

sec news digest

Issue 75-135

(SEC Docket, Vol. 7, No. 8 - July 29)

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JUL 15 1975

July 14, 1975

COMMISSION ANNOUNCEMENTS

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PERSONNEL AND STRUCTURAL CHANGES ANNOUNCED

Chairman Ray Garrett, Jr., on July 11, announced that, in connection with the Commission's implementation of its new and expanded mandates under the Securities Acts Amendments of 1975, a number of personnel and structural changes had been effected, each designed to permit the Commission to respond efficiently to the new challenges imposed upon it as a result of the legislative changes in its enabling statutes.

Effective August 1, 1975, Harvey L. Pitt, presently Executive Assistant to the Chairman, will assume the new position of Deputy General Counsel to the Commission. Mr. Pitt will be responsible for coordinating the Commission's legal response to developing policy and regulatory trends, in addition to having litigation responsibilities in the Office of the General Counsel. Mr. Pitt will serve as the liaison between the Commission and the various operating divisions for the development of legal theories and principles to enable the Commission effectively to respond to its new assignments. In addition, Mr. Pitt will be assigned primary responsibility for developing the Commission's approach to a number of critical, cross-divisional policy and legal issues. In that connection, Chairman Garrett has announced that Mr. Pitt will head up the Commission's study of securities-related activities of banks and other persons excluded from the definition of the terms broker and dealer under the Securities Exchange Act, as mandated by new Section 11A(e) of that Act.

Effective immediately, Robert C. Lewis, presently Associate Director of the Division of Market Regulation responsible for its Offices of Trading Practices and Market Structure, will assume the new position of Deputy Director of that Division. Chairman Garrett noted that the Division of Market Regulation will be required to assume substantial new duties as a result of the Securities Acts Amendments of 1975, including responsibility for the implementation of a national market system, substantial modifications in the self-regulatory scheme, regulation of trading in municipal securities and regulation of clearing agencies, transfer agents and depositories. Along with the Director of that Division, Lee A. Pickard, Mr. Lewis will be responsible for the operation and administration of the Division and for developing appropriate regulatory programs to implement the new legislation.

Finally, to insure the critical support to the new National Market Advisory Board, liaison with and assistance to the new Municipal Securities Regulatory Board, and input to and coordination with the increasing number of governmental and non-governmental bodies concerned with the effectiveness of the capital markets, the Commission has grouped its Offices of Economic Research and Policy Planning under a Director of Economic and Policy Research. This unit will be responsible for, among other things, collecting and processing reports on the holdings and trading of institutional investors called for by the Securities Acts Amendments of 1975, to be developed in conjunction with the Division of Investment Management Regulation. Further, it will be charged with improving the Commission's ability to develop timely and accurate data on the capital markets, to identify fundamental changes affecting these markets, and to formulate Commission policy reflecting awareness of such changes. Andrew P. Steffan, current head of the Office of Policy Planning, will serve as the first Director of Economic and Policy Research.

RULES AND RELATED MATTERS

OPINION ISSUED WITH RESPECT TO THE REQUIREMENTS OF RULES 10b-9 AND 15c2-4

It has come to the Commission's attention that certain practices and procedures have been used by issuers, underwriters and broker-dealers, and accepted by their counsel, in connection with best efforts "all or none" offerings of securities, or other contingency offerings, which are not in conformity with certain of the antifraud provisions of the Securities Exchange Act of 1934. The practice of making "all or none" offerings

arose in an effort to assure subscribers that, if the offering should prove unsuccessful in that less than all or less than a specified minimum number of securities were sold, investor's funds, or a specified portion thereof, would promptly be returned. The Commission has issued an interpretative release pointing out some of the problems which have arisen in this area, and clarifying the requirements of the Exchange Act and of Rules 10b-9 and 15c2-4 thereunder. The Commission considers violations of these rules to be serious breaches of the duty owed to the investing public and affirms its intention to enforce the requirements of these rules vigorously where the facade of a successful offering is created in derogation of responsibilities owed to those who purchase securities offered with the representation that their funds would be returned if the contingency were not fully satisfied. (Rel. 34-11532)

COMMISSION ANNOUNCEMENTS

WORKING CAPITAL OF NONFINANCIAL U.S. CORPORATIONS

According to estimates released by the Commission, the net working capital of nonfinancial U.S. corporations decreased approximately \$1 billion in the first quarter of 1974, this was in contrast to increases of \$2 billion in the previous quarter and nearly \$8 billion a year earlier. Net working capital, which represents corporate investment in current assets in excess of current liabilities was approximately \$260 billion at the end of March, 1975. For further details refer to the July issue of the SEC Statistical Bulletin.

CERTAIN CORRESPONDENCE CONCERNING DELINQUENT REGISTRANTS TO BE PLACED IN THE PUBLIC FILES

The Commission announced today procedures it will follow effective October 1, 1975, to include in its official public files certain correspondence between the Commission and registrants that are delinquent in filing certain required reports. The new procedures are intended to inform the public of the circumstances surrounding the registrant's failure to file periodic reports under Section 13 or 15(d) of the Securities Exchange Act of 1934. The Commission noted, however, that such procedures will not in any way relieve registrants of their reporting or other obligations under the Act and will not preclude the possibility of the Commission's instituting an enforcement action relating to the delinquency. (Rel. 34-11534)

NYSE SUBMITS PROPOSED RULE AMENDMENTS FOR THE DEPOSITORY TRUST COMPANY AND STOCK CLEARING CORPORATION

The New York Stock Exchange, Inc. has filed proposed amendments to the rules of its depository subsidiary, The Depository Trust Company (DTC) and of its clearing subsidiary, Stock Clearing Corporation (SCC). The proposed amendments, filed in connection with the proposed implementation by the American Stock Exchange Clearing Corporation (ASECC) of a continuous net settlement (CNS) system which will involve settlement of certain ASECC-cleared issues through DTC, provide for the allocation of certain DTC losses among the DTC Participants Fund, the ASECC CNS Clearing Fund, and the SCC CNS Clearing Fund. (Rel. Nos. 34-11535 and 34-11536)

REGULATION A EXEMPTION OF ALL AMERICAN BURGER, INC., PERMANENTLY SUSPENDED

Administrative Law Judge Ralph Hunter Tracy has filed an initial decision ordering that the exemption of All American Burger, Inc., be permanently suspended. The decision is subject to appeal to the Commission.

The administrative law judge found, among other things, that the Notification and Offering Circular filed by All American for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, under the provisions of Regulation A, contained untrue statements of material facts and omitted to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; that All American did not follow generally accepted accounting principles in the preparation of its financial statement; that the terms and conditions of Regulation A were not complied with; and that the offering was made in violation of Section 17 of the Securities Act of 1933.

COURT ENFORCEMENT ACTIONS

BRYON R. WIEN ENJOINED

The SEC announced that on June 26 Judge Robert J. Ward of the U.S. District Court for the Southern District of New York issued a final judgment of permanent injunction

against Byron R. Wien, defendant in SEC v. Bausch & Lomb Inc., et al. Wien consented to the injunction without admitting or denying the allegations contained in the Commission's complaint.

The judgment enjoins Wien from violations of the antifraud provisions of the securities laws with respect to the securities of Bausch & Lomb, Inc. Wien in his consent to the injunction stated that he had adopted a statement of policies and procedures concerning the receipt of material non-public corporate information with respect to Bausch & Lomb, Inc. or any other issuer.

The Commission also announced that it had stipulated that its injunctive action against the investment adviser firm of Brokaw, Schaenen, Clancy & Co., a defendant in the above mentioned action, has been discontinued with prejudice. Brokaw, Schaenen, Clancy & Co. had withdrawn its registration as an investment adviser and, as of August 30, 1974, ceased to engage in business except to the extent required for purposes of liquidation and dissolution. (SEC v. Bausch & Lomb, Inc., et al., S.D.N.Y., 73 Civil Action 2458). (LR-6979)

OPINION AND ORDER ENTERED AGAINST HERITAGE TRUST COMPANY AND JOHN R. BROMLEY

The Los Angeles Regional Office announced that on July 1 the U.S. District Court in Phoenix, Arizona, after a full hearing on the Commission's motion for the appointment of a receiver, entered an injunctive order in lieu of appointing a receiver. The order enjoins Heritage and Bromley, both of Phoenix, from offering or selling any securities absent proof of exemption and approval of the Court and from using investors' funds except as directed by the Court. Said order additionally requires the defendants to mail a copy of the Court's opinion and order to each investor and salesperson.

The Court's opinion contains findings that the defendants have: violated the registration and antifraud provisions of the securities laws in connection with the offer and sale of corporate notes and revocable trusts; wilfully violated an injunction entered against them on October 8, 1974; covered up the financial demise of the company's investments and engaged in a course of conduct "which had overtones of a Ponzi scheme." (SEC v. Heritage Trust Company, et al., U.S.D.C., Az. Civil Action No. 74-591 Phx.-WPC). (LR-6959 and 6559) (LR-6980)

INVESTMENT COMPANY ACT RELEASES

RAINIER INVESTORS

An order has been issued on the Commission's own motion terminating the registration of Rainier Investors, Inc. (Rel. IC-8849 - July 10)

ROTUNDA TRUSTEES FUND

An order has been issued declaring that Rotunda Trustees Fund has ceased to be an investment company. (Rel. IC-8850 - July 11)

HOLDING COMPANY ACT RELEASES

GEORGIA POWER COMPANY

An order has been issued approving a proposal of Georgia Power Company, subsidiary of The Southern Company, to issue and sell at competitive bidding, up to \$100 million of first mortgage bonds, or in the alternative by negotiation provided that at least \$50 million thereof is sold with a maturity and an average life of at least 15 years. The net proceeds of the sale will be used to finance, in part, Georgia's 1975 construction program and applied to the payment of short-term indebtedness incurred to finance Georgia's construction program. (Rel. 35-19085 - July 11)

DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until July 26 to request a hearing on an application of the Cincinnati Stock Exchange for unlisted trading privileges in the common stocks of the following companies: Dresser Industries, Inc.; Eastern Gas & Fuel Associates; Halliburton Company; McDermott, (J. Ray) & Co., Inc.; Pittston Co.

UNLISTED TRADING GRANTED

An order has been issued granting the application of the Cincinnati Stock Exchange for unlisted trading privileges in the common stocks of the following companies: Philip A. Hunt Chemical Corp.; and Franklin Mint Corp. (Rel. 34-11538)

MISCELLANEOUS

CORRECTION ON SENTENCING OF ORVIS BROS. & CO. DEFENDANTS

In the June 30, 1975 issue of the News Digest, it was inadvertently reported that Thomas C. Kilduff, a defendant in U.S. v. Sloan, Jr. was sentenced to imprisonment for one year and one day. The announcement should have read that Carl W. Anderson, a defendant in that proceeding, was sentenced to imprisonment for one year and one day. Kilduff was sentenced to probation for a period of three years.

SECURITIES ACT REGISTRATIONS

(S-12's) IRVING TRUST COMPANY

One Wall St., New York, N.Y. - seeks registration of 1,000,000 American Depositary Receipts of: (a) Doornfontein Gold Mining Company Ltd. (File 2-54174 - July 9); and (b) Lydenburg Platinum Ltd. (File 2-54175 - July 9).

(S-5) THE TRAVELERS INSURANCE COMPANY

THE TRAVELERS FUND B-1 FOR VARIABLE CONTRACTS
One Tower Sq., Hartford, Conn. 06115 - \$10 million of individual variable annuity contracts, to be sold by The Travelers Insurance Company, One Tower Sq., Hartford, Conn. 06115. The Travelers Insurance Company is a stock life insurance company offering a complete line of insurance, annuities and accident and health insurance. The Travelers Fund B-1 for Variable Contracts is an open-end investment company which will fund individual variable annuities. (File 2-54173 - July 9)

REGISTRATIONS EFFECTIVE

July 10: Colt Industries, Inc., 2-54040; F & M National Corp., 2-53565 & 2-53566; Ford Motor Credit Co., 2-54019; National Patent Development Corp., 2-53972; South Carolina Electric & Gas Co., 2-53908; Standard Oil Co. of California, 2-53994; Studebaker-Worthington, Inc., 2-53857; Utica Bankshares Corp., 2-53850.

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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