

sec news digest

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SECURITIES & EXCHANGE COMMISSION

RECEIVED

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RULES AND RELATED MATTERS

FEB 7 1975

COMMISSION PROPOSES AMENDMENTS TO RULE 134 INVESTMENT COMPANY ADVERTISING

LIBRARY.

The SEC today published for comment a proposal to amend Rule 134 under the Securities Act of 1933 as it relates to investment company advertising. The proposed amendments would (1) permit descriptive material relating to economic conditions, or to retirement plans or other goals to which an investment in a fund could be directed to be included in Rule 134 communications so long as it does not directly or indirectly relate to past performance or imply achievement of investment objectives; (2) permit any pictorial illustration which is appropriate for inclusion in an investment company's prospectus and does not involve performance figures; (3) shorten the required legend and permit more flexibility with respect to type size and style; and (4) permit all investment companies issuing redeemable securities and making a continuous public offering to take advantage of the enumerated items in the Rule.

The Commission also reported a "no-action" position of its Division of Investment Management Regulation permitting the use of the legend in the modified form proposed while the amendment is pending. The legend, as proposed to be modified, henceforth should be included in all Rule 134 communications containing materials described in the enumerated items of the Rule.

Interested persons should address comments, no later than March 20, 1975, to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol St., Washington, D.C. 20549. All such communications should bear the File No. S7-550 and will be available for public inspection. (Rel. 33-5566)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

MARK PARNASS SANCTIONED

The SEC has barred Mark Parnass, of Merrick, New York, who was secretary of Bovers, Parnass & Turel, Inc., formerly a broker-dealer in Jersey City, from association with any broker, dealer, investment adviser or investment company. Parnass may apply after 18 months for permission to become associated with a broker-dealer in a non-supervisory and non-proprietary capacity and after 3-1/2 years for permission to become so associated in a supervisory and proprietary capacity.

The sanction was based on findings that Parnass aided and abetted his firm's violations of the net capital provisions, and was enjoined, with his consent, from further violations of those provisions. It was also found that a trustee has been appointed for his firm under the Securities Investor Protection Act.

Parnass, without admitting or denying the charges, consented to the indicated findings and sanction. (Rel. 34-11218)

INITIAL DECISION RE R. J. MCDERMOTT FINAL

The SEC announced that proceedings under the Securities Exchange Act, Richard J. McDermott and the Commission's Division of Enforcement stated that they do not intend to seek review of the administrative law judge's initial decision with respect to McDermott. The Commission also chose not to review those issues on its own initiative.

Accordingly, the administrative law judge's initial decision to suspend McDermott from association with a registered broker or dealer for thirty business days is hereby declared effective as of the opening of business on February 4, 1975. (Rel. 34-11222)

ORDERS FOR PUBLIC PROCEEDINGS

SEC ORDER CITES KING SECURITIES OF CHICAGO, INC.

Public administrative proceedings have been ordered against King Securities of Chicago, Inc.; Joseph V. Raila, Richton Park, Ill.; C. Armond Horter, Fairmont, W. Va.; Allen D. Martinelli, and Sam S. Sarcinelli, both of Chicago, Ill. The proceedings are based upon alleged violations of the antifraud, net capital, and bookkeeping requirements of the securities laws. King Securities of Chicago, Inc. is being liquidated by a SIPC trustee.

A hearing will be scheduled to take evidence on the staff's allegations and to determine if any action of a remedial nature should be ordered by the Commission. (Rel. 34-11226)

INVESTMENT COMPANY ACT RELEASES

THE SOUTH BAY CORPORATION

An order has been issued on the application of The South Bay Corporation, a closed-end, non-diversified management investment company, Utilities & Industries Corporation, Utilities & Industries Management Corporation, and The Carter Group, Inc., permitting their participation, along with the other defendant parties, in a settlement of certain litigation which provides for the dissolution of South Bay. (Rel. IC-8658 - Jan. 31)

FIFTH EMPIRE FUND

An order has been issued on an application of Fifth Empire Fund, Inc., Sixth Empire Fund, Inc. and Federated Regional Research Investments, Inc. declaring that applicants have ceased to be investment companies. (Rel. IC-8660 - Feb. 5)

HOLDING COMPANY ACT RELEASES

AMERICAN ELECTRIC POWER COMPANY

An order has been issued authorizing American Electric Power Company, a registered holding company, to increase the maximum amount of short-term debt it may incur from \$150 million to \$175 million. (Rel. 35-18795 - Feb. 3)

INDIANA & MICHIGAN ELECTRIC COMPANY

An order has been issued authorizing Indiana & Michigan Electric Company, an electric utility subsidiary company of American Electric Power Company, Inc., to increase the maximum amount of short-term debt it may incur from \$150 million to \$165 million. (Rel. 35-18796 - Feb. 3)

CENTRAL AND SOUTH WEST CORPORATION

An order has been issued authorizing Central and South West Corporation, a registered holding company, to issue and sell 4,300,000 shares of common stock by negotiation and denying a request for intervention, consolidation and oral argument. (Rel. 35-18800 - Feb. 3)

CENTRAL AND SOUTH WEST CORPORATION

An order has been issued authorizing three electric utility subsidiaries of Central and South West Corporation, a registered holding company, to amend their charters to increase the amount of their authorized common stock, authorizing one subsidiary to amend its charter to increase the par value of its common stock and authorizing all three subsidiaries to issue and sell common stock to the holding company. (Rel. 35-18804 - Feb. 5)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON TWO TRADING SUSPENSIONS

The SEC has ordered the suspension of over-the-counter trading in the securities of Industries International, Inc. and Westgate California Corporation for the further ten-day period February 6 - 15, inclusive.

SECURITIES ACT REGISTRATIONS

(S-1) TRANS WORLD COMMODITY FUND,
(A LIMITED PARTNERSHIP)

5,000 of partnership interests, to be offered for sale initially at \$1,000 per unit on a best efforts basis by Geldermann Securities, Inc., 141 West Jackson Boulevard, Chicago, Illinois 60604. The Fund intends to buy and sell commodities and commodities futures contracts. (File 2-52765 - Jan. 31)

(S-1) FIRST NATIONAL BOSTON CORPORATION

100 Federal St., Boston, Mass. 02110 - \$100 million of notes, due 1982, through underwriters represented by The First Boston Corporation, 20 Exchange Pl., New York, N.Y. 10005. The company is a bank holding company whose principal subsidiary is The First National Bank of Boston. (File 2-52766 - Jan. 31)

(S-9) COMMONWEALTH EDISON COMPANY

One First National Plaza, P.O. Box 767, Chicago, Ill. 60690 - \$125 million of first mortgage bonds, Series 30, to be offered for sale through competitive bidding. The company is principally engaged in the production, purchase, transmission, distribution and sale of electricity in the northern part of Illinois. (File 2-52767 - Jan. 31)

(S-14) GENERAL MILLS, INC.

9200 Wayzata Blvd., P.O. Box 1113, Minneapolis, Minn. 55440 - 510,000 shares of common stock, to be offered to General Interior Corporation in exchange for the acquisition of substantially all the assets, and assumption of substantially all the liabilities, of General Interiors Corporation. General Mills is a producer of packaged consumer foods, operates family restaurants, produces and markets games and toys and craft items and manufactures and merchandises apparel, jewelry and specialty chemical products. (File 2-52768 - Jan. 31)

(S-6) AMERICAN TAX-EXEMPT BOND FUND, SERIES 3

215 North Main St., West Bend, Wis. 53095 - \$4,725,000 of units, to be offered for sale at net asset value (\$1,050 maximum). The Trust is the third of a series of unit investment trusts proposed to be created under a trust indenture among B. C. Ziegler and Company as sponsor, United States Trust Company of New York as trustee, and Standard & Poor's Corporation as evaluator. It consists of a portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of bond counsel, exempt from all Federal income tax under existing law. (File 2-52769 - Jan. 31)

(S-6) PRUDENTIAL'S ANNUITY PLAN ACCOUNT

The Prudential Insurance Company of America, depositor, Prudential Plaza, Newark, N.J. 07101 and Prudential's Gibraltar Fund, 3003 North Central Avenue, Phoenix, Ariz. 85102 - \$1 million of variable annuity contracts and the shares of common stock of the Fund that will be issued in connection with their sale. The contracts will be offered for sale through The Prudential. The Annuity Plan Account is a separate account of The Prudential that holds assets attributable to Prudential variable annuity contracts. The Account's assets are invested in shares of the Fund. (File 2-52714 - Jan. 23)

(S-6) PRUDENTIAL'S INVESTMENT PLAN ACCOUNT

The Prudential Insurance Company of America, depositor, Prudential Plaza, Newark, N.J. 07101 and Prudential's Gibraltar Fund, 3003 North Central Avenue, Phoenix, Ariz. 85102 - \$28 million of systematic investment plan contracts and the shares of common stock of the Fund that will be issued in connection with their sale. The contracts will be offered for sale through The Prudential. The Investment Plan Account is a separate account of The Prudential that holds assets attributable to Prudential systematic investment plan contracts. The Account's assets are invested in shares of the Fund. (File 2-52715 - Jan. 23)

(S-2) COINS OF GOLD INVESTORS, INC.

Suite 2W5, 3000 Marcus Ave., Lake Success, N.Y. 10040 - 625,000 shares of common stock, to be offered for sale in units, each consisting of 125 shares, at \$1,000 per unit. The offering is to be made through underwriters headed by Muller & Company, 25 Broad

St., New York, N.Y. 10004. The company was formed to purchase U.S. and foreign numismatic coins and currency with the primary objective of realizing long term appreciation. (File 2-52668 - Jan. 15)

(S-6) THE MUNICIPAL BOND FUND, SERIES 17

c/o Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N.Y. 10005 - \$5 million of units. The Fund will be created under a trust indenture among Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N.Y. 10005, as sponsor, United States Trust Company of New York, as trustee, and Standard & Poor's Corporation, as evaluator. The Fund will consist of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territorial possessions of the United States and authorities, agencies and other political subdivisions thereof, the interest on which is, in the opinion of counsel to the issuers of such obligations, exempt from Federal income tax. (File 2-52771 - Jan. 31)

(S-5) CORPORATE INVESTORS INCOME FUND, INC.

P. O. Box 823, Valley Forge, Pa. 19482 - \$10 million of shares of common stock, to be offered for sale at net asset value (\$10 per share) with no sales charge. The Fund is a diversified, open-end investment company designed to provide corporate investors with dividend income which qualifies for the 85% corporate dividend deduction. Wellington Management Company is the investment adviser and distributor. (File 2-52772 - Jan. 31)

(S-7) SOUTHERN CALIFORNIA EDISON COMPANY

P. O. Box 800, Rosemead, Cal. 91770 - \$150 million of first and refunding mortgage bonds, Series FF, to be offered for sale at competitive bidding. The company is a privately-owned public utility, primarily engaged in the business of supplying electric energy in portions of Central and Southern California. (File 2-52776 - Feb. 3)

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:

Ralston Purina Co., St. Louis, Mo. (File 2-52726 - Jan. 27) - 105,670 shares
The Goodyear Tire & Rubber Co., Akron, Ohio (File 2-52728 - Jan. 27) - 800,000 shares

Outboard Marine Corp., Waukegan, Ill. (File 2-52729 - Jan. 27) - 290,250 shares
Magic Chef, Inc., Cleveland, Tenn. (File 2-52733 - Jan. 28) - 700,000 shares
DICO Corp., Des Moines, Iowa (File 2-52736 - Jan. 28) - 274,200 shares
Rowe Furniture Corp., Salem, Va. (File 2-52739 - Jan. 28) - 308,543 shares
Walt Disney Productions, Burbank, Cal. (File 2-52742 - Jan. 29) - 832,320 shares
The Perkin-Elmer Corp., Norwalk, Conn. (File 2-52749 - Jan. 29) - 500,000 shares
Interco Inc., St. Louis, Mo. (File 2-52753 - Jan. 29) - 10,750 shares
Genesco Inc., Nashville, Tenn. (File 2-52757 - Jan. 30) - 750,000 shares
Paine Webber Inc., New York, N.Y. (File 2-52759 - Jan. 30) - 100,000 shares
CFS Continental, Inc., Chicago, Ill. (File 2-52762 - Jan. 31) - 150,000 shares
Compugraphic Corp., Wilmington, Mass. (File 2-52764 - Jan. 29) - 100,000 shares

REGISTRATIONS EFFECTIVE

Feb. 5: Allegheny Ludlum Industries, Inc., 2-52544; Commodity Trend Fund, 2-50189; Deseret Pharmaceutical Co. Inc., 2-52701.

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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