

sec news digest

LIBRARY

JUN 25 1976

June 23, 1976

Issue 76-122

(SEC Docket, Vol. 9, No. 17 - July 6)

RULES AND RELATED MATTERS

U.S. SECURITIES AND EXCHANGE COMMISSION

APPROVAL OF FINGERPRINT PLANS OF BOSTON STOCK EXCHANGE, NATIONAL ASSOCIATION OF SECURITIES DEALERS, NEW YORK STOCK EXCHANGE, AND PACIFIC STOCK EXCHANGE

The Commission announced the approval of plans submitted by the Boston Stock Exchange, Inc., the National Association of Securities Dealers, Inc., the New York Stock Exchange, Inc., and the Pacific Stock Exchange, Inc. for a six month pilot period beginning July 1 and ending December 31, 1976, pursuant to paragraph (c) of Rule 17f-2 under Section 17(f)(2) of the Securities Exchange Act of 1934. Under the terms of these plans, the four self-regulatory organizations will collect fingerprint cards submitted by their members, forward the cards to the Attorney General of the United States for identification and appropriate processing, and return the fingerprint cards and any information received as a result of such processing to the submitting members. (Rel. 34-12566)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

ISI SALES CORPORATION, OFFICERS SUSPENDED

The Commission has suspended for a period of fifteen business days the securities sales activities of ISI Sales Corporation (now Sage Financial Corp.) and the association of its past and current presidents, James M. Huebner and Theodore M. Neighbor, respectively, with any broker, dealer, investment company, or investment adviser. Internal remedial procedures were also imposed upon the mutual fund sales activities of ISI Sales Corporation. Without admitting or denying the allegations against them, the respondents submitted and the Commission accepted an offer of settlement. Based on the order for proceedings and the offer of settlement, the Commission made findings that the respondents violated the antifraud provisions of the securities laws in transactions in which shareholders of ISI Trust Fund redeemed their investments and, upon payment of an additional sales load, invested the proceeds in another investment company. (Rel. 34-12541)

COMMISSION ANNOUNCEMENTS

J. ROWLAND COOK APPOINTED CHIEF, OFFICE OF DISCLOSURE POLICY AND PROCEEDINGS

Richard H. Rowe, Director of the Division of Corporation Finance, announced that J. Rowland Cook has been appointed to the position of Chief of the Division of Corporation Finance's Office of Disclosure Policy and Proceedings. In his new position, Mr. Cook is responsible for directing, supervising and coordinating the continuous review and necessary revision of major Division and Commission disclosure policies, rules and regulations, and forms in the light of changing economic conditions and rapidly developing disclosure problems and conducting fact-finding investigations with respect to those matters.

Mr. Cook received his undergraduate and law degrees from the University of Texas. He joined the staff of the Commission in 1969 as an attorney-adviser in one of the Division's processing branches and has held progressively more responsible positions in the Division since that time. Most recently, Mr. Cook has been the Division's Chief Interpretive Counsel for Forms, Rules, Regulations, and Legislative Matters, a position that he has held since 1973.

Mr. Cook is admitted to the bar in the State of Texas and the District of Columbia.

**NATIONAL SECURITIES CLEARING CORPORATION
HEARINGS CONCLUDED; COMMISSION HOLDS RECORD OPEN**

On June 18 the Commission concluded public hearings in connection with proceedings to determine whether to grant or deny National Securities Clearing Corporation's application for registration as a clearing agency. The Commission is holding the record open for additional responses to matters raised at the hearings and for additional comments, both of which should be received no later than July 6, as well as for responses to further questions that the Commission or staff may direct to witnesses who testified at the hearings. Twenty-five copies of each communication should be addressed to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549. Reference should be made to File No. 600-15. (Rel. 34-12563)

**TRANSFER OF FUNCTIONS FROM DIVISION OF CORPORATION
FINANCE TO DIVISION OF INVESTMENT MANAGEMENT**

The Commission announced the amendment of its regulations governing delegation of authority, which amendments transfer certain functions to the renamed Division of Investment Management from the Division of Corporation Finance. The name change became effective on April 2 and the transfer of functions on May 3. Both actions are designed to reflect the Commission's determination that federal statutes and regulations affecting money management activity should be administered on a coordinated and, to the extent feasible, uniform basis. (Rel. 33-5720)

COURT ENFORCEMENT ACTIONS

**SEC SEEKS CIVIL CONTEMPT AGAINST
WESTERN ORBIS CO., WILLIAM MALAT**

The SEC announced that on June 2 the filing in the U.S. District Court for the District of Columbia a motion to adjudicate Western Orbis Company (Western Orbis) of Los Angeles, California, and its president, William Malat, in civil contempt of the Court order entered by the Honorable U.S. District Judge Oliver Gasch, on April 27. That order required Western Orbis to file with the Commission and with the American Stock Exchange and the Pacific Stock Exchange within fourteen days Western Orbis' annual report on Form 10-K for its fiscal year ended June 30, 1975, and its quarterly reports on Form 10-Q for its fiscal quarter ended September 30, 1975 and December 31, 1975, and enjoined Western Orbis from further failing to timely and properly file annual quarterly and periodic reports with the Commission. The Commission also requested the entry of an order, in the public interest, which will protect the shareholders and creditors of Western Orbis' and will effectuate proper compliance with the Court's order of April 27. In its motion, the Commission alleged that Western Orbis continued to fail to file and William Malat continued to fail to cause to be filed the above specified with the Commission, the American Stock Exchange, and the Pacific Stock Exchange, as well as a Form 8-K and a Form 10-Q for Western Orbis' fiscal quarter ended March 31. (SEC v. Western Orbis Company, D.D.C., Civil Action No. 76-0127). (LR-7457)

INVESTMENT COMPANY ACT RELEASES

NUVEEN INCOME FUND (SERIES I AND SUBSEQUENT SERIES)

A notice has been issued giving interested persons until July 15 to request a hearing on an application of Nuveen Income Fund, Series I and Subsequent Series, unit investment trusts, and the sponsor, John Nuveen & Co., Inc., for an order exempting the trusts from the initial net worth requirements of Section 14(a), and from the limitations on the distribution of capital gains contained in Rule 19b-1. (Rel. IC-9328 - June 21)

HOLDING COMPANY ACT RELEASES

PENNSYLVANIA ELECTRIC COMPANY

An order has been issued authorizing Pennsylvania Electric Company, subsidiary of General Public Utilities Corporation, to finance construction of certain pollution control facilities through arrangements with a Pennsylvania industrial development authority. (Rel. 35-19588 - June 22)

GENERAL PUBLIC UTILITIES CORPORATION

A notice has been issued giving interested persons until July 19 to request a hearing on a proposal by General Public Utilities Corporation, a registered holding company, that it acquire an interest in the development and sale of an automatic meter reading system by an unaffiliated company. (Rel. 35-19589 - June 22)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON ONE TRADING SUSPENSION

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Government Employees Insurance Company for the further ten-day period June 23 - July 2, inclusive.

MISCELLANEOUS

CORRECTION RE ADOPTION OF RULE 12g-4

In the News Digest of June 21, 1976 under Rules and Related Matters, the item concerning Rule 12g-4 contained an error. The third sentence should read: "class of security registered under Section 12(g) is reduced to less than three hundred (not three) holders.

CORRECTION RE NASD ACTION AGAINST C. B. BEAL & CO., LTD., PRESIDENT AFFIRMED

In the News Digest of June 21, 1976 under Decisions in Administrative Proceedings, the item concerning C. B. Beal & Co. contained an error.

In the second paragraph the first sentence should read: "The Commission found, as had the NASD, that from November 30, 1971 [not 1976] through January 24, 1972, the firm engaged in business with net capital deficiencies.

SECURITIES ACT REGISTRATIONS

(S-7) MINNESOTA POWER & LIGHT COMPANY

30 West Superior St., Duluth, Minnesota 55802 - 800,000 shares of common stock, to be offered for sale pursuant to the company's Automatic Dividend Reinvestment and Stock Purchase Plan. The company is engaged in the electric utility business. (File 2-56650 - June 21)

(S-1) IMATEX SERVICES, INC.

P.O. Box 3000, 16001 Ventura Blvd., Encino, Cal. 91316 - 1,500,000 shares of common stock. In order to satisfy its divestiture obligations under a Federal antitrust consent decree, Work Wear Corporation, Cleveland, Ohio, proposes to offer these shares in exchange for shares of its common stock at an exchange ratio to be determined later. Imatex Services, Inc. is presently a wholly owned subsidiary of Work Wear Corporation. Work Wear engages in the manufacture of industrial garments, service apparel and other items and in the rental and laundering of such garments and service apparel. After the Exchange Offer Imatex will be an independent company and will own and operate substantially the entire United States rental service business presently owned by Work Wear. (File 2-56651 - June 21)

(S-6) MUNICIPAL INVESTMENT TRUST FUND THIRD INTERMEDIATE TERM SERIES

\$20 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. The Fund, a unit investment trust, is to be created by a trust agreement among Merrill Lynch, Bache Halsey Stuart Inc. and Reynolds Securities Inc., as sponsors, The Bank of New York, as trustee, and Standard & Poor's Corporation, as evaluator. The Fund's primary objective is providing tax exempt income through investment in a fixed portfolio of interest-bearing, intermediate term state, municipal and public authority bonds. (File 2-56653 - June 21)

(S-14) UNITED ENERGY RESOURCES, INC.

700 Milam, Houston, Tex. 77002 - 10,190,888 shares of common stock. The company has been organized to become the parent of United Gas Pipe Line Company pursuant to an agreement of merger in which each outstanding share of United common stock would be converted into one share of the company's common stock and United would become a wholly-owned subsidiary of the company. The agreement of merger will require stockholder approval. United owns and operates, directly and through subsidiaries, an interstate pipeline and related facilities in the Gulf Coast states and an intrastate pipeline system in Texas for the gathering, transportation and sale at wholesale of natural gas. (File 2-56656 - June 22)

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:

- The Pillsbury Co., Minneapolis, Minn. (File 2-56640 - June 18) - 32,169 shares
- Microwave Semiconductor Corp., Somerset, N.J. (File 2-56644 - June 18) - 50,000 shares
- Intel Corp., Santa Clara, Cal. (File 2-56648 - June 21) - 450,000 shares
- Minnesota Power & Light Co., Duluth, Minn. (File 2-56649 - June 21) - 200,000 shares
- Lee Enterprises, Inc., Davenport, Iowa (File 2-56652 - June 21) - 262,500 shares
- Old National Bancorporation, Spokane, Wash. (File 2-56654 - June 21) - 15,000 shares
- Graphic Controls Corp., Buffalo, N.Y. (File 2-56655 - June 21) - 93,750 shares

REGISTRATIONS EFFECTIVE

June 16: American Telephone & Telegraph Co., 2-56397; Bergstrom Paper Co., 2-56528; The Corporate Income Fund, Thirty-Second Monthly Payment Series, 2-56412; Data Packaging Corp., 2-56328; The Ealing Corp., 2-56347; Falcon Products Inc., 2-56008; Federal Realty Investment Trust, 2-56102; Garfinckel, Brooks Brothers, Miller & Rhoads, Inc., 2-56484; General Housewares Corp., 2-56494; Ingersoll-Rand Co., 2-56523; Owens-Corning Fiberglas Corp., 2-56582; Portec Inc., 2-56337.

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.

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: \$64.45/yr in U.S. first class mail; \$80.00 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$43.70/yr in U.S. first class mail, \$54.65 elsewhere. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.