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DECISIONS IN ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND EXCHANGE COMMISSION

TALLEY INDUSTRIES, INC.

The request of the firm of attorneys that successfully represented certain affected shareholders in the administrative proceedings under the Investment Company Act reported in Talley Industries, Inc., 44 S.E.C. 165 (1970), for an order directing its adversary to pay it a fee for its services therein has been denied. The firm's accompanying request for an order reimbursing it for its disbursements in that case was also denied. The Commission's decision was based solely on jurisdictional grounds. The opinion said: "The Investment Company Act does not authorize this Commission to grant the requested relief. Nor does any other statute give us such authority."

The Commission stated that its action should not be construed as an expression of opinion on the facts or on the merits of the law firm's parallel action in the courts.

The Commission noted that a different question would have been presented "had this law firm made a request for compensation out of the fund allegedly produced by its efforts and accruing to the benefit of the class of investors to which its clients belonged prior to the consummation of the merger and the distribution of the fund." But the case did not present that question. And the Commission did not pass on it. (Rel. IC-9461)

DECISION BARRING JAY C. RUTLEDGE FINAL

The decision of an administrative law judge barring Jay C. Rutledge, of Oakland, California, from association with any broker or dealer has become final. After three months, Rutledge, who was president of the former broker-dealer firm of Stephenson, Leydecker & Co., may apply to become associated with a broker-dealer in a non-proprietary, non-supervisory capacity.

According to the decision, Rutledge engaged in "parking" transactions fraudulently designed to misrepresent his firm's net capital position, deliberately deceived regulatory authorities into believing his firm was maintaining sufficient funds in its special reserve bank account for the benefit of customers, made false entries in the firm's books and records, and failed to comply with net capital, customer protection, recordkeeping and reporting requirements. (Rel. 34-12841)

WILLARD G. BERGE, OTHERS BARRED

The Commission has barred Willard G. Berge, of Minneapolis, Minnesota, Robert E. Feeney, of Dubuque, Iowa, Harvey L. Velgersdyk, of Inwood, Iowa, and John R. Patterson, of Davenport, Iowa, from association with any broker or dealer. Berge, after six months, and Feeney, Velgersdyk and Patterson, after one year, may each apply to the Commission for permission to become so associated in a restricted capacity.

The Commission found that respondents unlawfully sold unregistered securities of New Life Trust, Inc., recommended them without an adequate basis, and variously made other misstatements in connection with the offer and sale of those securities. (Rel. 34-12846)

COMMISSION ANNOUNCEMENTS

WORKING CAPITAL OF NONFINANCIAL U.S. CORPORATIONS, JUNE 30, 1976

According to estimates released by the SEC, the net working capital of nonfinancial U.S. corporations increased nearly \$12 billion in the second quarter of 1976, resulting in a rather substantial rise of over \$25 billion for the first half of 1976. This compares with a \$7.5 billion increase in the 1st half of 1975. Net working capital, which represents corporate investment in current assets in excess of current liabilities, totaled over \$299 billion at the end of June, 1976. For further details, see the October issue of the Statistical Bulletin.

INTERPRETATION RELATING TO RESALE OF SECURITIES
ISSUED PURSUANT TO AN EMPLOYEE'S STOCK OWNERSHIP
PLAN

The Commission has approved the issuance by the Division of Corporation Finance of a letter reversing the position stated in Securities Act Release No. 33-5223 and 33-5243 regarding the status of securities acquired pursuant to an Employee's Stock Ownership Plan. Formerly, it had been the position of the Commission that securities acquired by employees of an issuer pursuant to a stock bonus or similar plan would be "restricted securities" for purposes of Rule 144. Based upon the facts stated in the subject letter, the Commission has reversed that position with regard to the subject Employee Stock Ownership Plan. (Rel. 33-5750)

MERCANTILE BANK AND TRUST COMPANY,
LIMITED PLACED ON FOREIGN RESTRICTED LIST

The Commission has placed on the Foreign Restricted List a corporation named Mercantile Bank and Trust Company, Limited, located in Kingstown, on St. Vincent, in the Windward Islands, which has been offering in the United States instruments purporting to be certificates of deposit, and other instruments appearing to be securities, in violation of Section 5 of the Securities Act of 1933. (Rel. 33-5751)

NOTICE OF EXEMPTIONS GRANTED
TO FOREIGN VENDORS

The SEC has granted exemptions, upon specified terms and conditions, to certain vendors who disseminate last sale information outside the United States with respect to transactions in certain United States securities from Rule 17a-15 (the Rule) under the Securities Exchange Act of 1934 insofar as the Rule requires, through the operation of plans declared effective pursuant to its provisions, that vendor interrogation systems display last sale information in accordance with specified requirements. (Rel. 34-12885)

COURT ENFORCEMENT ACTIONS

E. JOHN WENTLAND, OTHERS INDICTED

The Atlanta Regional and the Miami Branch Offices announced the return of an indictment by a Federal Grand Jury in Tampa, Florida, charging E. John Wentland, Wallace White, Charles White, William White, David Edstrom and Lane Hartwell with violations of the mail fraud and conspiracy statutes. The indictment alleges in 40 counts that the defendants engaged in a scheme to fraudulently induce investors to purchase \$3 million of promissory notes purportedly collateralized by parcels of land owned by Stuart-Martin Development Corp., Inc. and with repayment guaranteed by that company. The indictment is a product of a joint investigation conducted by the SEC, the U.S. Postal Inspection Service and the Justice Department. (U.S. v. John Wentland, et al., Middle District of Florida, Case No. 76-107-CR-T-H). (LR-7605)

COMPLAINT NAMES HUGHES OIL & GAS, INC., OTHERS

The Fort Worth Regional Office announced on October 1 the filing of a civil injunctive complaint in federal district court at Fort Worth, Texas, against Hughes Oil & Gas, Inc., Bobby F. Hughes, Energy Industrial Development, Inc. and Jack L. Deaton, all of Fort Worth; William C. Lawson, Ringgold, Texas; Ronnie O. Crews, Irving, Texas; and Kenneth M. Wilson, Arlington, Texas. The complaint alleges violations of the registration and antifraud provisions of the securities laws in the offer and sale of fractional undivided working interests in oil and gas leases located in Eastland and Palo Pinto Counties, Texas, issued by Hughes Oil & Gas, Inc. and Energy Industrial Development, Inc. (SEC v. Hughes Oil & Gas, Inc., et al., N.D. Tex., CA4-76-284). (LR-7606)

PETER D. LESLIE ENJOINED

The Washington Regional Office announced that on September 30 the Federal District Court in Alexandria, Virginia, entered an order of permanent injunction, by consent, against Peter D. Leslie of Montreal, Quebec, Canada. The final judgment, to which the defendant consented without admitting or denying the allegations of the Commission's complaint, permanently enjoins Peter D. Leslie from violations of the registration and antifraud provisions of the securities laws in the offer and sale of securities in the form of interests in Spanish real property coupled variously with rental-management, leaseback and repurchase agreements marketed by REAL International U.S.A., Inc., REAL International North America, Univest Resources Ltd., or REAL International Holding Company, or any securities of any other issuer. (SEC v. REAL International U.S.A., Inc., et al., E.D. Va., Alex. Div., Civil Action No. 75-887-A). (LR-7607)

INVESTMENT COMPANY ACT RELEASES

CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND

A conditional interim order has been issued pursuant to Sections 6(c) and 6(e) of the Act exempting Central States, Southeast and Southwest Areas Pension Fund (Applicant) from, in whole or in part, Sections 7, 8, 13(a), 15(a), 15(c), 16, 17(a), 17(d), 17(g), 18, 24(b), 30, 31 and 32 of the Act, effective September 10, pending final determination of an application for a conditional temporary exemption from certain provisions of the Act. A notice has also been issued that Applicant requests in the application a conditional temporary exemption pursuant to Sections 6(c) and 6(e) of the Act from the foregoing provisions and from, in whole or in part, Sections 10(e) and 21(a) of the Act, effective from April 1 until the earlier of March 31, 1977 or the final administrative determination by the Internal Revenue Service of Applicant's status under Internal Revenue Code Section 401. Interested persons have until November 8 to request a hearing on this matter. (Rel. IC-9474 - Oct. 12)

HOLDING COMPANY ACT RELEASES

THE CONNECTICUT LIGHT & POWER COMPANY

A notice has been issued giving interested persons until November 5 to request a hearing on a proposal of The Connecticut Light & Power Company and The Hartford Electric Light Company, both of which are wholly-owned subsidiaries of Northeast Utilities, whereby the two subsidiaries will consolidate certain operations and Connecticut Light & Power will provide services to Hartford Electric Light pursuant to a service contract. (Rel. 35-19711 - Oct. 12)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Midwest Stock Exchange, Incorporated has filed a proposed rule change under Rule 19b-4 (SR-MSE-76-21) to provide the rules for its planned options trading. Publication of the proposal is expected to be made in the Federal Register during the week of October 12. (Rel. 34-12881)

The New York Stock Exchange, Inc., has filed a proposed rule change under Rule 19b-4 (SR-NYSE-76-48) to revise age and sponsorship requirements for membership and sponsorship requirements for allied membership. Publication of the proposal is expected to be made in the Federal Register during the week of October 18. (Rel. 34-12886)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved proposed changes to Rules 301-303 and 306-308 filed by the Options Clearing Corporation under Rule 19b-4 (SR-OCC-76-3) relating to Clearing Members' financial responsibility. (Rel. 34-12879)

The Commission has approved proposed rule changes filed by the Chicago Board Options Exchange, Inc. The rule change (SR-CBOE-76-13) related to transfer of memberships, admission of members, association with members, and procedures governing such matters. (Rel. 34-12880)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

LISTING ACTIONS

The SEC has announced that the specified securities of the following companies have become listed on the following exchanges: New York Stock Exchange - Phillips Van-Heusen Corporation (De), common stock, \$1 par value and 5-1/4% convertible subordinated debentures, due May 15, 1994 (both effective as of August 28, 1976); and United Energy Resources, Inc. (De), common stock, par value \$1 per share (effective as of October 4, 1976). Pacific Coast Stock Exchange - United Energy Resources, Inc. (De), common stock, par value \$1 per share (effective as of October 11, 1976). American Stock Exchange - Commodore International Limited, capital shares, U.S. \$1 par value (effective as of October 10, 1976); Development Corporation of America (Fla.), common stock, par value \$.10 per share and 5% convertible subordinated debentures, due November 1, 1976.

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1996 (both effective as of October 8, 1976); and New GCC Computer, Inc. (name to be changed to Greyhound Computer Corp. (Del.)), 6% convertible subordinated debentures, due August 1, 1986 (effective as of October 9, 1976). (Rel. 34-12888)

MISCELLANEOUS

SHELL INTERNATIONAL FINANCE N.V.

An order has been issued granting the application of Shell International Finance N.V. (Applicant), a Netherlands corporation, pursuant to Section 12(h) of the Securities Exchange Act of 1934, as amended, for an exemption from the provisions of Section 13 of the Act. It appears to the Commission that the requested exemption is not inconsistent with the public interest and the protection of investors. The exemption is subject to certain conditions, including the filing of reports on Form 8-K reflecting the occurrence of any event which would affect the rights of Bondholders, disclosing material changes in the trading activity in the Bonds as well as the Commission's reserving jurisdiction to reconsider the exemption under certain circumstances. (Rel. 34-12889)

SECURITIES ACT REGISTRATIONS

(S-7) FORD MOTOR CREDIT COMPANY

The American Rd., Dearborn, Mich. 48121 - \$100 million of debentures, due 2001, \$75 million of subordinated notes, due 1984, and \$75 million of subordinated notes, due 1988, which will be offered for sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N.Y. 10004. The primary business of the company is providing wholesale financing to and purchasing retail installment sales contracts from franchised Ford vehicle dealers. (File 2-57376 - Oct. 7)

(S-14) ITEL CORPORATION

One Embarcadero Center, San Francisco, Cal. 94111 - 2,107,128 shares of common stock, to be issued in connection with the acquisition of AutEx, Inc., and Computer Dimensions, Inc. ITEL Corporation is engaged in several activities in the financial services, data products, transportation equipment leasing and data services industries. (File 2-57377 - Oct. 8)

(S-16) BEATRICE FOODS CO. (BEATRICE)

120 South LaSalle St., Chicago, Ill. 60603 - 400,000 shares of common stock, to be offered for sale for the account of a stockholder of Beatrice through Bear, Stearns & Co., as exclusive broker, by block trading in negotiated transactions on the New York Stock Exchange or the Midwest Stock Exchange or in other block trading transactions authorized by such exchanges, at gross prices per share approximating market prices prevailing at the time of such sale. Beatrice is primarily engaged in food manufacturing, processing and related services and is also engaged in the production of manufactured and chemical products. (File 2-57378 - Oct. 8)

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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