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sec news digest

Issue 76-2
(SEC Docket, Vol. 8, No. 13 - January 20)

JANUARY 5, 1976
J. S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

RULES AND RELATED MATTERS

JAN 6 1976

ADOPTION OF AN OPTIONAL FINANCIAL RESPONSIBILITY STANDARD FOR CERTAIN DEALERS AND ANNOUNCEMENT OF CERTAIN INTERPRETATIONS OF THESE RULES

LIBRARY

The Commission has announced the adoption, effective immediately, of certain amendments to Rules 15c3-1, the Uniform Net Capital Rule, and 17a-11, the Early Warning Rule, under the Securities Exchange Act of 1934, and certain interpretations pertaining to Rules 15c3-1 and 15c3-3.

Rule 15c3-1 was amended to provide an alternative financial responsibility standard for certain market makers, specialists, and dealers, which would replace the haircut provisions of Rule 15c3-1 with certain equity requirements. In general, the alternative standard would be available to dealers who do not deal with the public or carry customer accounts and who do not clear their own transactions. The interpretations pertain to the definition of the term "customer" under Rules 15c3-1 and 15c3-3 and to the inclusion from the "Reserve Formula" under Rule 15c3-3 of certain fail to deliver items.

The release also announced proposals to amend Rule 15c3-1 and the Exhibit A "Reserve Formula" of Rule 15c3-3 to require broker-dealers to provide deductions from net worth for deficits in special omnibus accounts and for the excess market value over the contract value or collateral received with respect to failed to receive contracts and stocks loaned under certain conditions. The Commission at the same time issued proposed technical amendments to Rule 15c3-1 and Exhibit A of Rule 15c3-3.

All interested persons are invited to submit their views and comments on the amendments as well as the proposed amendments to Rules 15c3-1 and 15c3-3. All communications should be addressed to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 N. Capitol Street, Washington, D. C. 20549 on or before February 29, 1976 and reference should be made to File No. S7-609. (Rel. 34-11969)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

KING SECURITIES OF CHICAGO SANCTIONED

The Commission has revoked the registration of King Securities of Chicago, Inc. The sanction is based upon findings that the respondent wilfully violated the anti-fraud provisions of the Securities Act and the Securities Exchange Act as well as the net capital, credit extension, and bookkeeping provisions of the Securities Exchange Act.

The findings are based upon the default of respondent in the Administrative Proceedings. (Rel. 34-11939)

COURT ENFORCEMENT ACTIONS

GENERIC CORP. OF AMERICA ENJOINED

The New York Regional Office announced that on December 23, 1975, a final judgment of permanent injunction by consent was signed enjoining Generics Corporation of America (GCA), from further violations of the anti-fraud, reporting and proxy requirements of the securities laws. The judgment also provided for certain ancillary relief, including the appointment of a special counsel to investigate the financial condition of GCA and its subsidiaries and to report to the Court, Commission and

public thereon; and the election of independent directors to the GCA board of directors, executive committee and litigation and claims committee. GCA's board of directors also undertook to prevent Jerald (Jerry) Zelin, former president and chairman of the board of GCA, from serving as an officer or director of GCA. (SEC v. Generics Corporation of America, et al.) (LR-7224)

COMPLAINT NAMES TRANSJERSEY BANCORP., OTHERS

The New York Regional Office announced that on December 29, 1975 a complaint was filed in the U.S. District Court for the District of New Jersey seeking to enjoin Transjersey Bancorp., U. S. Funding Corp., Arnold Daner of New City, N.Y. and Robert Prodan of Morganville, N. J. from further violations of the anti-fraud and periodic reporting provisions of the federal securities laws in connection with the filing with the Commission of false and misleading periodic reports by Transjersey Bancorp., the holding company for the Bank of Bloomfield, located in Bloomfield, N.J. The complaint also seeks injunctive relief against J.W. Weller & Co., Inc., a New Jersey broker-dealer, John W. Weller, Jr., of West Orange, N. J., Booker Brothers, Inc., a Pennsylvania broker-dealer and Fletcher Clement Booker and J. Houston Day, Jr., both of Dallas, Pennsylvania from further violations of the anti-fraud provisions of the federal securities laws in connection with the manipulation of the price of Transjersey Bancorp.'s common stock. In addition to injunctive relief the complaint seeks an order directing Transjersey to amend its periodic reports filed with the Commission during 1975. (SEC v. Transjersey Bancorp., et al.) (LR-7225)

ROBERT T. JACKSON SENTENCED

The Fort Worth Regional Office and the U.S. Attorney for the Northern District of Texas announced that on December 19, 1975 Federal District Judge Robert W. Porter, Dallas, Tex., sentenced Robert T. Jackson, Dallas, Tex., to three months imprisonment after Jackson had been found guilty on one count of a two-count Information charging him with criminal contempt of an order of permanent injunction previously issued on June 19, 1972. (SEC v. Robert T. Jackson, N.D. Tex.) (LR-7226)

INVESTMENT COMPANY ACT RELEASES

THE BURNHAM FUND

A notice has been issued giving interested persons until January 26 to request a hearing on an application of The Burnham Fund for an order that it has ceased to be an investment company. (Rel. IC-9109 - Jan. 2)

DREXEL INVESTMENT FUND, INC.

An order has been issued on an application of Drexel Investment Fund, Inc., declaring that it has ceased to be an investment company. (Rel. IC-9110 - Jan. 2)

HOLDING COMPANY ACT RELEASES

INDIANA & MICHIGAN ELECTRIC COMPANY

A notice has been issued giving interested persons until January 27 to request a hearing on a proposal of Indiana & Michigan Electric Company, an electric utility subsidiary company of American Electric Power Company, Inc., a registered holding company, to sell utility assets located in Elkhart, Ind., to Miles Laboratories, Inc. (Rel. 35-19326 - Jan. 2)

ALLEGHENY PITTSBURGH COAL COMPANY

An order has been issued authorizing three electric utility subsidiary companies of Allegheny Power System, Inc., a registered holding company, to make open account advances to Allegheny Pittsburgh Coal Company, a subsidiary coal company, for the purpose of making an annual installment on the purchase of a coal mine. (Rel. 35-19327 - Jan. 2)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved proposed rule changes filed by New York Stock Exchange, Inc. The Uniform Net Capital Rule adopted by the Commission on June 26, 1975, becomes fully effective on January 1, 1976, thereby setting minimum capital standards for all brokers and dealers. The changes in NYSE Rules 325, 313.11, 313.12, 313.22, 320(f), 321.34, 322.10, 324.24, 326, 420, and 431 incorporate by reference Rule 15c3-1 and are intended to implement the minimum net capital requirements adopted by the Commission and to make conforming changes to related rules. (Rel. 34-11970)

NOTICE OF PROPOSED RULE CHANGES

The Chicago Board Options Exchange, Incorporated has filed a proposed rule change under Rule 19b-4 to permit the trading of put option contracts on that exchange. (Rel. 34-11972)

The Pacific Stock Exchange, Inc. (PSE) submitted on December 22 a proposed rule change under Rule 19b-4 to conform the anti-manipulative rules of the PSE with those of other participants in the consolidated transaction reporting system. Publication of the submission is expected to be made in the Federal Register during the week of January 5, 1976. (File SR-PSE-75-11) (Rel. 34-11973)

SECURITIES ACT REGISTRATIONS

STOCK PLANS FILED

The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Gable Industries, Inc., Atlanta, Ga. (File 2-55168 - Dec. 11) - 450,000 shares
Connelly Containers, Inc., Bala Cynwyd, Pa. (File 2-55169 - Dec. 12) - 40,000 shares
Southern Bancorporation, Inc., Greenville, S. C. (File 2-55243 - Dec. 24) -
125,000 shares
National Ann Arbor Corporation, Ann Arbor, Mich. (File 2-55253 - Dec. 24) -
11,557 shares
AMI Industries, Inc., Colorado Springs, Colo. (File 2-55256 - Dec. 29) - 100,000
shares
Petro-Lewis Corporation, Denver, Colo. (File 2-55258 - Dec. 29) - 100,000 shares
Dual-Lite, Inc., Newtown, Conn. (File 2-55261 - Dec. 29) - 100,000 shares
Celanese Corporation, New York, N. Y. (File 2-55266 - Dec. 30) - 304,000 shares
Narmco Materials, Inc., Costa Mesa, Cal. (File 2-55267 - Dec. 30) - 370 shares
Petrolite Corporation, St. Louis, Mo. (File 2-55270 - Dec. 30) - 800 shares
Orange-Co, Inc., Columbus, Ohio (File 2-55272 - Dec. 30) - 100,000 shares

MISCELLANEOUS

CORRECTION RE ADOPTION OF TEMPORARY RULE 23a-2(T)

The Release No. for this item was incorrectly reported in the News Digest of January 2 as 34-11964. The correct number is 34-11967.

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- | | |
|-------------------------------------------------------|------------------------------------------------------------------------|
| Item 1. Changes in Control of Registrant | Item 9. Options to Purchase Securities |
| Item 2. Acquisition or Disposition of Assets | Item 10. Revaluation of Assets or Restatement of Capital Share Account |
| Item 3. Legal Proceedings | Item 11. Submission of Matters to a Vote of Security Holders |
| Item 4. Changes in Securities | Item 12. Changes in Registrant's Certifying Accountant |
| Item 5. Changes in Security for Registered Securities | Item 13. Other Materially Important Events |
| Item 6. Defaults upon Senior Securities | Item 14. Financial Statements and Exhibits |
| Item 7. Increase in Amount of Securities Outstanding | |
| Item 8. Decrease in Amount of Securities Outstanding | |

The companies listed below have filed 8-K reports for the month indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	MONTH
BIO MEDICAL SCIENCES INC	9	11/75
CARLTON INTERNATIONAL CORP	3,6,13,14	11/75
CHIEFTAIN DEVELOPMENT CO LTD	11,14	06/75
CYANAMID INTERNATIONAL DEVELOPMENT CORP	11	11/75
EASTERN FREIGHT WAYS INC	7,13,14	08/75
ENERGY RESERVE INC	13	12/75
FIDELITY NATIONAL FINANCIAL CORP	13	11/75
FLAGSTAFF CORP	11,14	11/75
GIRARD INDUSTRIES CORP	2,3,12,13,14	10/75
GUARDSMAN INSURANCE INVESTORS INC	1,2,3,4	11/75
LOVE OIL CO INC	13,14	11/75
MADISON SQUARE GARDEN CORP	3	11/75
MARINE EXPLORATION CO INC	13	11/75
MAYFLOWER INVESTORS INC	3	11/75
MILES LABORATORIES INC	13	11/75
MONOGRAM INDUSTRIES INC	10,14	11/75
PRUDENTIAL GROUP INC	2,3,11,12,14	11/75
RAM INDUSTRIES INC	2,3,6,13,14	10/75
ROBINTECH INC	7,14	11/75
SOHIO BP TRANS ALASKA PIPELINE CAPITAL I	7,14	11/75
STIRLING HOMEX CORP	13	11/75
TEXACO INC	3	11/75
TOWN & COUNTRY MOBILE HOMES INC	13	11/75
ULTRASONIC SYSTEMS INC	13	11/75
UNITED ATHLETES OF AMERICA INC MICHIGAN	12,14	11/75
WISCONSIN REAL ESTATE INVESTMENT TRUST	13	11/75
WYLY CORP	3,7,8,14	11/75
AMENDMENTS TO REPORTS ON FORM 8-K		
DATA CONTROL SYSTEMS INC	3,13	10/75

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.

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