

DEC 14 1977

U.S. SECURITIES AND
EXCHANGE COMMISSION**sec news digest**

Issue 77-236

December 8, 1977

RULES AND RELATED MATTERS**COMMISSION PROPOSES RULE ON ISSUER TENDER OFFERS**

The Commission proposed for comment a new rule and related schedule under the Securities Exchange Act of 1934 (the Act) to regulate tender and exchange offers by issuers for their own equity securities. By providing substantive regulation of issuer tender and exchange offers, the Commission seeks to prevent fraudulent, deceptive or manipulative acts and practices which may occur in the absence of such regulation.

If adopted, these proposals would require that, in connection with tender and exchange offers for their own equity securities, all issuers with a class of equity securities registered pursuant to Section 12 of the Act or required to file periodic reports pursuant to Section 15(d) of the Act and closed-end investment companies registered under the Investment Company Act of 1940 comply with substantive and disclosure rules which, in part, follow those currently required by Section 14(d) of the Act only in connection with tender and exchange offers by persons other than issuers.

Comments should be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 on or before February 24, 1978 and should refer to File No. S7-731.

The Commission also wishes to call attention to the recent publication for comment of proposed Rule 13e-3 and proposed Schedule 13E-3 which, if adopted, would regulate going private transactions. See Securities Exchange Act Release No. 14185 (November 17, 1977). (Rel. 34-14234)

FOR FURTHER INFORMATION CONTACT: Ken Spirer at (202) 376-7475.

ADMINISTRATIVE PROCEEDINGS**NASD ACTION AGAINST JOHN C. GEBURA AFFIRMED**

The Commission has affirmed sanctions imposed by the NASD on John C. Gebura, of Mayfield Heights, Ohio. The NASD censured Gebura, barred him as a principal, and suspended his registration as a registered representative for six months.

The Commission found, as had the NASD, that Gebura improperly withheld funds from a customer who had invested money in a new company that Gebura was organizing. In January 1973, Gebura notified the customer that he was dissolving the company and would refund the customer's money. But, despite repeated requests, Gebura failed to return the money. He finally did so in October 1973, after the customer complained to the NASD.

The Commission rejected Gebura's argument that the NASD lacked jurisdiction over the transaction at issue. Gebura contended that, when he approached the customer in question, he was not acting in his then capacity of registered principal of a securities firm, but merely as "a private person ... seeking a few partners for a new joint venture." The Commission stated: We and the NASD not infrequently encounter situations where a securities salesman is selling securities in transactions which involve some venture of his own rather than in the ordinary course of his employer's business. To exclude such transactions from the regulatory jurisdiction of the Commission and the NASD would create a serious gap in investor protection. Where the registered representative of an NASD member is selling securities to a customer of that member, the NASD clearly requires, and has, jurisdiction. The special opportunities for abuse and overreaching which are present in the securities business generally are aggravated where a salesman is selling interests in a venture of his own. (Rel. 34-14204)

REVERE MANAGEMENT CO., INC., REVOKED AS A BROKER-DEALER
AND WILLIAM N. HESS BARRED FROM ASSOCIATION WITH AN
INVESTMENT COMPANY.

Administrative Law Judge Ralph Hunter Tracy has filed an initial decision revoking the registration as a broker-dealer of Revere Management Co., Inc. and barring William N. Hess from association with any investment company. The decision is subject to appeal to the Commission.

The Administrative Law Judge found that Revere Management Co. and Hess wilfully violated and wilfully aided and abetted violations of the antifraud provisions of the Securities Exchange Act of 1934 in the distribution and redemption of shares of Revere Fund, Inc. Refere Fund is a registered open-end, diversified investment company of which Hess is president and Revere Management Co., is exclusive underwriter. It was found, further, that the violations resulted from the failure of Revere Management Co. and Hess to control the activities of a foreign dealer who had an exclusive distributorship for Revere Fund shares and who embezzled almost a quarter of a million dollars from Revere Fund shareholders.

COMMISSION ANNOUNCEMENTS

REPORT OF THE ADVISORY COMMITTEE ON CORPORATE DISCLOSURE

The Report of the Advisory Committee on Corporate Disclosure is now available for purchase from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. The volumes should be ordered by their document numbers as follows: Volume I (Full Report) - Stock # 052-070-04315-6 - \$5.50 per copy and Volume II (Appendices) - Stock # 052-070-04316-4 - \$5.00 per copy.

INVESTMENT COMPANY ACT RELEASES

FIRST VARIABLE LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until December 29 to request a hearing on an application of First Variable Life Insurance Company, an Arkansas stock life insurance company, (First Variable), United Variable Annuity Fund A (Fund A), a separate account of First Variable registered under the Act as an open-end management investment company, FVL Growth Fund, Inc., a Maryland corporation registered as an open-end management investment company, and Variable Annuity Sales Corporation, a wholly-owned subsidiary of First Variable and a broker-dealer registered under the Securities Exchange Act of 1934 which is the principal underwriter for Fund A (collectively referred to as Applicants), for an order: (1) pursuant to Section 17(f) and pursuant to Section 6(c) of the Act granting exemption from the provisions of Sections 14(a), 15(a), 15(b), 16(a), 26(a), 27(c)(2) and 32(a) and Rule 17f-2; (2) pursuant to Section 11 of the Act for approval of an exchange offer and (3) pursuant to Section 17(b) of the Act exempting proposed reorganization transactions from the provisions of Section 17(a) of the Act. (Rel. IC-10040 - Dec. 6)

MASSMUTUAL CORPORATE INVESTORS

A notice has been issued giving interested persons until December 29 to request a hearing on an application of MassMutual Corporate Investors, Inc. (Fund) a registered, non-diversified, closed-end investment company, and Massachusetts Mutual Life Insurance Company, the Fund's investment adviser, pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder, for an order permitting the Insurance Company to be the sole purchaser of \$6 million of a new issue of 9-1/2% 15-year senior notes of Aberdeen Manufacturing Corporation. (Rel. IC-10041 - Dec. 7)

INTERFUND

An order has been issued declaring that Interfund, Inc., has ceased to be an investment company. (Rel. IC-10042 - Dec. 7)

THE PAUL REVERE COURIER FUND

An order has been issued declaring that the Paul Revere Courier Fund, Inc., has ceased to be an investment company. (Rel. IC-10043 - Dec. 7)

HOLDING COMPANY ACT RELEASES

THE COLUMBIA GAS SYSTEM

A notice has been issued giving interested persons until December 28 to request a hearing on a proposal of The Columbia Gas System, Inc., a registered holding company, and 14 of its subsidiaries, whereby Columbia will make open account advances to its subsidiaries and such subsidiaries will make intrasystem prepayments of promissory notes held by Columbia. The maximum aggregate amount of such prepayments is estimated at \$710,548,000 at any one time outstanding. (Rel. 35-20294 - Dec. 2)

GENERAL PUBLIC UTILITIES CORPORATION

A notice has been issued giving interested persons until December 28 to request a hearing on a proposal of General Public Utilities Corporation, a registered holding company, to issue and sell short-term notes to banks up to an amount of \$71 million outstanding at any one time. (Rel. 35-20295 - Dec. 2)

ALLEGHENY POWER SYSTEM

An order has been issued authorizing Allegheny Power System, Inc., a registered holding company, to issue and sell up to 3,500,000 shares of its common stock, par value \$2.50 per share, for estimated cash proceeds of \$75 million. The proceeds of the sale will be used to retire outstanding short-term debt. (Rel. 35-20296 - Dec. 6)

OHIO POWER COMPANY

An order has been issued authorizing Ohio Power Company, subsidiary of American Electric Power Company, Inc., to enter an agreement with a County authority for construction of pollution control equipment to be financed by sale of revenue bonds. (Rel. 35-20297 - Dec. 6)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Boston Stock Exchange. The rule change (SR-BSE-77-1) relates to give-ups, odd-lot specialist system and differential, record retention, disclosure of orders by specialists, member employees and alternate specialists. (Rel. 34-14233)

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) DEAN WITTER ORGANIZATION INC., 45 Montgomery St., San Francisco, Cal. 94106 (415) 392-7200 - 283,145 shares of common stock. (File 2-60431 - Dec. 7)

(S-14) GOULD INC., Gould Center, Rolling Meadows, Ill. 60008 (312) 640-4000 - 633,000 shares of common stock. (File 2-60432 - Dec. 7)

(S-16) EMERSON ELECTRIC CO., 8100 West Florissant Ave., St. Louis, Mo. 63136 (314) 553-2000 - 77,941 shares of common stock. The Company is engaged in the manufacture and sale of a broad range of electrical and electronic products and systems. (File 2-60434 - Dec. 7)

(S-8) INTERNATIONAL MINERALS & CHEMICAL CORPORATION, IMC Plaza, Libertyville, Ill. 60048 - 200,000 shares of common stock. (File 2-60439 - Dec. 8)

(S-14) CENTRAL TELEPHONE & UTILITIES CORPORATION, 5725 East River Rd., Chicago, Ill. 60631 - 1,211,725 shares of common stock. (File 2-60441 - Dec. 7)

REGISTRATIONS EFFECTIVE

Dec. 6: Citrus County Land Bureau, Inc., 2-59359; Municipal Investment Trust Fund, Seventh New York Series, 2-60034; Nuveen Tax Exempt Bond Fund, Series 100, 2-59460; Puget Sound Power & Light Co., 2-60200; Raychem Corp., 2-60359 & 2-60285; Worldwide Energy Corp., 2-59436.

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 10c per page plus postage (7 days) (\$3.50 minimum); 20c per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30c 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.

SEC NEWS DIGEST is published daily. Subscription rates: \$64.45/yr in U.S. first class mail; \$80.60 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$43.70/yr in

U.S. first class mail; \$54.65 elsewhere.

SEC STATISTICAL BULLETIN is published monthly. Subscription rates: \$15.00/yr in

U.S. first class mail; \$18.75 elsewhere.

The News Digest, the Docket, and the Statistical Bulletin are for sale by the superintendent of Documents, Government Printing Office, Washington, D.C. 20402.