

# sec news digest

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U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

October 17, 1974

## COMMISSION ANNOUNCEMENTS

OCT 18 1974

FURTHER DETAILS ON PUBLIC CONFERENCE ON  
MONEY MANAGER, INDUSTRY RELATIONSHIPS

### LIBRARY

The SEC announced further details concerning the forthcoming, one-day, public conference the Commission will convene on October 29, 1974, to discuss relationships between institutional money managers and the securities industry.

The conference will be held from 9:00 a.m. until 6:00 p.m., on Tuesday, October 29th. Although the Commission previously had announced that the conference would convene in Room 776 of the Commission's Headquarters Offices, in order to insure ample facilities for all members of the public who may wish to attend, the conference site has been changed to Room 2123 of the Rayburn House Office Building, South Capital Street and Independence Avenue, S.W., Washington, D.C. 20515.

As previously indicated, a panel of 15 to 20 persons will participate in direct discussions with the Commission concerning the topics discussed below. It is anticipated that, following such discussions, other persons attending the conference will be afforded some opportunity to comment on the matters discussed by the panelists.

There follows a general description of the broad topics to be discussed.

First, the participants will be invited to explore current practices with respect to the providing or furnishing of investment-related services, such as research and execution, and their relationship to legal, regulatory and business management considerations.

With the discussion as a background, more importantly the panelists will be asked to consider whether anticipated changes, such as the elimination of fixed commission rates on exchange transactions, will necessitate changes in the manner of providing and paying for investment-related services.

Finally, the panelists will discuss whether governmental action may and should be taken to alleviate any existing or prospective problems.

The Commission indicated that it hopes the panelists will cover the aspects of the topics outlined below that they consider most important. Among such matters will be the kinds of investment-related services currently used by institutional investors for their managed accounts, how such services are provided (by such managers, by other persons or jointly) and which of those services currently are paid for by managers out of their management charges and which currently are paid for by managed accounts by commissions or other pass-through basis.

The panelists may also discuss legal and business bases used in determining what investment-related services (whether produced by institutional investor or others) should, or are required to, be provided in consideration for their management fees, as well as the bases for determining which charges for investment-related services acquired from other persons should be passed through.

**SEC**  
**40<sup>th</sup>**  
ANNIVERSARY

REMEMBER SEC 40TH ANNIVERSARY/RESERVE NOW, PAY LATER

The SEC 40th Anniversary Celebration will be held on October 24, 1974, at the Statler Hilton, 16th and K Sts., N.W., Washington, D.C. For additional information and registration form see page 3 of the Digest.

Current policies followed by institutional money managers to provide disclosure to beneficiaries of their managed accounts can also be reviewed. Panelists will also be asked to consider whether there are different considerations for different categories and sizes of institutional managers and different categories and sizes of managed accounts.

Furthermore, the panelists may develop the extent to which their perceptions have been affected by limited experiences involving unfixed commission rates on exchange transactions (the absence of fixed commissions on the portions of orders above \$300,000 and below \$2,000) and the general ability of member firms otherwise to raise commission rates on exchange transactions.

From that point, they can consider how their analysis and conduct will be affected by anticipated future developments, such as the elimination of all fixed commission charges on exchange transactions, new pricing patterns for investment-related services, and the implementation of a central market system.

Based upon the analyses of current circumstances and anticipated future developments, the panel will then consider whether changes in federal or state law may be desirable or necessary, and whether, short of, or in conjunction with, such changes, other steps can, or should, be taken. In addition, different or alternative safeguards for the protection of beneficiaries of managed accounts from potential abuses can be reviewed as well as the possibility of considering both interim or permanent measures to deal with any problems perceived by the panelists.

In indicating the general nature of the discussions that will take place on October 29th, the Commission published a list of topics to serve as a guide for all participants and observers which can be obtained by writing or telephoning [(202) 755-1160] the Office of the Secretary. The Commission invites members of the public to submit any written views on the following topics both before and after the conference. Written comments should bear the file number S7-536, and be addressed to George A. Fitzsimmons, Secretary, 500 North Capitol Street, Washington, D.C. Comments may be submitted up to and including November 25, 1974.

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## TRADING SUSPENSIONS

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### TRADING SUSPENSION OF AVIS, INC. TERMINATED

The SEC announced that the temporary suspension of exchange and over-the-counter trading in the securities of Avis, Inc. (Avis), of Garden City, New York, will terminate at midnight (EDT) on October 16, 1974.

The Commission suspended trading in Avis on October 1, 1974 because of unsubstantiated rumors concerning the possible purchase of International Telephone & Telegraph Corporation's (ITT) majority interest in Avis. Since that time, ITT has announced that it is continuing exploratory discussions for the sale of its 52% ownership of Avis with prospective purchasers, including UAL, Inc., but that the sale of its remaining Avis ownership is not imminent. ITT has stated its intention to discuss the sale of its Avis ownership with any responsible party and that it would accept any offer acceptable to the majority of Avis public shareholders. ITT has also submitted to the Justice Department a plan whereby its Avis stock would be disposed of through the issuance of subordinated debentures convertible into Avis stock and is discussing this plan as well as other alternatives with the Justice Department. ITT was required to dispose of its interest in Avis by September 24, 1974 as the result of a consent decree ITT entered into with the Justice Department in 1971. (Rel. 34-11054)

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## HOLDING COMPANY ACT RELEASES

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### LOUISIANA POWER & LIGHT COMPANY

A supplemental order has been issued authorizing Louisiana Power & Light Company, subsidiary of Middle South Utilities, Inc., to increase its short-term notes to banks and commercial paper from \$50 million to \$70 million. (Rel. 35-18604 - Oct. 15)

SEC 40TH ANNIVERSARY CELEBRATION

The SEC wishes to invite all past employees to attend its 40th Anniversary Celebration to be held on October 24, 1974, at the Statler Hilton in Washington. The price will be \$25 per person for all former employees. The dress is optional.

RESERVE NOW, PAY LATER -- To facilitate planning for the dinner, the Committee will accept indications of interest for the reservation of complete tables, even if they are at this moment incomplete, without payment of the entire cost of the table. Thus, if you are reasonably sure that you will be reserving a table -- even if you have not obtained confirmations from all of your party -- please notify Ms. Betty Lear at (202) 755-1114 and send in your reservation form. In the event that you are unable to fill your table, you will not be responsible for unused seats.

DINNER RESERVATION & REGISTRATION FORM

To The SEC Anniversary Committee:

Herewith is my check or money order in the amount of \$\_\_\_\_\_ for which please issue \_\_\_\_\_ tickets to the SEC 40th Anniversary Celebration for the following persons (please PRINT names as they should appear in the Anniversary Program, listing married couples as "Mr. and Mrs."):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please send the tickets to:

(Name)

\_\_\_\_\_

(Address)

\_\_\_\_\_

\_\_\_\_\_

Please seat the persons listed above with the following additional persons (please PRINT names):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Make checks or money orders payable to "SEC Anniversary Committee," and mail to

SEC Anniversary Committee, Room 856  
Securities and Exchange Commission  
Washington, D. C. 20549

Present staff members and employees may make payment to Lawrence A. Friend, Treasurer, in Room 502.

## EASTERN UTILITIES ASSOCIATES

An order has been issued authorizing Eastern Utilities Associates, to increase certain open account advances to certain of its electric utility subsidiaries and to loan up to \$15 million to another electric utility subsidiary company. (Rel. 35-18605 - Oct. 16)

## BLACKSTONE VALLEY ELECTRIC COMPANY

An order has been issued authorizing Blackstone Valley Electric Company, subsidiary of Eastern Utilities Associates, to make bank borrowings of up to \$15 million. (Rel. 35-18606 - Oct. 16)

## THE COLUMBIA GAS SYSTEM

A notice has been issued giving interested persons until November 13 to request a hearing on an application-declaration of The Columbia Gas System, Inc., and two of its subsidiaries regarding certain proposed transactions related to the merger of The Ohio Valley Gas Company into Columbia Gas of Ohio, Inc. (Rel. 35-18607 - Oct. 16)

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## SECURITIES ACT REGISTRATIONS

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### (S-7) CONTINENTAL OIL COMPANY

High Ridge Park, Stamford, Conn. 06904 - \$150 million of debentures, due 1999, to be offered for sale by underwriters managed by Morgan Stanley & Co. Incorporated, 1251 Avenue of the Americas, New York, N.Y. Continental is a diversified purchaser of crude oil, natural gas and refined petroleum products. (File 2-52142 - Oct. 15)

### (S-7) LONG ISLAND LIGHTING COMPANY

250 Old Country Rd., Mineola, N.Y. 11501 - \$60 million of first mortgage bonds, Series Z, due 1982, to be sold through a negotiated public offering. The company supplies electric and gas service. (File 2-52138 - Oct. 11)

### (S-7) PUGET SOUND POWER & LIGHT COMPANY

Puget Power Bldg., Bellevue, Wash., 98009 - \$30 million of first mortgage bonds, to be offered for sale by underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006 and Salomon Brothers, One New York Plaza, New York, N.Y. 10004. The company is a public utility which produces and sells electric energy. (File 2-52145 - Oct. 15)

## REGISTRATIONS EFFECTIVE

Oct. 16: Abbott Laboratories, 2-52081; Artic Enterprises, Inc., 2-51827; Basic Inc., 2-52076; Equitable Bancorporation, 2-51801; Pacific Telephone and Telegraph Co., 2-51266; Southern California Gas Co., 2-51964.

### 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.

SEC NEWS DIGEST is published daily. Subscription rates: \$35.45/yr in U.S. first class mail; \$44.35 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$21.35/yr in

U.S. first class mail, \$26.70 elsewhere. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.