

sec news digest

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

DISQUALIFICATION OF ALLEN M. LINDENBERG FROM COMMISSION PRACTICE FINAL

The suspension of Allen M. Lindenberg, a Pittsburgh, Pennsylvania certified public accountant, from appearance or practice before the Commission has become permanent. In February 1976, the Commission temporarily suspended Lindenberg from practice before it on the basis of an injunction entered against him at the instance of the Commission by the U.S. District Court in Pittsburgh. That injunction, which was entered with Lindenberg's consent and without his admitting or denying the charges against him, permanently enjoined Lindenberg from violations of the registration and antifraud provisions of the securities laws. (SEC v. Allen M. Lindenberg, Civil Action No. 75-1514). (Rel. 34-13759)

COMMISSION ANNOUNCEMENTS

ADVISORY COMMITTEE ON CORPORATE DISCLOSURE MEETING ANNOUNCED

The Advisory Committee on Corporate Disclosure which has been renewed for a period of 60 days and will now terminate on September 30 will conduct an open meeting on September 6 at 500 North Capitol Street, Washington, D.C. 20549 in Room 776 beginning at 10:00 a.m. The summarized agenda for the meeting is as follows: (1) Consideration and approval of the Final Report to the Commission; and (2) Any other matters as may be brought before the Committee.

Further information may be obtained from Mary E.T. Beach, Staff Director, Advisory Committee on Corporate Disclosure, Securities and Exchange Commission, Washington, D.C. 20549.

NATIONAL MARKET ADVISORY BOARD MEETING ANNOUNCED

The National Market Advisory Board will conduct open meetings on August 15 and 16 in Conference Room One, Twenty-third Floor, First National Citibank, 95 Wall Street, New York, New York. The Board will also conduct open meetings on September 19 and 20 and October 17 and 18, in Room 776, 500 North Capitol Street, Washington, D.C.

Initial notice of the August meeting was published in the Federal Register on June 2. An amended notice, setting forth the change of location of the meeting from Washington, D.C. to New York City, was published in the Federal Register on July 21.

The summarized agenda for the September and October meetings will be published in the Federal Register at a later date. The summarized agenda for the August meeting is as follows: (1) Discussion of the Board's letter to the Commission regarding regulation of specialists and market makers in light of the removal of off-board trading restrictions; (2) Discussion of a Board letter to the Commission regarding: a. a composite quotation system for listed securities; b. a broker's obligation to obtain "best execution" for its customer; c. proposed Commission rules 15c5-1[A], [B], [C], and [D] regarding overreaching; (3) Request by the Midwest Stock Exchange, Inc. for access to the common message switch; (4) Report by certain Board members regarding possible Board consideration of issues concerning options; and (5) Discussion of such other matters as may properly be brought before the Board.

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.

SCHEDULE OF PUBLIC HEARINGS ON OFF-BOARD TRADING
RULES AND EXTENTION OF COMMENT PERIOD ANNOUNCED

The SEC has announced the schedule of appearances for the public hearings on rules of national securities exchanges which limit or condition the ability of members to effect transactions otherwise than on such exchanges. The hearings, originally scheduled to commence at 10:00 a.m. on August 1 will begin on Tuesday, August 2 at 9:30 a.m.

The tentative schedule of appearances for the hearings is as follows:

Tuesday, August 2, 1977

9:30 a.m. - William M. Batten, New York Stock Exchange, Inc.

Wednesday, August 3, 1977

9:30 a.m. - William Baumol, Professor of Economics, New York University

10:00 a.m. - Donald E. Weeden, Weeden & Co. Incorporated

2:00 p.m. - Roger E. Birk, Merrill Lynch, Pierce, Fenner & Smith Incorporated

Thursday, August 4, 1977

9:30 a.m. - Treasury Department

10:30 a.m. - Michael Tobin, Midwest Stock Exchange

2:00 p.m. - James French, Wellington Management Company

2:30 p.m. - Edward Purcell, Association for the Preservation of the Auction Market

Monday, August 15, 1977

9:30 a.m. - Thomas O'Hara, National Association of Investment Clubs

10:00 a.m. - Paul Kolton, American Stock Exchange, Inc.

2:00 p.m. - Margaret Cox Sullivan, Stockholders of America

2:30 p.m. - Paul Hallingby, Jr., White Weld & Co. Incorporated

3:00 p.m. - Robert E. Mnuchin, Goldman Sachs & Co.

Tuesday, August 16, 1977

9:30 a.m. - Robert Kanter, R. Kanter Securities Corp.

10:00 a.m. - Gordon S. Macklin, National Association of Securities Dealers, Inc.

2:00 p.m. - Edward O'Brien, Securities Industry Association

Wednesday, August 17, 1977

2:00 p.m. - Robert H. B. Baldwin, Morgan Stanley & Co. Incorporated

3:00 p.m. - Jerone M. Pustilnik, Institutional Networks Corporation

3:30 p.m. - Junius Peake, Morris Mendelson, Ralph T. Williams

Persons intending to appear at the public hearings should file with George A. Fitzsimmons, Secretary of the Commission, Room 892, 500 North Capitol Street, Washington, D.C. 20549, the text of any prepared statement, together with 30 copies, not later than four business days prior to their appearance and are welcome to make additional copies of these statements available for the benefit of interested persons attending the hearings. The Commission also announced that the date by which persons wishing to respond to the written or oral comments of others, should make written presentations has been extended from August 24 to August 31.

All submissions should refer to File No. 4-180 and will be available for public inspection at the Commission's Public Reference Room, 1100 L Street, N.W., Washington, D.C. (Rel. 34-13802)

COURT ENFORCEMENT ACTIONS

ARTHUR T. MUDD AND BOBBY HODGES ENJOINED

The Atlanta Regional Office announced that on July 12 the Federal Court in Memphis issued an order permanently enjoining Arthur T. Mudd and Bobby Hodges, both of Memphis, from violations of the antifraud and municipal securities dealer registration provisions of the securities laws. The defendants consented to the entry of the injunction without admitting or denying the allegations in the Commission's complaint. (SEC v. Arthur T. Mudd and Bobby Hodges, W.D. Tenn., Civil Action No. 77-2304). (LR-8036)

KENNETH BOVE & CO., INC. PRINCIPALS SENTENCED

The New York Regional Office and the U.S. Attorney for the Southern District of New York (U.S. Attorney) announced that on June 17 as a result of their guilty pleas, Kenneth Bove, Alan Gompers and Howard Schwell were each sentenced to two years probation and performance of one day per week of "useful community service". In addition, Bove was fined \$5,000.

On April 14 Bove, Gompers and Schwell had pleaded guilty to an information filed by the U.S. Attorney charging each with violations of the antifraud provisions of the securities laws in seven securities underwritten and traded in the after-market by Kenneth Bove & Co., Inc. (Bove & Co.). The defendants are a former officer and employees of Bove & Co., a defunct New York City broker-dealer whose registration with the Commission was revoked on June 22, 1976. They were previously sanctioned by the Commission in a related administrative proceeding instituted on June 13, 1974 (In the Matter of Kenneth Bove & Co., Inc., et al., Adm. Pro. File No. 3-4509). (See Release 34-11706, 34-12996 and 34-12997). (U.S. v. Kenneth Bove, et al., 77 Cr. 287, S.D.N.Y.). (LR-8037)

INVESTMENT COMPANY ACT RELEASES

COLONIAL OPTION INCOME FUND

A notice has been issued giving interested persons until August 15 to request a hearing on an application of Colonial Option Income Fund, Inc. (Fund), an open-end diversified management investment company, and Colonial Management Associates, Inc. (Management), the investment adviser and principal underwriter for the Fund, for an order (1) pursuant to Section 11(a) of the Act, to permit the Fund to offer its shares at net asset value in exchange for those shares of Standard & Poor's/InterCapital Liquid Asset Fund Inc. (S&P) which were originally acquired with proceeds from the redemption of Fund shares and for those additional S&P shares received through reinvestment of dividends and capital gains distributions, upon payment of a \$5 exchange fee, and (2) pursuant to Section 6(c) of the Act, to exempt the Fund and Management from Section 22(d) of the Act and the rules thereunder to permit the sale of Fund shares through such exchange offers without the customary sales charge. (Rel. IC-9863 - July 21)

HARTFORD VARIABLE ANNUITY LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until August 16 to request a hearing on an application of Hartford Variable Annuity Life Insurance Company (HVA), a stock life insurance company organized under the laws of the State of Connecticut; Hartford Variable Annuity Life Insurance Company DC Variable Account-I (DC-I), a separate account of HVA, registered as a unit investment trust under the Investment Company Act of 1940; Hartford Fund, Inc., a management open-end diversified investment company registered under the Act; and Axe Securities Corporation, a Delaware corporation registered as a broker-dealer under the Securities Exchange Act of 1934, sponsor-depositor and principal underwriter of DC-I, for an order of the Commission pursuant to Section 6(c) of the Act granting exemption from the provisions of Sections 12(d)(1), 22(d), 26(a)(2), 27(a)(3), and 27(c)(2), to the extent requested, and for an order pursuant to Section 11 of the Act approving certain offers of exchange and for an order pursuant to Section 9(c) of the Act for exemption from Section 9(a). (Rel. IC-9866 - July 22)

A notice has also been issued giving interested persons until August 16 to request a hearing on an application of Hartford Variable Annuity Life Insurance Company (HVA), a stock life insurance company organized under the laws of the State of Connecticut; Hartford Variable Annuity Life Insurance Company DC Variable Account-II (DC-II), a separate account of HVA, registered as a unit investment trust under the Investment Company Act of 1940; Hartford Fund, Inc., a management open-end diversified investment company registered under the Act; and Axe Securities Corporation, a Delaware corpora-

tion registered as a broker-dealer under the Securities Exchange Act of 1934, sponsor-depositor and principal underwriter of DC-II, for an order of the Commission pursuant to Section 6(c) of the Act granting exemption from the provisions of Sections 12(d) (1), 26(a) (2), 27(a) (3), and 27(c) (2), to the extent requested, and for an order pursuant to Section 11 of the Act approving certain offers of exchange and for an order pursuant to Section 9(c) of the Act for exemption from Section 9(a). (Rel. IC-9867 - July 22)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Pacific Stock Exchange Inc. has filed a proposed rule change under Rule 19b-4 (SR-PSE-77-15) to expand to eighty the number of call option classes which may be listed on the Exchange. Publication of the proposal is expected to be made in the Federal Register during the week of July 25. (Rel. 34-13795)

The American Stock Exchange, Inc. (Amex) has filed a proposed rule change under Rule 19b-4 (SR-Amex-77-18) to amend its listing standards for foreign companies that exceed the Exchange's normal listing criteria for size and earnings, but are unable to satisfy the criterion for domestic share distribution. Publication of the proposal is expected to be made in the Federal Register during the week of July 25. (Rel. 34-13796)

SECURITIES ACT REGISTRATIONS

- (S-8) IMPELL CORP., 220 Montgomery St., San Francisco, Cal. 94104 - 195,563 shares of common stock (File 2-59545 - July 25)
- (S-8) THE NEWHALL LAND AND FARMING CO., 27050 Henry Mayo Rd., Valencia, Cal. 91355 - 160,000 shares of common stock (File 2-59546 - July 25)
- (S-6) AMERICAN TAX-EXEMPT BOND TRUST, SERIES 21, 215 North Main St., West Bend, Wis. 53095 - 6,750 units. Depositor: B. C. Ziegler and Co. (File 2-59547 - July 25)
- (S-1) THE COMMODITY FUND OF AMERICA, 44 Montgomery St., San Francisco, Cal. 94104 - 5,000 units of limited partnership interest. Selling Agent: Economic Research Analysts, Inc. (File 2-59548 - July 25)
- (S-6) THE CORPORATE INCOME FUND, FIFTY-NINTH MONTHLY PAYMENT SERIES - 20,000 units. Depositors: Merrill Lynch, Pierce Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006; Bache Halsey Stuart Shields Inc.; and Reynolds Securities Inc. (File 2-59549 - July 25)
- (S-8) ALPHA INDUSTRIES, INC., 20 Sylvan Rd., Woburn, Mass. 01801 - 50, 138 shares of common stock (File 2-59550 - July 25)
- (S-8) CUNNINGHAM DRUG STORES, INC., 1927 Twelfth St., Detroit, Mich. 48216 - 70,000 shares of common stock (File 2-59551 - July 25)
- (S-8) FIDELITY CORPORATION OF OKLAHOMA, Robinson at Robert S. Kerr Ave., Oklahoma City, Okla. 73124 - 49,500 shares of common stock (File 2-59552 - July 25)

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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