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DECISIONS IN ADMINISTRATIVE PROCEEDINGS U.S. SECURITIES AND EXCHANGE COMMISSION

PROCEEDINGS ORDERED AGAINST I.D.S. AND 31 BROKER-DEALERS AND INDIVIDUALS

The Commission has ordered administrative proceedings against Investors Diversified Services, Inc. and 31 broker-dealers and individuals and has accepted offers of settlement and imposed sanctions on 26 of the respondents.

The Commission's order for proceedings is based upon alleged violations by IDS and the named broker-dealers and individuals of one or more of the following statutory provisions: The antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934; the antifraud provisions (Section 206) of the Investment Advisers Act of 1940; the bookkeeping provisions of the Securities Exchange Act of 1934; and unlawful receipt of compensation (Section 17(e) of the Investment Company Act of 1940).

The order alleges that the broker-dealers and several of the individuals executed trades directly with William Langfield II, formerly an over-the-counter trader for IDS, for his personal account and that these firms and several of their employees gave Langfield preferential price treatment when he executed trades with them for his personal account and failed to disclose on their books and records that Langfield was their firm's customer.

Twenty-six of the respondents have consented, without admitting or denying the allegations contained in the order for proceedings, to findings that they wilfully violated and/or wilfully aided or abetted violations of various provisions of the securities laws as stated in the order for proceedings. The respondents who have not consented are: Allen & Company; Blyth, Eastman, Dillon & Co., Inc.; Robert D. Antolini; Richard M. Crooks; Sanford Fishbein, and Richard E. Bolten.

The National Association of Securities Dealers, Inc. assisted the Commission in the development of this case. (Rel. 34-13768, 34-13767, 34-13766)

PROCEEDINGS ORDERED AGAINST BLACK & COMPANY, INC., OTHERS

Public administrative proceedings have been ordered against the following broker-dealers: Black & Company, Inc., of Portland, Oregon; Faulkner, Dawkins & Sullivan, Inc.; Goldman, Sachs & Co.; Josephthal & Co.; Lehman Brothers, Inc.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; L. M. Rosenthal & Co., Inc.; Salomon Brothers; Shields, Model, Roland Holding Corp.; Smith Barney, Harris Upham & Co., Inc.; Stuart Brothers; Troster, Singer & Co. and Weeden & Co., all of New York, New York.

The Commission's order is based upon alleged violations of the books and records provisions of the Securities Exchange Act of 1934. The order alleges that these firms traded directly with William H. Langfield, II, formerly an over-the-counter trader for Investors Diversified Services, Inc., for his personal account and failed to disclose on their firm's books and records that Langfield was their customer. All respondents consented, without admitting or denying the allegations, to findings that they violated the books and records provisions of the Securities Exchange Act of 1934 and have been ordered by the Commission to institute certain recordkeeping procedures to avoid a repetition of this type of situation.

The National Association of Securities Dealers, Inc. assisted the Commission in the development of this case. (Rel. 34-13770 and 34-13769)

JACOB SCHAEFER, EVANS & CO. SANCTIONED

The Commission has instituted administrative proceedings pursuant to Section 15(b) of the Securities Exchange Act of 1934 against Jacob Schaefer and his employer, Evans & Co., Inc. Simultaneously with the institution of the proceedings, Schaefer and Evans & Co., without admitting or denying any of the substantive allegations in the order for proceedings, submitted offers of settlement consenting to certain findings and the imposition of certain sanctions by the Commission.

The Commission found, on the basis of the staff's allegations and the Schaefer's offer of settlement, that Schaefer wilfully violated and aided and abetted violations of Sections 9(a)(2) and 10(b) of the Exchange Act and Rule 10b-5 thereunder and has been permanently enjoined by a court of competent jurisdiction from committing such violations in the future. Schaefer was suspended from association with any broker or dealer for 30 calendar days, barred from association with any broker or dealer in a supervisory capacity for two years, and barred from effecting securities transactions on behalf of an issuer in the issuer's securities for eighteen months.

The Commission also found on the basis of the staff's allegations and Evan's offer of settlement, Evans & Co. failed reasonably to supervise Schaefer in his duties at Evans & Co. Evans & Co. was ordered to adopt and implement procedures satisfactory to the staff designed to detect, and prevent their registered representatives from effecting, manipulative security transactions on behalf of an issuer in such issuer's securities. Until such procedures were adopted and implemented, Evans & Co. was barred from effecting securities transactions on behalf of an issuer in its securities unless the issuer maintained an account with Evans & Co. prior to the date of the Commission's order. Evans & Co. has now implemented procedures which are satisfactory to the staff in compliance with the Commission's order. (Rel. 34-13736)

COMMISSION ANNOUNCEMENTS

NATIONAL MARKET ADVISORY BOARD MEETINGS ANNOUNCED

The National Market Advisory Board will conduct open meetings on August 15 and 16 at the offices of First National City Bank, New York, New York. A notice of the August meeting was published in the Federal Register on July 1 announcing the place of meeting as 500 North Capitol Street, Washington, D.C. Further information may be obtained by writing Martin L. Budd, Executive Director, National Market Advisory Board Staff, Securities and Exchange Commission, Washington, D.C. 20549.

COMMISSION REQUESTS DELAY IN EXPANSION OF OPTIONS TRADING

The Commission announced that it has sent to each national securities exchange, the Options Clearing Corporation and the National Association of Securities Dealers, Inc., a letter concerning standardized options trading. The letter requests each national securities exchange on which options are traded to refrain immediately from initiating trading in any class of options not traded on that exchange on July 15.

The Commission has determined that it is appropriate at this time to initiate a review of standardized options trading generally, and also of the operation of individual pilot options programs. The Commission's review will assess, among other things, the sufficiency of the regulatory programs of those exchanges and of other self-regulatory organizations for maintaining fair and orderly markets in options and in the securities underlying those options. In the interim, the Commission does not expect to approve any pending proposed rule changes of self-regulatory organizations designed to initiate new programs for the trading of options or to expand existing ones. (Rel. 34-13760)

INVESTMENT COMPANY ACT RELEASES

VANCE, SANDERS & COMPANY, INC.

A notice has been issued giving interested persons until August 12 to request a hearing on an application of Diversification Fund, Inc., The Exchange Fund of Boston, Inc., Depositors Fund of Boston, Inc., Capital Exchange Fund, Inc., Fiduciary Exchange Fund, Inc., Second Fiduciary Exchange Fund, Inc., Leverage Fund of Boston, Inc., Vance, Sanders Special Fund, Inc., Vance, Sanders Common Stock Fund, Inc., Vance, Sanders Investor Fund, Inc., Vance, Sanders Income Fund, Inc., Vance, Sanders Exchange Fund (a California limited partnership), and Vance, Sanders Municipal Bond Trust (collectively, Funds), each registered under the Act as a management investment company, Vance, Sanders and Company, Inc. (Vance Sanders), presently investment adviser to each of the Funds except Vance, Sanders Municipal Bond Trust, which proposes to employ Vance Sanders as investment adviser, and William M. Griffin, requesting an order pursuant to Section 6(c) of the Act exempting Mr. Griffin from the definition of "interested person" contained in Section 2(a)(19) of the Act to the effect that Mr. Griffin shall not be deemed to be an interested person of the Funds, their investment adviser or principal underwriter by reason of his status as: (1) a director, executive vice-president and chairman of the finance committee of Hartford Fire Insurance Company; (2) a director and president of Hartford Securities Company, Inc.; (3) a director, vice-president and chairman of the finance committee of Hartford Life Insurance Company; or (4) a director, vice-president and chairman of the finance committee of Hartford Variable Annuity Life Insurance Company. (Rel. IC-9852 - July 18)

HOLDING COMPANY ACT RELEASES

INDIANA & MICHIGAN ELECTRIC COMPANY

A supplemental order has been issued authorizing Indiana & Michigan Electric Company, subsidiary of American Electric Power Company, Inc., to issue and sell notes to banks, commercial paper to a dealer in commercial paper and demand notes to bank trust departments in an amount not to exceed \$125 million outstanding at any one time. (Rel. 35-20113 - July 18)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

Notices have been issued giving interested persons until July 29 to request a hearing on applications of the following stock exchanges for unlisted trading privileges in the common stock of the specified companies: Philadelphia Stock Exchange, Inc. - Storage Technology Corporation, \$.10 par value; Midwest Stock Exchange, Inc. - Chicago Bridge & Iron Co., \$5.00 par value. (Rel. 34-13748)

UNLISTED TRADING GRANTED

An order has been issued granting the application of the Philadelphia Stock Exchange, Inc. for unlisted trading privileges in the common stock, no par value of Dutch Boy, Inc. and in the common stock, \$1.00 par value of Victor Comptometer Corporation. (Rel. 34-13749)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Midwest Stock Exchange (MSE) has filed a proposed rule change under Rule 19b-4 (SR-MSE-77-18) to increase the fee charged for Regulation T extensions and § 240.15c3-3 Buy-In extensions. Publication of the proposal is expected to be made in the Federal Register during the week of July 18. (Rel. 34-13757)

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) FOREMOST-MCKESSON, INC., Crocker Plaza, One Post St., San Francisco, Cal. 94104 - 400,000 shares of common stock (File 2-59503 - July 18)
- (S-1) Optical Coating Laboratory, Inc., 2789 Giffen Ave., Santa Rosa, Cal. 95401 - 307,000 shares of common stock, 15,000 5-year stock purchase warrants and underlying common stock. Underwriter: Bateman Eichler, Hill Richards Inc. and Davis, Skaggs & Co., Inc. (File 2-59504 - July 18)
- (S-8) TELESCENCES, INC., 351 New Albany Rd., Moorestown, N.J. 08057 - 352,500 shares of common stock (File 2-59505 - July 18)
- (S-1) RUSCO INDUSTRIES, INC., 1100 Glendon Ave., Los Angeles, Cal. 90024 - convertible subordinated debentures, due 1989 (File 2-59506 - July 18)
- (S-1) WELLS FARGO BANK, N.A., 464 California St., San Francisco, Cal. 94144 - \$10 million of units of participation (File 2-59507 - July 18)
- (S-B) THE NEW BRUNSWICK ELECTRIC POWER COMMISSION, Canadian Consulate General, 1251 Avenue of the Americas, New York, N.Y. 10020 - \$75 million of debentures, due 2007. Underwriters: The First Boston Corp.; Salomon Brothers; Richardson Securities, Inc.; Nesbitt Thomson Securities, Inc.; Pitfield, Mackay & Co., Inc.; Levesque, Beaubien Inc. (File 2-59508 - July 18)
- (S-7) SIERRA PACIFIC POWER CO., P.O. Box 10100 (100 East Moana Lane), Reno, Nev. 89510 - 1,000,000 shares of common stock and \$35 million of first mortgage bonds, due 2007 (File 2-59509 - July 18)

- (S-6) CORPORATE SECURITIES TRUST, PREFERRED STOCK SERIES 5 - 860,000 units. Depositors: Loeb, Rhoades & Co. Inc., 42 Wall St., New York, N.Y. 10005; Blyth Eastman Dillon & Co. Inc.; Hornblower, Weeks, Noyes & Trask Inc.; Paine, Webber, Jackson & Curtis Inc.; Shearson Hayden Stone Inc.; and Thomson McKinnon Securities Inc. (File 2-59510 - July 18)
- (S-7) CAROLINA POWER & LIGHT CO., 336 Fayetteville St., Raleigh, N.C. 27602 (919-836-6111) - \$100 million of first mortgage bonds, Due 2007 (File 2-59511 - July 18)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, SEVENTY-FOURTH MONTHLY PAYMENT SERIES - 40,000 units. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006; Bache Halsey Stuart Shields Inc.; Reynolds Securities Inc.

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 or request. All other reference material is available in the SEC Docket.

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