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U.S. SECURITIES AND
EXCHANGE COMMISSION

Issue 78-37

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RULES AND RELATED MATTERS

RULE 17Ad-8 PROPOSED

The Commission announced today the proposal of Rule 17Ad-8 under the Securities Exchange Act of 1934. The proposed rule is intended to disclose the names of depository participants to issuers and other qualified parties for the purpose of establishing a point outside the depository from which the distribution of communications to beneficial shareowners may be initiated. (Rel. 34-14493)

FOR FURTHER INFORMATION CONTACT: Dennis E. Carlton at (202) 755-8946

ADMINISTRATIVE PROCEEDINGS

BRITISH AMERICAN UTILITIES CORPORATION

An order has been issued authorizing British American Utilities Corporation, a registered holding company, and its sole and wholly-owned subsidiary, North East Heat & Light Company, to consummate a plan of reorganization under which the holding company will be eliminated through the merger of British American into North East Heat & Light. (Rel. 35-20410)

ARGENT CORPORATION DEBENTURES DELISTED

The Commission has granted the application of the American Stock Exchange to strike from listing and registration the 10% sinking fund subordinated debentures (due 1984) of Argent Corporation, of Las Vegas, Nevada. Trading in those securities has been suspended by the Exchange since September 21, 1977.

According to the Commission's decision, Argent failed to meet the Exchange's guidelines for continued listing. As of August 31, 1976, Argent had a net tangible asset deficit of \$25 million, and sustained net losses totaling more than \$10 million for its fiscal years ended August 31, 1975 and 1976.

The Commission rejected the argument of certain debenture holders that the Exchange failed to give proper weight to Argent's growth prospects, and to its expectation that it would earn a profit for its fiscal year ending August 31, 1977, an expectation that proved justified. The Commission stated: "In light of the company's poor financial condition, the Exchange's refusal to stay its hand was clearly within its discretion." (Rel. 34-14454)

STANTON L. WHITNEY SUSPENDED

The Commission has suspended Stanton L. Whitney, of Fairfield, Connecticut, from association with any broker or dealer for a period of nine months, effective March 6. Whitney is associated with the broker-dealer firm of CNA Investor Services, Inc. However, his principal occupation is operating his own insurance business. The Commission found that, in 1973, Whitney was instrumental in obtaining management of half the portfolio of the pension fund of Stratford, Connecticut for the Connecticut General Life Insurance Company. However, Whitney was dissatisfied with the compensation he received for his efforts and engaged in a fraudulent scheme to obtain additional compensation. On May 17, 1974, he was called by a Stratford official to pick up the securities in question for delivery to Connecticut General, which planned to liquidate the securities and reinvest the proceeds. Instead, Whitney took the securities to a New York City brokerage house, with which CNA had a fee-sharing agreement. Under that agreement, Whitney obtained additional compensation when the securities were liquidated, which he otherwise would not have obtained. (Rel. 34-14468)

C. D. PULIS & CO. AND CHARLES D. PULIS

The Commission has issued an order directing that: (1) the broker-dealer registration of C. D. Pulis & Co. (Registrant) be withdrawn; and (2) Registrant and Charles D. Pulis (Pulis), Registrant's sole general partner, comply with the undertaking that: (a) Registrant will not re-apply for registration as a broker-dealer; and (b) Pulis will not become associated with any broker, dealer, investment company, investment adviser, or municipal securities dealer (registered entities) in any capacity, provided that, after a period of one month from the effective date of the Commission's order, Pulis may apply to the Commission to become associated in a non-supervisory and non-proprietary capacity with any registered entity.

The above remedial action was based upon findings that Registrant wilfully violated, and Pulis wilfully aided and abetted the violations of, the margin, supervision, fidelity bonding, customer protection, bookkeeping, annual financial reporting, and revenue and expense reporting provisions of the Securities Exchange Act of 1934.

Registrant and Pulis submitted an offer of settlement by which they consented to the above findings and remedial action without admitting or denying the allegations in the order for proceedings which instituted this action. In conjunction with the offer of settlement, Registrant filed Form BDW (Notice of Withdrawal from Registration as Broker-Dealer). (Rel. 34-14470)

FLOW OF CAPITAL SECURITIES, INC. AND
PETER PAUL SMETEK, JR. SANCTIONED

The Commission announced that Flow of Capital Securities, Inc. and Peter Paul Smetek, Jr., the firm's president, both of Houston, Texas have been sanctioned for violations of the Securities Exchange Act of 1934. The Commission found that Flow of Capital Securities, Inc. aided and abetted by Smetek, filed an inaccurate Form BD with the Commission; failed to keep current and accurate books and records; failed to maintain the minimum required net capital; failed to file its required annual report under Rule 17a-5 of the Securities Exchange Act of 1934, and its report of income and expenses as required by Rule 17a-10; failed to give timely notice and file supplemental reports as required by Rule 17a-11 when the firm was not in compliance with the net capital requirements; failed to file a designation of independent accountant as required by Rule 17a-5; and also failed to maintain required fidelity bond coverage.

The registration of Flow of Capital Securities, Inc. was suspended for a period of fifteen days and Smetek was suspended from association with any broker-dealer for a fifteen day period. The sanctions were imposed after acceptance by the Commission of respondents' offer of settlement whereunder Flow of Capital Securities, Inc. and Smetek neither admitted nor denied the substantive allegations of the order for proceedings and waived a hearing. (Rel. 34-14472)

FRANK S. GROSECLOSE

The Commission has entered an order barring Frank S. Groseclose, a former vice-president and CBOE market-maker employee of a New York broker-dealer, from association with any broker-dealer, investment company or investment adviser provided that after one year he may apply to become reassociated in a non-supervisory capacity and after two years in a supervisory capacity. The sanction was based upon findings that Groseclose wilfully violated and wilfully aided and abetted violations of the antifraud provisions of the Securities Exchange Act of 1934.

Groseclose consented to the imposition of the sanctions and the Commission's findings without admitting or denying the allegations of the order for proceedings. (Rel. 34-14479)

COMMISSION ANNOUNCEMENTS

COMMISSION ASKS CONGRESS
TO DELAY EFFECTIVE DATE OF SECTION 11(a)

The Commission has transmitted to Congress a legislative proposal to delay until November 1, 1979 the full effectiveness of Section 11(a)(1) of the Securities Exchange Act of 1934. That section, which was added to the Act by the Securities Acts Amendments of 1975, is scheduled to become applicable on May 1, 1978 to exchange members which joined exchanges on or before May 1, 1975. It would prohibit them from effecting transactions on exchanges for their own accounts, the accounts of their associated persons and accounts over which they or their associated persons exercise investment discretion. In a letter of transmittal, Chairman Harold M. Williams said that the Commission "is convinced that full implementation of the trading prohibitions of Section 11(a) on May 1 would be undesirable in light of the continuing rapid pace of economic, technological and regulatory changes in the markets."

INVESTMENT COMPANY ACT RELEASES

MASSMUTUAL CORPORATE INVESTORS

An order has been issued pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder, permitting Massachusetts Mutual Life Insurance Company, which serves as investment adviser to MassMutual Corporate Investors, Inc., a registered investment company, to purchase, at direct placement, \$7 million of a new issue of 9.25% 15-year senior notes of WellTech, Inc. (Rel. IC-10126 - Feb. 22)

SCUDDER DEVELOPMENT FUND

A notice has been issued giving interested persons until March 20 to request a hearing on an application of Scudder Development Fund; Title Insurance and Trust Company, Trustee for the Individual Retirement Account of Richard D. Colburn; Title Insurance and Trust Company, Trustee for the Employees Retirement Plan of Consolidated Electrical Distributors, Inc.; Richard D. Colburn; Judith H. Colburn; The Employees Retirement Plan of Rolled Alloys, Inc.; and Concord Investment Company (collectively Applicants) for an order exempting from the provisions of Section 17(a) of the Act the proposed sale by Scudder to the other Applicants of 50,000 shares of common stock of Hughes Supply, Inc. (Rel. IC-10127 - Feb. 22)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTING GRANTED

An order has been issued granting the application submitted by the American Stock Exchange, Inc. to strike from listing and registration the common stock (par value \$1) of Tennessee Forging Steel Corporation. (Rel. 34-14489)

MISCELLANEOUS

MARRIOTT CONDOMINIUM DEVELOPMENT CORPORATION

A notice has been issued giving interested persons until March 14 to request a hearing on an application of Marriott Condominium Development Corporation on behalf of the Camelback Inn Associates (The Partnership), pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting the Partnership from filing the quarterly financial information contained in Part 1 of Form 10-Q as otherwise required by Section 15(d) of the Act and Rule 15d-13 thereunder.

The Partnership was organized as an integral part of the Condominium ownership arrangement of the Camelback Inn for the purpose of pooling the condominium units for rental. Limited partners, who are also condominium unit owners, will receive appropriate annual financial information as a result of the limited partnership agreement and the other disclosure obligations under the Act. Also, the very limited trading in the Partnership interests is related to the transfer of the real estate interests. (Rel. 34-14491)

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-16) WHIRLPOOL CORPORATION, Benton Harbor, Mich. 49022 (616) 926-5000 - 175,709 shares of common stock. (File 2-60802 - Feb. 22)
- (S-16) NATIONAL MEDICAL CARE, INC., 200 Clarendon St., Boston, Mass. 02116 (617) 262-1200 - 43,000 shares of common stock. (File 2-60803 - Feb. 21)
- (S-8) RELIANCE ELECTRIC COMPANY, 29325 Chagrin Blvd., Cleveland, Ohio 44122 - 100,000 shares of common stock. (File 2-60804 - Feb. 22) and 600,000 shares of common stock. (File 2-60805 - Feb. 22)

- (S-7) THE CONNECTICUT LIGHT AND POWER COMPANY, Selden St., Berlin, Conn. 06037 (203) 666-2431 - \$40 million of first and refunding mortgage bonds, Series EE. The company is engaged principally in the production, purchase, transmission, distribution and sale of electricity. (File 2-60806 - Feb. 22)
- (S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 23 Wall St., New York, N.Y. 10015 - 100,000 American Depositary Receipts for ordinary registered stock of The Burmah Oil Company Ltd. (File 2-60807 - Feb. 21)
- (S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 23 Wall St., New York, N.Y. 10015 - 100,000 American Depositary Receipts for ordinary shares of Harmony Gold Mining Co. Ltd. (File 2-60808 - Feb. 21)
- (S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 23 Wall St., New York, N.Y. 10015 - 100,000 American Depositary Receipts for ordinary registered shares of Vaal Reefs Exploration and Mining Co. Ltd. (File 2-60809 - Feb. 21)
- (S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 23 Wall St., New York, N.Y. 10015 - 100,000 American Depositary Receipts for "A" ordinary shares of Wheelock Marden and Co. Ltd. (File 2-60810 - Feb. 21)
- (S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 23 Wall St., New York, N.Y. 10015 - 100,000 American Depositary Receipts for ordinary registered shares of President Steyn Gold Mining Co. Ltd. (File 2-60811 - Feb. 21)
- (S-14) PARKER HANNIFIN CORPORATION, 17325 Euclid Ave., Cleveland, Ohio 44112 (216) 531-3000 - 1,118,000 common shares. (File 2-60812 - Feb. 22)
- (S-1) SERVICE CORPORATION INTERNATIONAL, 1929 Allen Parkway, Houston, Tex. 77019 - \$15,187,894 of guarantees of promissory notes. (File 2-60813 - Feb. 22)
- (S-1) BAY COLONY PROPERTY COMPANY, Two Faneuil Hall Marketplace, Boston, Mass. 02109 - \$24,150,000 of 8-1/2% senior subordinated debentures, due 1989 and 460,000 shares of beneficial interest. Underwriter: Paine, Webber, Jackson & Curtis Inc. (File 2-60814 - Feb. 22)

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 on request. All other reference material is available in the SEC Docket.

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