities laws, in view of limited enforcement resources of the respective jurisdictions. Chairman Williams cited the suggestion of Stan Sporkin, Director of the Division of Enforcement, of an exchange of young attorneys and investigators on a temporary basis.

The six month temporary assignments will begin on July 2 with the assignment of Ms. Carolyn Lee Duncan to the SEC Atlanta Regional Office for approximately four months. Ms. Duncan will then be assigned to the Division of Enforcement in Washington, D.C. for the remaining two months. It is anticipated that Ms. Duncan will participate in and follow an enforcement case from its inception, through development and review, to its institution and disposition. Mr. David Barnes will be temporarily assigned to the SEC after the completion of Ms. Duncan's assignment.

INVESTMENT COMPANY ACT RELEASES

INSURED MUNICIPALS - INCOME TRUST

A notice has been issued giving interested persons until June 28 to request a hearing on an application of Insured Municipals - Income Trust, Investors' Corporate-Income Trust, Investors' Municipal - Yield Trust and Investors' Governmental Securities - Income Trust, registered under the Investment Company Act of 1940 as unit investment trusts, their sponsor, Van Kampen Sauerma, Inc. and Dain, Kalman & Quail, Inc., a co-sponsor of one of the trusts, for an order amending an earlier order dated November 28, 1978 (Rel. IC-10498), which earlier amended an order dated October 17, 1978 (Rel. IC-10442), which earlier amended an order dated January 31, 1978 (Rel. IC-10109). These orders exempted an exchange offer by the four unit investment trusts from the provisions of Section 22(d) of the Act pursuant to Section 6(c) of the Act, and permitted that exchange offer to be effected on a basis other than the trusts' net asset value per unit at the time of exchange pursuant to Section 11 of the Act. (Rel. IC-10719 - June 6)

STEINROE CASH RESERVES, INC.

A notice has been issued giving interested persons until July 2 to request a hearing on an application of SteinRoe Cash Reserves, Inc., a registered, open-end, investment company, requesting an order pursuant to Section 6(c) of the Act, exempting the fund from the provisions of Rules 2a-4 and 22c-1 under the Act, to the extent necessary to permit the fund to compute its net asset value per share, for the purposes of effecting sales, redemptions and repurchases of its shares, to the nearest one cent on a share value of one dollar. (Rel. IC-10720 - June 6)

UNIFUND, INC.

An order has been issued on an application of Unifund, Inc., registered under the Investment Company Act of 1940 as a diversified, open-end, management investment company, declaring that it has ceased to be an investment company. (Rel. IC-10721 - June 7)

HOLDING COMPANY ACT RELEASES

NORTHEAST UTILITIES

A supplemental order has been issued authorizing a proposal of Northeast Utilities, a registered holding company, and its subsidiary, to extend until December 31, 1979 the authorization of the subsidiary's \$3 million of bank notes. (Rel. 35-21076 - June 1)

AMERICAN ELECTRIC POWER COMPANY, INC.

A notice has been issued giving interested persons until June 29 to request a hearing on a proposal of American Electric Power Company, Inc. (AEP), a registered holding company, and its subsidiaries, Michigan Power Company (MPC) and Michigan Natural Gas Company (MNG), that AEP be granted an exemption from competitive bidding with respect to its proposed sale of the common stock of MNG, which sale is related to a Section 11(e) proceeding involving AEP's disposition of the gas properties of MPC. (Rel. 35-21081 - June 5)

GENERAL PUBLIC UTILITIES CORPORATION

A supplemental order has been issued authorizing a proposal of General Public Utilities Corporation (GPU), a registered holding company, and its subsidiary, GPU Service Corporation (Service Company), that Service Company grant a mortgage on its office building property in Parsippany, New Jersey, to secure indebtedness that GPU has guaranteed. (Rel. 35-21082 - June 5)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF EFFECTIVENESS OF PROPOSED RULE CHANGES

The following stock exchanges have filed proposed rule changes which have become effective in accordance with Section 19(b)(3)(A) of the Securities Exchange Act of 1934: The Midwest Stock Exchange, Inc. (SR-MSE-79-14) to incorporate established

procedures for execution of odd-lot, limited price orders in stocks. (Rel. 34-15893) and The New York Stock Exchange, Inc. (SR-NYSE-79-22) to authorize the NYSE to elect one or more Vice Chairmen; comments within 21 days. (Rel. 34-15894)

Publication of the above proposals are expected to be made in the Federal Register during the week of June 4.

APPROVAL OF PROPOSED RULE CHANGES

The Commission has approved proposed rule changes filed by the following: The Midwest Stock Exchange, Inc. (SR-MSE-79-9) which will require MSE members effecting on-floor proprietary transactions pursuant to Section 11(a)(1)(G) of the Act and Rule 11a1-1(T) thereunder, to yield priority, parity and precedence to all orders originating off the floor, other than off-floor orders to be executed pursuant to Section 11(a)(1)(G) of the Act and Rule 11a1-1(T) thereunder. (Rel. 34-15889); The Chicago Board Options Exchange, Inc. (SR-CBOE-79-3) which establishes the basis for the determination of maximum bid/ask differentials for market makers as the last preceding bid for an option contract, rather than the last sale. (Rel. 34-15892) and The Options Clearing Corporation (SR-OCC-78-6) modifying its procedures for liquidating open short positions and unsegregated long positions in the accounts of suspended clearing members. (Rel. 34-15897)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC pursuant to the Securities Act of 1933. The information noted below has been taken from the cover page and the facing sheet of the prospectus and registration statement and will appear as follows: Form; Name, address and phone number (if available) of the issuer of the security; Title and the number or face amount of the securities being offered; Name of the managing underwriter (if applicable); Whether the offering is a rights offering; and File number and date filed.

- (S-8) THE INTERPUBLIC GROUP OF COMPANIES, 1271 Avenue of the Americas, New York, N.Y. 10020 - 5,000 common shares. (File 2-64338 - Apr. 30)
- (S-1) IEA MARINE CONTAINER FUND, 58 Sutter St., Suite 447, San Francisco, Cal. 94104 - 20,000 units of limited partnership interests. Underwriter: Foster & Marshall Inc. (File 2064700 - June 8)
- (S-14) VICTORIA BANKSHARES, INC., Victoria Bank & Trust Company Bldg., 120 South Main, Victoria, Tex. 77901 - 53,010 shares of common stock. (File 2-64701 - June 8)
- (S-14) TEXAS AMERICAN BANCSHARES INC., Fort Worth National Bank Bldg., 500 Throckmorton St., Fort Worth, Tex. 76102 (817) 338-8671 - 191,076 shares of common stock. (File 2-64702 - June 8)
- (S-8) KANSAS GAS AND ELECTRIC COMPANY, 201 North Market St., Wichita, Kan. 67201 (316) 261-6577 - 200,000 shares of common stock. (File 2-64703 - June 8)
- (S-6) INSURED MUNICIPALS - INCOME TRUST, SERIES 32, 208 South La Salle St., Chicago, Ill. 60604 - an indefinite number of units. Depositor: Van Kampen Sauerman Inc. (File 2-64704 - June 8)
- (S-7) LIFEMARK CORPORATION, 3800 Buffalo Spedway, Houston, Tex. 77098 (713) 621-8131 - 60,000 units, \$15 million of subordinated sinking fund debentures, due 1999 and 240,000 shares of common stock. Underwriters: The First Boston Corporation and Rotan Mosle Inc. The company operates hospitals. (File 2-64705 - June 8)
- (S-8) MOSINEE PAPER CORPORATION, Mosinee, Wis. 55401 (715) 693-2111 - \$25,671.45 of participations. (File 2-64706 - June 8)
- (S-16) SUNDSTRAND CORPORATION, 4751 Harrison Ave., Rockford, Ill. 61101 (815) 226-6000 - 65,296 shares of common stock. (File 2-64707 - June 8)
- (S-8) INGERSOLL-RAND COMPANY, P.O. Box 636, Woodcliff Lake, N.J. 07675 - 500,000 shares of common stock. (File 2-64708 - June 8)
- (S-6) CARDINAL TAX-EXEMPT BOND TRUST, 155 East Broad St., Columbus, Ohio 43215 - 7,500 units. Depositor: The Ohio Company. (File 2-64709 - June 8)
- (S-16) BURLINGTON NORTHERN INC., 176 East 5th St., St. Paul, Minn. 55101 (612) 298-2121 - 165,758 shares of common stock. (File 2-64710 - June 8)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
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