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COMMISSIONER SPEAKS

TELL IT LIKE IT IS

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On November 17, 1975, in Palm Beach, Florida, Commissioner John R. Evans addressed the Association of Registered Bank Holding Companies regarding the relationship and increasing role of the SEC over the various securities activities of banks and bank holding companies. In the disclosure area, the Commissioner discussed the Commission's disclosure philosophy and the development and evolution of the recently proposed disclosure guidelines for bank holding companies. In response to the view that such disclosures constitute a new or novel approach by the Commission, the Commissioner pointed out that the guidelines only reflect the application of the traditional disclosure concept during particular economic events, and that the staff has requested the disclosure of such information in the past and will continue to do so. Commissioner Evans observed that, as a practical matter, the guides assist registrants by alerting them to certain areas where specific disclosure information may be required prior to the filing of a registration statement.

Commissioner Evans discussed other events that indicate a trend of increasing Commission involvement in the securities activities of banks and bank holding companies. The recent Securities Acts Amendments of 1975 authorize the Commission to undertake a primary role in the regulation of bank municipal dealers, bank transfer agents, and bank clearing agencies. In addition, the Amendments authorized the Commission to require certain reports from investment managers, including banks, with respect to their securities holdings, transfers, and similar information. Also, the Amendments authorized the Commission to undertake a study of "street name" registration, and a study of persons excluded from the definition of broker and dealer. Furthermore, the Commissioner noted that pending legislation also indicates a congressional attitude to give the Commission greater responsibilities relating to the securities activities of banks and bank holding companies. Commissioner Evans concluded that, in his opinion, this trend will continue, and that the Commission and the banking community must work together in order to avoid duplicative and inconsistent efforts.

RULES AND RELATED MATTERS

NOTICE OF FILING OF PROPOSED RULE CHANGES BY SELF-REGULATORY ORGANIZATIONS

The American Stock Exchange, Inc. and the Chicago Board Options Exchange, Inc. have filed proposed rule changes under Rule 19b-4 to modify the exercise price intervals which are established for options on securities trading between 100 and 200. Publication of the proposals is expected to be made in the Federal Register during the week of November 17. (Rel. 34-11836)

The Cincinnati Stock Exchange has filed a proposed rule change under Rule 19b-4 to open its Access Program to members of other exchanges. Publication of the proposal is expected to be made in the Federal Register during the week of November 17. (Rel. 34-11837)

The Municipal Securities Rulemaking Board (MSRB) has filed a proposed rule change under Rule 19b-4 to establish a comprehensive framework for the operation and administration of the MSRB, and to define certain terms used in the rules of the MSRB. The rule change has become effective pursuant to Section 19(b)(3) of the Securities Exchange Act of 1934. Publication of the proposal is expected to be made in the Federal Register during the week of November 17. (Rel. 34-11838)

ORDERS FOR PUBLIC PROCEEDINGS

ORDER CITES MAURICE E. HAND

The Commission has instituted public administrative proceedings against Maurice E. Hand (Hand), of New Hartford, New York, former president of M. E. Hand Securities, Inc. (Hand, Inc.) which was a New Hartford, New York broker-dealer formerly registered with the Commission. The Commission's order is based upon staff allegations that Hand wilfully violated the antifraud provisions of the securities laws by permitting the establishment and maintenance of nominee and controlled accounts at Hand, Inc. In addition, Hand is charged with aiding and abetting violations of the bookkeeping provisions of the securities laws in that Hand failed to keep accurate books and records at Hand, Inc.

A hearing will be scheduled to take evidence on the staff's allegations and to afford the respondent an opportunity to offer any defenses. The purpose of the hearing is to determine whether the allegations are true, and if any action of a remedial nature should be ordered by the Commission. (Rel. 34-11839)

COURT ENFORCEMENT ACTIONS

E. M. "MIKE" RIEBOLD AND DONALD MORGAN CONVICTED

The Denver Regional Office announced that on November 10 following a nine week trial in Albuquerque, New Mexico, E. M. "Mike" Riebold and Donald Morgan, both of the Albuquerque, New Mexico area, were convicted of violations of the antifraud provisions of the securities laws, misapplication of bank funds, wire fraud, mail fraud, interstate transportation of stolen property and false statements to the Commission made in a registration statement.

Prior to trial defendant Harold Morgan, an Albuquerque, New Mexico attorney, pled guilty to one count of securities fraud. Edwin J. Hammon of Albuquerque, New Mexico pled guilty to one count of securities fraud and Hillard Crown, a Santa Fe, New Mexico accountant, pled guilty to one count of submitting a false statement to a bank in connection with a loan to Crown. (U.S. v. E. M. "Mike" Riebold, et al., U.S.D.C., District of New Mexico). (LR-7164)

ACTION DISMISSED WITHOUT PREJUDICE AS TO A. FRANCES RENAUD

The Denver Regional Office announced that on October 31 U.S. District Judge Willis W. Ritter, entered an order of dismissal as to A. Frances Renaud, defendant in the Commission's civil injunctive action against Silver Mint Mortgage Co. Ltd., et al. The Court noted that after diligent efforts, the plaintiff has not been able to serve the summons and complaint upon the defendant, A. Frances Renaud, in that the defendant was not in the jurisdiction of the Court and his last known address was in Canada and his present whereabouts are unknown. The Commission's complaint and the action as to A. Frances Renaud was dismissed without prejudice to the equities of the plaintiff in any subsequent action which may be filed. (SEC v. Silver Mint Mortgage Co. Ltd., et al., D. Utah, Civil Action No. C-74-353). (LR-7165)

COMPLAINT NAMES FOX AND CARSKADON FINANCIAL CORPORATION

The Commission has announced on November 17 the filing of a complaint in the U.S. District Court for the District of Columbia against Fox and Carskadon Financial Corporation (Financial Corporation). The Honorable Gerhard A. Gesell, U.S. District Judge for the District of Columbia, simultaneously entered a final order pursuant to a stipulation executed by Financial Corporation, wherein Financial Corporation did not admit or deny the allegations of the complaint.

The Commission's complaint alleges that between December, 1970 and the present, eleven real estate limited partnerships, of which Financial Corporation was the general partner, have been offered and sold to the public. These offerings, which were falsely represented to be unspecified property offerings, have raised over \$55,000,000 from the sale of limited partnership units and promissory notes to over 7,000 beneficial holders. The complaint charges that in connection with the offer, sale and distribution of these interests, Financial Corporation included false and misleading statements in certain offering documents, in communications with investors and potential investors and in annual financial and other reports filed with the Commission and/or disseminated to investors and others.

The complaint alleges that the aforesaid documents were false and misleading concerning, among other things, the terms and timing of property acquisitions by the partnerships, the business and acquisition methods used by Financial Corporation, the underlying operating performance of properties acquired by the partnerships in purchase-leaseback transactions, and the source and nature of cash distributions to investors.

The final order directs Financial Corporation to comply with the financial reporting requirements and the antifraud provisions of the securities laws. (SEC v. Fox and Carskadon Financial Corporation, D.C. Civil Action No. 75-1915). (LR-7166)

SECURITIES ACT REGISTRATIONS

(S-14) REYNOLDS SECURITIES INTERNATIONAL INC.

120 Broadway, New York, N.Y. 10005 - 5,108,741 shares of common stock, 253,600 shares of Series A cumulative convertible preferred stock, and 760,800 of common stock deliverable upon conversion of preferred stock. It is proposed to offer these shares to shareholders of Reynolds Securities Inc., for issuance in a reorganization pursuant to which Reynolds Securities Inc. would become a wholly-owned and the principal operating subsidiary, and its shareholders would become shareholders on a share-for-share basis, of the company which has been organized for the purpose of this transaction. (File 2-54878 - Oct. 28)

(S-1) OPTI-CARE, INC.

97 Wallace Rd., Nashville, Tenn. 37211 - 1,000,000 shares of common stock, to be offered for sale by the company on a best-efforts basis. The company is engaged in the manufacture and sale of ophthalmic drug products. (File 2-54893 - Oct. 29)

(S-1) COLUMBIA PICTURES INDUSTRIES, INC.

711 Fifth Ave., New York, N.Y. 10022 - 469,438 shares of common stock. Of these shares, 206,657 are issuable in connection with the company's acquisition of Basic Communications, Inc. in 1972, 255,781 were acquired by a former shareholder of Pictures Development, Inc. upon redemption of his voting stock of that corporation and 7,000 are issuable upon exercise of a non-qualified employee stock option. All such shares may be offered for sale from time to time by the selling security holders at prices current at the time of sale. Columbia Pictures is engaged in the production and distribution of motion pictures, television series and features, the production and distribution of phonograph records, the licensing of musical compositions, the production of commercials, merchandising and other related activities. It also owns and operates television and radio stations. (File 2-54997 - Nov. 13)

(S-7) ALABAMA POWER COMPANY

600 North 18th St., Birmingham, Ala. 35291 - 500,000 shares of cumulative preferred stock, (\$100 par), to be offered for sale at competitive bidding. The company is an electric utility company. (File 2-55000 - Nov. 14)

(S-1) UNION TANK CAR COMPANY

90 Half Day Rd., Lincolnshire, Ill. 60015 - \$40 million of Union Tank Car Company Equipment Trust Certificates (Series 13). The certificates will be issued in denominations of \$1,000 or any integral multiple of \$1,000 through underwriters headed by Salomon Brothers, One New York Plaza, New York, N.Y. 10004. The principal business of the company consists of leasing railway tank cars to manufacturers and other shippers. (File 2-55003 - Nov. 14)

(S-7) SPERRY RAND CORPORATION

1290 Avenue of the Americas, New York, N.Y. 10019 - \$150 million of convertible subordinated debentures, due 2000, to be offered for sale through underwriters headed by Blyth Eastman Dillon & Co. Incorporated, One Chase Manhattan Plaza, New York, N.Y. 10005. The company is engaged in developing, manufacturing, marketing and servicing products in the following lines of business: business equipment, machinery products, guidance and control equipment and other (mainly consumer) products. (File 2-55004 - Nov. 14)

(S-1) NORTHWEST ENERGY COMPANY

315 East 200 South, Salt Lake City, Utah 34111 - 750,000 shares of common stock, to be offered for sale through underwriters represented by Loeb, Rhoades & Co., 42 Wall St. New York, N.Y. 10005. The company is a holding company whose principle asset is all the outstanding capital stock of Northwest Pipeline Corporation, an interstate natural gas transmission company and other energy-related activities. (File 2-55005 - Nov. 1)

(S-9) THE CHESAPEAKE AND POTOMAC TELEPHONE COMPANY OF VIRGINIA

703 East Grace St., Richmond, Va. 23219 - \$100 million of debentures, due 2015, to be offered for sale at competitive bidding. The company is engaged in the business of furnishing communications services. (File 2-55007 - Nov. 14)

(S-1) EASTERN AIR LINES, INC.

Miami International Airport, Miami, Fla. 33148 - 34,000 participations in the Eastern Air Lines, Inc. 1976 five-year profit sharing plan and 4,500,000 1976 warrants expiring 1987, to purchase common stock of Eastern Air Lines, Inc. Eastern Air Lines, Inc. is certified air carrier. (File 2-55009 - Nov. 14)

(S-6) MUNICIPAL INVESTMENT TRUST FUND, FORTY-EIGHTH MONTHLY PAYMENT SERIES

\$40 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, 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 & Co. Incorporated 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, long-term state, municipal and public authority bonds. (File 2-55010 - Nov. 14)

REGISTRATIONS EFFECTIVE

Nov. 13: Arcata National Corp., 2-54785; Columbus and Southern Ohio Electric Co., 2-54823; Diamond Shamrock Corp., 2-54900; E. F. Hutton Corporate Income Fund, 2-54769; Farah Manufacturing Co. Inc., 2-54372; General Motors Acceptance Corp., 2-54855; Hane Corp., 2-54534; Kingdom of Norway, 2-54872; Madison Gas and Electric Co., 2-54821; National Municipal Trust Twelfth Series, 2-54674; Orange-Co., Inc., 2-54781; Phillips Petroleum Co., 2-54901; Province of Ontario, 2-54862; Reynolds Securities International Inc., 2-54878; Scan-Optics Inc., 2-54366; Southwest Gas Corp., 2-54816; The Stanley Works, 2-54845; Tax-Exempt Securities Trust, Series 4, 2-54499; Virginia Electric and Power Co., 2-54777.

Nov. 14: Burdox Inc., 2-54636; Cavenham (USA) Inc. (90 days), 2-53453; Continental Illinois National Bank & Trust Co., 2-54362; Fund C 761 Partnership, 2-54807; Georgia Power Co., 2-54832; Information Magnetics Corp., 2-54600; Jack Winter Inc., 2-54801; James Dole Engineering Co., 2-54300; Raychem Corp., 2-54864; Sterling Precision Corp. 2-54490.

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.

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