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ORDERS FOR PUBLIC PROCEEDINGS

LIBRARY

FIRST OPTIONS OF CHICAGO, INC., CITED

Public proceedings under the Securities Exchange Act of 1934 have been ordered against First Options of Chicago, Inc., a Chicago broker-dealer and member of the Chicago Board Options Exchange (CBOE). The proceedings are based on staff allegations that First Options of Chicago, Inc. improperly extended credit to certain CBOE options market makers in violation of the securities laws and regulation of the Federal Reserve System, failed to give proper notification of the condition of the accounts of certain options market makers to the Commission and to self-regulatory bodies, and failed to make and keep accurately certain books and records. A hearing will be scheduled to take evidence on the staff's allegations and to afford the respondent an opportunity to offer any defenses. (Rel. 34-13439)

COMMISSION ANNOUNCEMENTS

INSIDER TRADING BY LAW FIRM EMPLOYEES

The Commission issued a release regarding the responsibilities of law firms to prevent their employees from trading in securities on the basis of material non-public information obtained confidentially in the course of their employment. (Rel. 34-13437)

NOTICE OF COMMISSION MEETINGS

Following is a schedule of Commission meetings which will be conducted pursuant to provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday mornings. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration. The Commission will not normally meet on Mondays or Fridays.

Visitors are welcome at all open meetings, insofar as seating is available.

Meetings will be held in the Commission Meeting Room on the eighth floor of the Commission's headquarters building at 500 North Capitol St., Washington, D.C. All visitors are required to sign in and obtain passes at the Reception Desk in the lobby. Persons wishing to photograph or tape record Commission meetings must obtain permission in advance from the Secretary of the Commission.

Closed Meeting - Tuesday, April 19, 1977 - 10:00 A.M.

The subject matter of the April 19th closed meeting will be: (1) Institution of Injunctive Actions; (2) Institution of Administrative Proceedings; (3) Settlement of Administrative Proceedings; (4) Contempt proceedings; (5) Report of Investigation; (6) Advice concerning Lost and Stolen Securities Program; (7) Exchange request regarding proposed trading practices; (8) Freedom of Information Act Appeals; (9) Other litigation matters.

Open Meeting - Wednesday, April 20, 1977 - 10:00 A.M.

(1) Many corporations frequently are billed for the distribution of communications by persons who are not shareholders of record and do not otherwise represent beneficial owners of the corporations' securities. The Division of Enforcement recommends that the Commission publish a Release advising issuers of this problem, requesting them to follow certain preventive measures, and warning firms who engage in questionable billing practices that they may be subject to enforcement actions.

(2) Recommendation that the Commission authorize release stating its policies with respect to the release of Wells submissions under the Freedom of Information Act.

(3) Recommendation that temporary Rule 206A-1(T) under the Investment Advisers Act of 1940 ("Advisers Act") exempting until April 30, 1977 certain brokers and dealers from the Advisers Act and the rules thereunder be further extended.

(4) Recommendation that the Commission propose certain revisions to Rule 19b-4 under the Exchange Act in order to simplify its operation.

(5) Proposed rule change of the NYSE to redefine the term "percentage order" and prescribe procedures for the execution of such orders.

(6) Chicago Board Options Exchange has proposed to adopt a rule prohibiting trading of options or their underlying stocks by persons having non-public information as to a block transaction in such options or underlying stock. The prohibition with respect to each block transaction would commence when the terms of the block transaction had been agreed to by all parties to the transaction and would end when information as to the transaction was available via a high-speed communications line or an exchange transaction tape.

(7) Recommendation that the Commission publish a release announcing the adoption of an amendment to Rule 17a-3(a)(9) under the Securities Exchange Act relating to records with respect to beneficial owners of accounts to be maintained by brokers and dealers which would have an impact upon the investment activities of foreign persons in the United States.

(8) The Municipal Securities Rulemaking Board intends to publish a new Exposure Draft of proposed rule G-11, to govern sales of municipal securities during the underwriting period. The Exposure Draft will have a thirty-day comment period which should expire sometime during the week of April 18, 1977. The Division of Market Regulation recommends that the Commission consider whether it wishes to authorize the staff to send a comment letter on Exposure Draft.

(9) Proposed rule G-12 of the Municipal Securities Rulemaking Board, to provide for uniform practices for inter-dealer transactions in the municipal securities industry.

(10) That the Division of Market Regulation is recommending the adoption of proposed Rule 10b-10 with certain revisions. Rule 10b-10 would establish new confirmation delivery and disclosure requirements.

Open Meeting - Thursday, April 21, 1977 - 10:00 A.M.

(1) Recommendation that proposed letter be sent to Municipal Securities Rulemaking Board suggesting that they adopt a program to monitor the effect of MSRB rules on the municipal securities markets and participants in those markets.

(2) Recommendation that the National Association of Securities Dealers be granted access to financial and operational information (FOCUS Data) for joint NASD/exchange members designated to another self-regulatory organization.

(3) Proposed amendment of Rules 15b10-6 and 17a-4 under the Securities Exchange Act of 1934 to establish an orderly procedure for the disposition of broker-dealer books and records upon the liquidation of the broker-dealer. The proposed amendments would provide the appropriate judicial authority with the power to relieve a court-appointed trustee or receiver from the preservation requirements of Rules 15b10-6 and 17a-4 provided that an opportunity to secure any necessary books and records has been afforded to the Commission, Securities Investor Protection Corp. and the designated self-regulatory organization.

(4) Recommended issuance by the Commission of a release, announcing the adoption of certain amendments to Rule 15c3-1, the uniform net capital rule, and Rule 15c3-3, the customer protection rule. The amendments are essentially those proposed in Securities Exchange Release No. 11969 (January 2, 1976), modified in light of suggestions received in response to the Commission's solicitation of public comment upon the proposals. The amendments are intended to require brokers and dealers to reflect in their capital computations, the exposure resulting from certain short security positions, to enable net capital computations to take into account more completely the risks associated with transactions in options and to effect certain technical adjustments to these rules.

(5) Recommended issuance by the Commission of a release adopting amendments to the FOCUS Report and accompanying rules, and a release proposing amendments to certain statements and schedules on Form X-17A-5.

Exchange Act Section 12(h) Applications

(6) IteL Computer Dimensions, Inc. (File No. 81-253).

- (7) American Brands Overseas, N.V. (File No. 81-254).
- (8) American Tobacco International Corporation (File No. 81-255).
- (9) Sherwood Medical Industries, Inc. (File No. 81-251).
- (10) Recommendation that the Commission issue a release indicating that it will defer direct action regarding implementation of a nationwide system for complaint processing and resolution of investor disputes pending the outcome of a conference comprised of representatives of self-regulatory organizations, broker and dealers, and members of the public.
- (11) The staff will recommend legislation to (1) amend Section 15(b)(6) of the Securities Exchange Act of 1934 to empower the Commission to name foreign financial institutions as subjects of its administrative proceedings and (2) to clarify the ancillary subpoena enforcement power which the Commission requires to compel cooperation in its investigations involving Swiss banks and other foreign entities not ordinarily subject to the jurisdiction of any U.S. courts.
- The latter change will be accomplished by amending Section 21(c) of the Securities Exchange Act of 1934 to expressly authorize the appropriate district courts to issue orders in cases where persons refuse to disclose information that is necessary for the Commission to complete its investigation expeditiously.

(12) Proposal to replace the existing Article 9 of Regulation S-X with a new article to contain requirements as to form and content of consolidated and unconsolidated financial statements of bank holding companies and banks. The proposal includes requirements for balance sheets and income statements and also for disclosure concerning foreign operations.

Requests for information concerning the meetings should be directed to Frank A. Wilson (202) 755-4868.

HOLDING COMPANY ACT RELEASES

INDIANA & MICHIGAN ELECTRIC COMPANY

A notice has been issued giving interested persons until May 4 to request a hearing on a proposal of American Electric Power Company, Inc. (AEP) and Indiana & Michigan Electric Company (I&M), subsidiary of AEP, that (1) I&M issue and sell at competitive bidding up to 1,600,000 shares of cumulative preferred stock, and (2) AEP make cash capital contributions to I&M aggregating \$39 million. (Rel. 35-19976 - Apr. 8)

An order has been issued authorizing a guaranty by AEP of a contractual obligation of I&M. (Rel. 35-19977 - Apr. 8)

SECURITIES ACT REGISTRATIONS

(S-6) THE MUNICIPAL BOND FUND, SERIES 38

c/o Paine, Webber, Jackson & Curtis Inc., 140 Broadway, New York, N.Y. 10005 and Hornblower & Weeks - Hemphill, Noyes Inc., 8 Hanover St., New York, N.Y. 10005 - 5,000 units. The Trust will be created under a trust indenture among Paine, Webber, Jackson & Curtis Inc. and Hornblower & Weeks - Hemphill, Noyes, Inc., as sponsors, United States Trust Company of New York, as trustee, and Standard & Poor's Corporation, as evaluator. The Trust will consist of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territorial possessions of the United States and authorities, agencies and other political subdivisions thereof, the interest on which is, in the opinion of counsel to the issuers of such obligations, exempt from Federal income tax. (File 2-58447 - Mar. 21)

(S-7) UV Industries, Inc.

437 Madison Ave., New York, N.Y. 10022 - \$50 million of debentures, due 1997, and \$50 million of senior subordinated notes, due 1987, to be offered for sale through underwriters represented by E. F. Hutton & Company Inc., One Battery Park Plaza, New York, N.Y. 10004. The company manufactures and markets electrical control, distribution and transmission equipment and electronic components. Its natural resource operations include the mining of copper and low sulphur steam coal, and the production of oil and gas. The company is also a major fabricator of copper tube, brass rod and forgings. (File 2-58511 - Mar 29)

(S-1) MIDLAND-GUARDIAN CO.

111 East Fourth St., Cincinnati, Ohio 45202 - \$3 million capital notes, to be offered for sale at par in denominations of \$1,000 and any integral multiple thereof, through the managing underwriter, The Ohio Company, 51 North High St., Columbus, Ohio 43215. The company and its subsidiaries engage in the finance and related insurance activities. (File 2-58530 - Mar. 30)

In a separate statement the company seeks registration of \$3 million of investment certificates, to be offered for sale at par in denominations of \$1,000 and any integral multiple thereof, also through the managing underwriter, The Ohio Company. (File 2-58531 - Mar. 30)

(S-7) TEXAS EASTERN CORPORATION

Southern National Bank Bldg., Houston, Tex. 77002 - 40,000 shares of common stock, issuable to certain holders of the company's common stock and holders of the preferred stock of the company's wholly-owned subsidiary Texas Eastern Transmission Corporation pursuant to the company's Dividend Reinvestment and Stock Purchase Plan. (File 2-58630 - Apr. 7)

(S-1) THOMSON INDUSTRIES LIMITED

9100 Southwest Freeway, Suite 111, Houston, Texas 77074 - 542,500 common shares (425,000 by the company, 75,000 by a selling shareholder and 42,500 by the company upon exercise of an over-allotment option), to be offered for sale through underwriters headed by Rotan Mosle Inc., 1500 South Tower, Pennzoil Place, Houston, Texas. The company drills and services oil and gas wells for others and explores for and produces oil and gas in the United States and Canada. (File 2-58631 - Apr. 7)

(S-6) NATIONAL MUNICIPAL TRUST, TWENTIETH SERIES

\$7.5 million of units, to be offered for sale through underwriters headed by Thomson McKinnon Securities Inc., One New York Plaza, New York, N.Y. 10004. The Fund is a unit investment trust to be created by a trust agreement among Thomson McKinnon Securities Inc. and Piper, Jaffray & Hopwood Inc., as sponsors, United States Trust Company of New York, as trustee, and Standard & Poor's Corporation, as evaluator. The objectives of the Fund are tax-exempt income and conservation of capital through an investment in a diversified portfolio of municipal bonds. (File 2-58637 - Apr. 7)

(S-7) PACIFIC POWER & LIGHT COMPANY

920 S.W. 6th Ave., Portland, Ore. 97204 - 2,500,000 shares of common stock, to be offered for sale at competitive bidding. The company is engaged primarily in generating, purchasing, transmitting and distributing electricity. (File 2-58638 - Apr. 7)

In a separate statement the company seeks registration of 1,200,000 shares of no par serial preferred stock (cumulative \$25 stated value), to be offered for sale through negotiations with underwriters to be selected by the company. (File 2-58639 - Apr. 7)

(S-1) DAMSON EXPLORATION FUND, SERIES 77-1,
77-2 and 78-1

366 Madison Ave., New York, N.Y. 10017 - \$15 million of limited partnership interests in a series of three limited partnerships, to be offered for sale at \$2,500 per unit (minimum purchase is two units) by selected NASD members. The limited partnerships will engage in a balanced program for the exploration and development of oil and gas. Meridian Capital Corporation, 366 Madison Ave., New York, N.Y. 10017, will serve as distributor for the public offering. (File 2-58641 - Apr. 7)

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 10¢ per page plus postage (7 days) (\$3.50 minimum); 20¢ per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30¢ per page plus postage for priority service overnight (\$5.00 minimum). Cost estimates are given on request. All other reference material is available in the SEC Docket.

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