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RULES AND RELATED MATTERS

AMENDMENT OF RULE 14(b)(3) OF THE COMMISSION'S RULES OF PRACTICE

LIBRARY

The Commission has amended Rule 14(b)(3) of its Rules of Practice regarding the service of subpoenas in order to make clear that service of a subpoena issued at the instance of an officer or agency of the United States need not be accompanied by tender to the subpoenaed person of the fees for one day's attendance and mileage. (Rel. 33-5685)

NOTICE OF CLARIFICATION OF EFFECTIVE DATE OF AMENDMENTS TO SHORT SALE RULES

The Commission has issued a release to clarify that, barring further delays, last sale data as to securities included in Networks A and B of the consolidated transaction reporting system (the "consolidated system") will be "made available" on a real-time basis within the meaning of paragraph (a) of Rule 10a-1 on April 30, 1976, and that full implementation of the consolidated system will occur, for purposes of Rule 17a-15, on that same date. Certain of the new provisions of Rule 10a-1 become applicable to short sales of securities as to which last sale information is reported in the consolidated system only after consolidated last sale data is "made available" to vendors of market information on a real-time basis by means of a high speed data transmission line in accordance with the joint industry plan declared effective under Rule 17a-15. In addition, vendor display obligations under Rule 17a-15 do not commence until full implementation of the consolidated system, including an operational high speed line. (Rel. 34-12138)

PROPOSED RULE 10b-15, 17a-3 AND 17a-4 WITHDRAWN

The Commission announced that it has withdrawn its proposal to adopt Rule 10b-15 and related amendments to Rules 17a-3 and 17a-4 under the Securities Exchange Act of 1934. The proposal was published for comment in Securities Exchange Act Release No. 8425 (October 10, 1968). (Rel. 34-12142)

WITHDRAWAL OF PROPOSED AMENDMENT TO RULE 16a-8(g)(3) UNDER THE SECURITIES EXCHANGE ACT

The Commission announced it has withdrawn the amendments proposed to Rule 16a-8(g)(3), published for public comment in Securities Exchange Act Release No. 8106 (June 22, 1967). The proposed amendment dealt with an exemption from Section 16(a) for persons having an indirect interest in securities under a pension or retirement plan. (Rel. 34-12143)

WITHDRAWAL OF PROPOSED RULE 206(4)-3 AND AMENDMENTS TO RULE 206(4)-1 UNDER THE INVESTMENT ADVISERS ACT OF 1940

The Commission has issued a release announcing the withdrawal of proposed Rule 206(4)-3 and of proposed amendments to Rule 206(4)-1 under the Investment Advisers Act of 1940. Proposed Rule 206(4)-3 was proposed for the purpose of imposing certain requirements on the contents of investment advisory communications by investment advisers and requiring the disclosure of certain information with respect to such publications. The proposed amendments to Rule 206(4)-1 were intended to clarify subparagraph (a)(2) of that Rule and to add a requirement that, prior to publication, advertisements be approved in writing by the supervisory person designated to supervise such advertisements. (Rel. IA-499)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

SPANGLER AND NASSAR FIRMS AND OFFICERS SANCTIONED, TELLER REGISTRATION WITHDRAWN AND ALBERT TELLER CENSURED

The Commission has revoked the broker-dealer registration of Richard C. Spangler, Inc. and Nassar and Co. Inc., of Pittsburgh, expelled Nassar, Inc. from NASD membership, and barred Richard C. Spangler, Jr. and George M. Nassar, the respective presidents of Spangler, Inc. and Nassar, Inc., from association with any broker-dealer. It also granted the request of the Philadelphia firm of Albert Teller and Co. Inc., for the withdrawal of its broker-dealer registration, and censured its president, Albert Teller.

The Commission found that Spangler and Nassar, during the period from April 1966 to May 1967, and Teller, Inc., during a two-week period in May 1967, fraudulently sold the stock of Interamerican Industries, Ltd., a company which had a "commercially untried" oral contraceptive pill and "whose prospects turned entirely on an alleged scientific breakthrough." Spangler, Nassar and Teller, Inc. were found to have made misrepresentations concerning the testing, efficacy and sales of Interamerican's pill, and prospective rises in the market price of its stock.

In excluding the Spangler and Nassar respondents from the securities business, the Commission said: "In Nassar's case, as in Spangler's, we deal with a high-pressure sales effort that lasted for a long time, was unsupported by any semblance of an adequate foundation, and was characterized by grossly reckless price predictions." As to Teller, Inc. and Teller, the Commission found that the case against them stood on a "different footing." It observed: "The Teller officials who sold Interamerican stock fraudulently are no longer with the firm. And Teller, who owned virtually all of the firm's stock, made no fraudulent representations himself. His dereliction stems solely from a failure to supervise."

In ordering withdrawal and censure, it took into account "the purely vicarious nature of Teller, Inc.'s liability and the fact that Teller's misconduct was limited in extent and brief in duration." (Rel. 34-12104)

TRADING SUSPENSIONS

SUSPENSION OF GAC CORPORATION AND GAC PROPERTIES CREDIT, INC. TO TERMINATE

The SEC has announced that, at midnight February 26, 1976, the temporary suspension of exchange and over-the-counter trading will terminate with respect to the securities of GAC Corporation (GAC), a Delaware corporation, and of GAC Properties Credit, Incorporated (Credit), a Florida corporation, both companies located in Coral Gables, Florida.

The Commission initially suspended trading on December 9, 1975 at the request of the GAC companies, pending an announcement concerning their financial condition and a pending exchange offer by Credit for its 12% debentures. On December 12, 1975 the GAC companies announced that Credit terminated its exchange offer and filed a petition pursuant to Chapter XI of the Federal Bankruptcy Act.

The Commission initiated additional consecutive ten-day trading suspensions because of (1) continued uncertainty concerning the financial condition of GAC, GAC Properties, Inc. (Properties), a wholly-owned subsidiary of GAC, and Credit, a wholly-owned subsidiary of Properties, and (2) questions concerning transactions between these companies and their affiliates. During these additional suspension periods both Properties and GAC filed a Chapter XI petition. The Bankruptcy Court appointed receivers to direct the operations of Properties and Credit. In this connection, a debenture-holder of Credit has filed a motion before the Bankruptcy Court to transfer Credit's proceedings from Chapter XI to Chapter X of the Bankruptcy Act.

There are still questions concerning transactions between GAC, Properties, Credit and their affiliates and the effects such transactions may have had on their financial conditions. (Rel. 34-12141)

INVESTMENT COMPANY ACT RELEASES

FIRST HOME INVESTMENT

A notice has been issued giving interested persons until March 18 to request a hearing on an application of First Home Investment Corporation of Kansas, Inc., for an order (1) exempting it from certain provisions of Section 16(a) to permit a court to designate certain directors to serve for a period of 24 months, and (2) pursuant to Section 18(j)(1) to permit the issuance of certain promissory notes. (Rel. IC-9173 - Feb. 25)

CONSULTANT'S MUTUAL INVESTMENTS

A notice has been issued giving interested persons until March 22 to request a hearing on an application of Consultant's Mutual Investments, Inc., for an order that it has ceased to be an investment company. (Rel. IC-9174 - Feb. 25)

HOLDING COMPANY ACT RELEASES

NORTHEAST UTILITIES

An order has been issued approving a proposal of Northeast Utilities, a registered holding company, to issue and sell up to 6,000,000 shares of common stock, at competitive bidding. The proceeds of the sale will be used to make capital contributions to a subsidiary and to retire, in part, Northeast's short-term indebtedness. (Rel. 35-19400 - Feb. 25)

DELISTING AND UNLISTED TRADING ACTIONS

DELISTING GRANTED

An order has been issued granting the application of the American Stock Exchange, Inc. to strike from listing and registration the specified securities of the following companies:

Kilembe Copper Cobalt, Ltd. (capital stock) - As of December 31, 1974, the company had net tangible assets of \$2,757,000 and had sustained net losses during three of its four most recent fiscal years ended December 31, 1974, as follows: 1974, \$6,299,481; 1973, \$1,407,127; and 1971, \$637,711. In addition, the company sold its only operating subsidiary (Kilembe Mines, Ltd.) on March 3, 1975.

International Industries, Inc. (6% subordinated debentures, due 1987) - As of August 31 1975, the company had a net tangible asset deficit of \$25,713,000 and had sustained net losses during its three most recent fiscal years ended August 31, 1975, as follows: 1975, \$37,537,000; 1974, \$13,077,000; and 1973, \$36,133,000.

Savoy Industries, Inc. (common stock) - As of August 31, 1975, the company had net tangible assets of \$844,800 and had sustained losses before extraordinary items during its three most recent fiscal years ended August 31, 1975. In addition, the company's auditors noted that as of August 31, 1975, if the company were required to liquidate its liabilities currently at the amounts reflected in the balance sheets prepared by the auditors, the company may not be able to continue as a going concern, and the auditors expressed no opinion as to the company's ability to obtain additional financing at amounts sufficient to liquidate the current liabilities. (Rel. 34-12144)

UNLISTED TRADING GRANTED

An order has been issued granting the applications of the Boston Stock Exchange for unlisted trading privileges in the securities of the following companies, which securities are listed and registered on one or more other national securities exchanges: International Telephone & Telegraph Corp., Cum. Pfd. \$4.00 Conv. Series K - no par value; Norton Simon Inc., \$1.60 Cum. Conv. Pfd. Series A - \$5.00 par value; Sun Oil Company, \$2.25 Cum. Conv. Pfd. - \$1.00 par value; Atlantic Richfield Company, \$2.80 Cum. Conv. Pfd. - \$1.00 par value; Champion International Corp., \$1.20 Cum. Conv. Series Pref. - \$1.00 par value; City Investing Company, \$2.00 Cum. Conv. Pfd. Series B - \$1.00 par value; Dart Industries Inc., \$2.00 Cum. Conv. Pfd. Series A - \$5.00 par value; Diamond Shamrock Corp., \$1.20 Conv. Pfd. Series D - no par value; Household Finance Corp., \$2.375 Com. Conv. Vtg. Pfd. - no par value; Ingersoll-Rand Company, \$2.35 Cum. Conv. Pfd. - no par value; Bristol-Myers Company, \$2.00 Cum. Conv. Pfd. - \$1.00 par value; Carter Hawley Hale Stores, Inc., \$2.00 Conv. Pfd. Series A - \$5.00

par value; H. J. Heinz Company, 3rd Cum. Conv. Pfd. Stock, \$1.70 1st Series - \$10.00 par value; Occidental Petroleum Corp., \$4.00 Conv. Pfd. - \$1.00 par value; Occidental Petroleum Corp., \$3.60 Conv. Pfd. - \$1.00 par value; Southern California Edison Company, \$5.20 Conv. Pref. "H" - \$25.00 par value; Textron, Inc., \$2.08 Cum. Conv. Pfd. Series A - no par value; Textron, Inc., \$1.40 Conv. Pfd. Div. Series B - no par value; The Travelers Corp., \$2.00 Cum. Conv. Pfd. - no par value; TRW, Inc., Cum. Ser. Pref. II \$4.40 Conv. Ser. 1 - no par value; TRW, Inc., Cum. Ser. Pref. II \$4.50 Conv. Ser. 3 - no par value; United Technologies Corp., \$8.00 Cum. Cv. Pfd. - \$1.00 par value; Weyerhaeuser Company, \$2.80 Conv. Cum. Pfd. 1st Ser. - \$1.00 par value.
(Rel. 34-12145)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The PBW Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-PSE-76-4) to readopt the name Philadelphia Stock Exchange, Inc. Publication of the proposal is expected to be made in the Federal Register during the week of March 1.
(Rel. 34-12139)

SECURITIES ACT REGISTRATIONS

(S-7) INTERNATIONAL HARVESTER CREDIT CORPORATION

401 North Michigan Ave., Chicago, Ill. 60611 - \$75 million of notes, due 1984, to be offered for sale through underwriters headed by Morgan Stanley & Co. Incorporated, 1251 Avenue of the Americas, New York, N.Y. 10020. The corporation primarily provides wholesale and retail financing in the United States of sales of products manufactured or sold by International Harvester Company. (File 2-55565 - Feb. 24)

(S-1) WESTERN TRIO CATTLE COMPANY

118 W. 6th St., Guymon, Okla. 73942 - 10,000 units of limited partnership interests, to be sold for \$1,000 per unit with a minimum purchase of 5 units. The units will be offered on a best efforts basis by selected NASD members. The limited partnerships will engage in the feeding of cattle. (File 2-55575 - Feb. 25)

REGISTRATIONS EFFECTIVE

Feb. 11: Jersey Central Power & Light Co., 2-55200.

Feb. 24: The Brooklyn Union Gas Co., 2-55399; Burroughs Corp., 2-55314; Dresser Industries Inc., 2-55110; Houston Lighting & Power Co., 2-55407; National Semiconductor Corp., 2-55421 & 2-55496; Texas Electric Service Co., 2-55437.

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 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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