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RULES AND RELATED MATTERS

U.S. SECURITIES AND
EXCHANGE COMMISSION

COMMISSION PROPOSES AMENDMENTS EXPANDING AVAILABILITY OF THE SHORT FORM FOR REGISTRATION

The Commission announced the proposal of amendments expanding the availability of Form S-16, the short form for the registration of securities. The proposed amendments expand the availability of the Form to primary offerings of securities for cash by certain subsidiary issuers without requiring a guarantee by their parent companies provided: (1) the issuer meets all other general requirements for the use of the Form; (2) its parent meets the current \$50 million aggregate market value of voting stock requirements; (3) the issuer has outstanding and held by non-affiliates securities with an aggregate principal amount or market value of at least \$250 million the offer or sale of which has been registered pursuant to the provisions of the Securities Act; (4) the issuer meets certain industry-related earnings to fixed charges coverage ratios; and (5) the issuer has at least 2,500 security holders who are furnished copies of the issuer's annual report for its most recent fiscal year containing certified financial statements. Issuers desiring to take advantage of the proposed amendments may do so immediately, provided that they comply with all applicable provisions of the new Form. Interested persons should submit comments in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549 and should refer to File No. S7-754 on or before October 31, 1978. (Rel. 33-5974)

FOR FURTHER INFORMATION CONTACT: Steven J. Paggioli at (202) 376-8090

COMMISSION ANNOUNCEMENTS

STAFF VIEWS REGARDING FIDELITY BONDING OF REGISTERED MANAGEMENT INVESTMENT COMPANIES ANNOUNCED

The Commission announced the views of its Division of Investment Management regarding the duties of members of the boards of directors of registered management investment companies who are not "interested Persons" of such investment companies respecting their responsibilities under Section 17(g) of the Investment Company Act of 1940 and Rule 17g-1 thereunder with regard to the fidelity bonding of officers and employees against larceny and embezzlement. The Division believes the directors should be aware of the issues raised in two recent federal court cases concerning such bonding requirements and this release alerts them to the Division's concerns with respect to existing provisions of fidelity bonds being obtained to satisfy the requirements of Rule 17g-1. (Rel. IC-10393)

FOR FURTHER INFORMATION CONTACT: John M. Metzger at (202) 755-0233 or S. Elliott Cohan at (202) 755-0237

COURT ENFORCEMENT ACTIONS

CIVIL INJUNCTIVE ACTION ENTERED AGAINST COMPUTER INVESTORS GROUP, INC.

The Commission announced that on September 8 it filed a civil injunctive action in the U.S. District Court for the District of Columbia against Computer Investors Group, Inc. alleging violations of the reporting provisions of the securities laws and seeking a judgment of permanent injunction and other relief.

The Commission's complaint alleged that Computer Investors has failed to file its annual report on Form 10-K for its fiscal year ended March 31, 1978, required to have been filed with the Commission by June 29, 1978 and its quarterly report on Form 10-Q for its fiscal quarter ended June 30, 1978, required to have been filed with the Commission by August 14, 1978. Further, the complaint charged that Computer Investors,

as part of a continuing course of conduct extending over several years, has failed to timely file certain of its annual reports and quarterly reports required to have been filed with the Commission. (SEC v. Computer Investors Group, Inc., U.S.D.C. D.C., Civil Action No. 78-1694). (LR-8525)

COMPLAINT NAMES THE SEAGRAM COMPANY LTD. AND JOSEPH E. SEAGRAM & SONS, INC.

The Washington Regional Office announced the filing of a complaint in the U.S. District Court for the Eastern District of Pennsylvania on September 8 seeking to order The Seagram Company Ltd. (Seagram) of Montreal, Quebec, Canada, and its principal subsidiary, Joseph E. Seagram & Sons, Inc. (JES), of New York, New York, to comply with the reporting provisions of the Securities Exchange Act of 1934 in connection with the failure by Seagram and JES to disclose in their respective annual and periodic reports filed with the Commission certain illegal and questionable political contributions and certain illegal and questionable trade practices.

Simultaneously with the filing of the complaint, Seagram and JES consented, without admitting or denying the allegations of the complaint, to the entry of a final order.

In instituting the civil action, the Commission has noted the efforts of Seagram to discontinue questionable and illegal practices, its cooperation with the staff's investigation, and the thoroughness of the investigation by the Audit Committee of the Board of Directors of Seagram.

The Commission's complaint alleges that during the period from approximately January 1970 to December 1976, Seagram and JES failed to disclose in their reports to the Commission and to their respective security holders that Seagram maintained a special account in Canada, from which account Seagram made various payments, including questionable and illegal payments made through JES, its principal subsidiary, which were not reflected on the books and records of JES. (SEC v. The Seagram Company Ltd. and Joseph E. Seagram & Sons, Inc., E.D. Pa., Civil Action No. 78-2993). (LR-8526)

INVESTMENT COMPANY ACT RELEASES

NATIONAL AVIATION & TECHNOLOGY CORPORATION

An order has been issued on an application of National Aviation & Technology Corporation (Applicant), pursuant to Section 17(b) of the Act, exempting from Section 17(a) of the Act Applicant's exercise of a warrant for the purchase of 20,000 shares of common stock of Evans & Sutherland Computer Corporation and pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder permitting the exercise by Applicant of the warrant. (Rel. IC-10390 - Sept. 7)

SHEPMYERS INVESTMENT COMPANY

A notice has been issued giving interested persons until October 2 to request a hearing on an application of Shepmyers Investment Company (the Fund), a Pennsylvania corporation registered as a diversified, closed-end, management investment company, and Dresel Burnham Lambert Incorporated, the Fund's investment adviser, for an order exempting certain transactions of the Fund from the provisions of Section 10(f) of the Act so as to permit the Fund to purchase municipal bonds in public offerings in which the Fund's investment adviser participates as a principal underwriter, subject to certain conditions specified in the application. (Rel. IC-10391 - Sept. 6)

HOLDING COMPANY ACT RELEASES

INDIANA & MICHIGAN ELECTRIC COMPANY

An order has been issued authorizing a proposal of Indiana & Michigan Electric Company, subsidiary of American Electric Power Company, Inc., that it issue and sell through December 31, 1980, notes to banks and a commercial paper dealer in an amount not to exceed \$125 million. (Rel. 35-20700 - Sept. 7)

GULF POWER COMPANY

An order has been issued authorizing Gulf Power Company, subsidiary of The Southern Company, to issue and sell at competitive bidding up to \$25 million of first mortgage bonds. The proceeds of the sale will be used to repay notes payable to retire first mortgage bonds and to finance Gulf's 1978 construction program. (Rel. 35-20701 - Sept. 7)

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-B) EUROPEAN INVESTMENT BANK, 2, Place de Metz, Luxembourg, Grand Duchy of Luxembourg - \$75 million of notes, due 1986 and \$125 million of bonds, due 1998. Underwriters: Lehman Brothers Kuhn Loeb Inc.; The First Boston Corp.; Merrill Lynch White Weld Capital Markets Group; and Lazard Freres & Co. (File 2-62550 - Sept. 8)
- (S-6) INVESTORS' MUNICIPALS - YEILD TRUST, SERIES I - an indefinite number of units. Depositor: Van Kampen Sauerma Inc., 208 South LaSalle St., Chicago, Ill. 60604. (File 2-62551 - Sept. 8)
- (S-7) NORTHERN INDIANA PUBLIC SERVICE COMPANY, 5265 Hohman Ave., Hammond, Ind. 46320 - 2,000,000 shares of common stock. Underwriters: Dean Witter Reynolds Inc. and Merrill Lynch White Weld Capital Markets Group. The company is an electric and gas utility. (File 2-62552 - Sept. 8)
- (S-8) RIBLET PRODUCTS CORP., 29618 CR-12W, Elkhart, Ind. 46514 - 73,875 shares of common stock. (File 2-62553 - Sept. 8)
- (S-6) NATIONAL MUNICIPAL TRUST, TWENTY-NINTH SERIES - 13,000 units. Depositors: Thomson McKinnon Securities Inc., One New York Plaza, New York, N.Y. 10004 and Piper, Jaffray & Hopwood Inc. (File 2-62554 - Sept. 8)
- (S-7) THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF MARYLAND, 1 East Pratt St., Baltimore, Md. 21202 (301-539-9900) - \$125 million of forty year debentures, due 2018. (File 2-62555 - Sept. 8)
- (S-16) KANSAS CITY SOUTHERN INDUSTRIES, INC., 114 West 11th St., Kansas City, Mo. 64105 (816 556-0388) - 32,150 shares of common stock. (File 2-62556 - Sept. 8)
- (S-16) SUNBEAM CORPORATION, 5400 West Roosevelt Rd., Chicago, Ill. 60650 (312-854-3500) - 161,773 shares of common stock. (File 2-62557 - Sept. 8)
- (S-16) APPLIED DIGITAL DATA SYSTEMS INC., 100 Marcus Blvd., Hauppauge, N.Y. 11787 (516-231-5400) - 209,000 shares of common stock. (File 2-62558 - Sept. 11)

REGISTRATIONS EFFECTIVE

Sept. 1 - Damson 1978-79 Oil and Gas Income Fund, 2-61736 (90 days); Florida Power Corp., 2-61442; Garden Way, Inc., 2-62020 (90 days); K-Mart Corp., 2-62151; Keane Associates, Inc., 2-61721; PPC Industries, Inc., 2-62328; Panhandle Eastern Pipe Line Co., 2-62226; Rorer Group Inc., 2-62371.

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.



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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.

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SEC STATISTICAL BULLETIN is published monthly. Subscription rates: \$15.00/yr in U.S. first class mail; \$18.75 elsewhere.

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