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SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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A Daily Summary of
S.E.C. Activities

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NEW RULES AND RULE PROPOSALS

SEC ADOPTS FREE CREDIT SEGREGATION RULE. The SEC today announced the adoption of Rule 15c3-3 under the Securities Exchange Act of 1934. The Rule provides a formula for the maintenance by broker-dealers of basic reserves against customers' cash and cash realized through the utilization of customers' securities. The Rule also sets standards for broker-dealers for physical possession or control of fully-paid and excess margin securities of customers. The effective date of Rule 15c3-3 is January 15, 1973. The basic principles and format of Rule 15c3-3, as proposed for public comment on September 14, 1972, have been retained, the modifications to the September 14 proposal being primarily technical in nature.

In meeting the Congressional directive for rules on acceptance, custody and use of customers' securities and the maintenance of reserves against customer deposits and credit balances, the Commission has sought a number of objectives.

The Rule requires that customers' funds held by a broker-dealer and the cash which is realized through the lending, hypothecation and other permissible uses of customers' securities are deployed in safe areas of the broker-dealer's business involved in customer service. To the extent that the funds are not deployed in these limited areas, that they be deposited in a reserve bank account. It further requires a broker-dealer to promptly obtain possession or control of all fully-paid securities and excess margin securities carried by that broker-dealer for the account of customers and to require him to act within designated time frames where possession or control has not been established. Under the Rule a broker-dealer will have to maintain more current records.

The Rule also inhibits the unwarranted expansion of a broker-dealer's business through the use of customers' funds by prohibiting the use of those funds except for designated purposes and augments the broad program of broker-dealer financial responsibility which the Commission has been developing as a result of the financial crisis experienced by the securities industry during the 1968-1970 period.

Finally it will facilitate the liquidations of insolvent broker-dealers and protect customer assets in the event of a SIPC liquidation through a clear delineation in Rule 15c3-3 of specifically identifiable property of customers.

In seeking these objectives the Commission has made every effort to make Rule 15c3-3 flexible enough to be compatible with the accounting, clearance, settlement, and depository systems presently operating or being developed in the securities industry. At the same time, however, the Rule permits the smaller broker-dealer who does not hold customer funds or securities to effectuate his customer transactions through a special bank account and thereby avoid the computations and determinations of this Rule which because of his size and capacity may be onerous to him.

The operations of Rule 15c3-3 will be carefully monitored by the Commission to determine whether there will be need in the public interest and for the protection of investors to tighten or relax any of the restraints and time frames embodied in the Rule. The Commission recognizes that this is by no means a final solution and that work must continue to develop a total systems approach which will reduce the time required to clear and settle securities transactions, reduce the paperwork, and increase the safety of customers' funds and securities.

Rel. 34-9856)

COMMISSION ANNOUNCEMENTS

SEC TO ISSUE COMBINED RELEASES ON WEEKLY BASIS. The Commission announced that on or about February 1, 1973, it will begin combined publication of all releases on a weekly basis. This involves all forms of releases including rule proposals and adoptions under the various Acts, litigation releases, notices and orders under the various acts, announcements of administrative proceedings, etc. All such releases will be combined on a weekly basis in a single, comprehensive publication, The SEC Docket. This will enable the Commission to make more timely distribution of releases than is now possible, thus providing considerably better investor-related information. Single copies of the SEC Docket will be available upon request by contacting the Commission's Publications Unit. In addition the SEC Docket may be ordered from the Superintendent of Documents in Washington on a subscription basis for a nominal charge not yet determined.

Due to increased volume of Commission orders and releases combined with staff limitations and rising costs, the Commission is unable to maintain existing free mailing lists for the general public. However, registrants with the Commission under the various securities acts will continue to receive complimentary copies of individual rules-related releases.

The SEC Docket will complement the Commission's Daily News Digest which will continue to publish daily brief capsules of various Commission actions and activities. Further details regarding the SEC Docket will be announced in the News Digest as they develop.

FOREIGN RESTRICTED LIST. The SEC has added the following companies to its Foreign Restricted List: Canterra Development Corporation, Ltd., Antel International Corporation, Ltd. and Cardwell Oil Corporation, Ltd. The list is comprised of the names of companies whose securities the Commission has reason to believe recently have been, or currently are being offered for public sale or distribution within the United States in violation of the registration requirements of the Securities Act of 1933.

OVER

SEC COMMISSIONERS SCHEDULED TO SPEAK. During the week of November 12, SEC Commissioners are scheduled to address the following groups:

Nov. 13	Chairman Casey	National Assn. of Real Estate Boards	Honolulu
Nov. 16	Commissioner Loomis	American Society of Corporate Secretaries	New York

COURT ENFORCEMENT ACTIONS

ENJOIN NARWITZ & CO.; APPOINT TRUSTEE. The Los Angeles Regional Office announced November 8 that the Federal District Court of California issued permanent injunctions against J. R. Narwitz & Co., a registered broker-dealer of Sacramento and Jerry R. Narwitz, the president and owner of Narwitz & Co., enjoining them from violations of the Commission's net capital rules of the Federal securities laws. At the same time, the court issued an order that the customers of Narwitz & Co. are in need of the protection afforded by the Securities Investor Protection Act and appointed Loren S. Dahl, Esq., as trustee for the liquidation of Narwitz & Co.'s business and Sacramento law firm of Dahl, Heiner, Stark, Marois & James as counsel for the trustee. Narwitz & Co. and Narwitz consented to both the injunction and the order without admitting or denying the allegations of the Commission's complaint or the application of the Securities Investor Protection Corporation. (LR-5616)

IDS ENJOINED; FIRM RECEIVES 9(a) EXEMPTION. The SEC New York Regional Office announced on November 9 that the Federal court in New York had permanently enjoined Investors Diversified Services, Inc. (IDS), Minneapolis manager of seven funds, (and its officers, agents and employees) from violations of the antifraud provisions of the Federal securities laws in connection with the sale by IDS on behalf of two of its mutual funds of some 83,000 Lum's shares based upon use in January 1970 of inside and adverse information. IDS consented to the court order without admitting the allegations. The order also directed IDS to implement and supervise a policy with respect to use of material information so that an IDS employee must determine that information is public before trading or recommending trading on the basis of such information or before divulging such information. IDS has filed an application with the Commission seeking permanent exemption from the provisions of Section 9(a) of the Investment Company Act which would prohibit it from acting as investment adviser or principal underwriter for the mutual funds as a result of the injunction; and the Commission has issued an order temporarily exempting IDS and its affiliated companies from such provisions pending a final determination of the application, thereby permitting IDS to continue to service the mutual funds. (LR-5615) (Rel. IC-7485)

VAN AKEN AND D'ONOFRIO INDICTED. The SEC announced on November 2 that the Federal grand jury in New York had indicted George C. Van Aken, of Long Island, N. Y., former managing partner of Baerwald & DeBoer, an NYSE firm now in liquidation, and Ramon N. D'Onofrio, of New York, N. Y., officer of D'Onofrio, Feeney and Kirschbaum in New York and D'Onofrio and Feeney, A. G. in Zurich, Switzerland charging them with violations of the antifraud provisions of the Federal securities laws and violation of Regulation T of the Federal Reserve Board. (LR-5601)

ADVANCES RESOURCES, OTHERS ENJOINED BY DEFAULT. The SEC Los Angeles Regional Office announced that on October 12 the Federal court in Phoenix, Ariz., entered a default judgment permanently enjoining Advance Resources, Inc., Data Tech of America, Inc., El Gran Motors Corporation (all Arizona corporations) and John L. St. Clair from violations of the registration provisions of the Securities Act of 1933 in connection with the offer and sale of the securities of Advance Resources, Inc., Data Tech of America, Inc., El Gran Motors Corporation and Mericle Oil Company, respectively, or any other securities.

Claude Knight was also permanently enjoined from violations of the registration and anti-fraud provisions of the Federal securities laws, all in connection with the securities of Progressive Investment Corporation, P.I.C. Research and Development Corporation, Mericle Oil Company, Diversitron, Advance Resources, Inc., Educational Career Systems, Inc., Texas Equities and Financial, Data Scope Financial, Data Tech of America, Inc., United Greenwater Copper Company, Inc., Oceangraphy, Inc., Star Development Corporation, Koma Hai Corporation, El Gran Motors Corporation. (LR-5612)

INVESTMENT COMPANY ACT RELEASES

THE SECOND FEDERAL STREET FUND, INC. The SEC has issued a notice giving interested persons until December 7 to request a hearing on an application filed by The Second Federal Street Fund, Inc. of Boston, Mass., for an order declaring that it has ceased to be an investment company. (Rel. IC-7482)

CORPORATE LEADERS TRUST FUND. The SEC has issued an order granting an application of the Bank of New York as Trustee for Corporate Leaders Trust Fund of New York to permit the fund to distribute long-term capital gains in accordance with the terms of the 1935 agreement pursuant to which the fund was organized. (Rel. IC-7483)

VESTAUR SECURITIES, INC. The SEC has issued a notice giving interested persons until November 20 to request a hearing on an application of Vestaur Securities, Inc., of Philadelphia, Pa. closed-end investment company, for an order declaring that Philip R. Reynolds, a director of Vestaur, is not an "interested person" of Vestaur by reason of his status either as a senior vice-president of The Travelers Corporation which is the parent of five companies registered as broker-dealers, or as a senior vice-president of The Travelers Insurance Company, one of such five subsidiary companies. (Rel. IC-7487)

HOLDING COMPANY ACT RELEASE

NEW ENGLAND POWER. The SEC has issued an order authorizing New England Power Company, Westborough, Mass subsidiary of New England Electric System, to issue and sell 150,000 shares of dividend series preferred stock at competitive bidding and to issue and sell 750,000 shares of common stock to the parent. Net proceeds will be applied to the reduction of short-term promissory notes outstanding. (Rel. 35-17755)

CORRECTION RE SOUTHERN COMPANY. The News Digest of November 3 reported that the Commission has issued an order authorizing The Southern Company, Atlanta holding company, to sell 7,000,000 shares of common stock at competitive bidding. Release 35-17747A has been issued correcting that order and authorizing the company to issue 8,300,000 shares.

SECURITIES ACT REGISTRATIONS

MOBILE HOUSING, INC., 736 Twin Towers South, 8585 N. Stemmons Freeway, Dallas, Tex. 75247, filed a registration statement on October 31 seeking registration of 300,000 shares of common stock, to be offered for public sale (*at \$10 per share maximum) through underwriters headed by F. S. Moseley & Co., 20 Exchange Place, New York 10005. The company sells mobile homes, motor homes, travel trailers and campers. Net proceeds of its stock sale will be used to retire indebtedness, for working capital and other corporate purposes. (File 2-46193)

TELECOM CORPORATION, 2424 Houston Natural Gas Bldg., 1200 Travis, Houston, Tex. 77002, filed a registration statement on October 31 seeking registration of 273,516 shares of common stock, of which 240,000 are reserved for issuance pursuant to the company's stock options and 33,516 are reserved for issuance pursuant to outstanding warrants. The company is engaged primarily in operating a common carrier of general commodities by motor vehicle. (File 2-46194)

TEXAS OIL & GAS CORP., Fidelity Union Tower, Dallas, Tex. 75201, filed a registration statement on November 1 seeking registration of \$30 million of first mortgage bonds, due 1992, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., and The First Boston Corp., 20 Exchange Pl., both of New York 10005. The company is engaged principally in the oil and gas business. Net proceeds will be used to repay indebtedness and for other corporate purposes. (File 2-46201)

DELWOOD FURNITURE COMPANY, INC., Expressway Tower, 10th Floor, Dallas, Tex. 75206, filed a registration statement on November 1 seeking registration of 780,000 outstanding shares of common stock, to be offered for public sale by U. S. Industries, Inc. (owner of all Delwood's outstanding stock). The offering is to be made (*at \$20 per share maximum) through underwriters headed by Smith, Barney & Co., Inc., 1345 Avenue of the Americas, and Goldman, Sachs & Co., 55 Broad St., both of New York. The company is engaged principally in the manufacture and sale of furniture. (File 2-46202)

CARNATION COMPANY, 5045 Wilshire Blvd., Los Angeles, Calif. 90036, filed a registration statement on November 1 seeking registration of 121,606 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (*at \$117.50 per share maximum) through underwriters headed by Kidder, Peabody & Co. Inc., 10 Hanover Sq., New York. The company is engaged in the processing and sale of food and related products. (File 2-46203)

AMERICAN SEATING COMPANY, 901 Broadway, N. W., Grand Rapids, Mich. 49504, filed a registration statement on November 1 seeking registration of 10,000 outstanding shares of common stock, which may be offered for sale by the holder thereof (La Compagnie Eagle Lumber Limitee, a Canadian corporation) at prices current at the time of sale (* \$17.75 per share maximum). (File 2-46207)

DUKE POWER COMPANY, 422 S. Church St., Charlotte, N. C. 28201, filed a registration statement on November 1 seeking registration of \$75 million of first and refunding mortgage bonds, Series B due 2002, to be offered for public sale at competitive bidding. Net proceeds, together with other funds, will be used to finance the company's construction program. Construction expenditures are estimated at \$453 million for 1973 and \$1.8 billion for the period 1972-1975. (File 2-46208)

CANDLETREE INVESTORS, LTD. (the Partnership), 110 S. Sixth St., Minneapolis, Minn. 55402, filed a registration statement on November 1 seeking registration of \$1,050,000 of partnership interests, to be offered for public sale at \$1,000 per interest by Dain, Kalman & Quail, Inc., and selected NASD members. The Partnership was organized to acquire a 320 unit garden apartment complex, Candletree, under construction in Peoria, Ill. Dain Tower, Inc. is the general partner. (File 2-46209)

GENERAL GROWTH PROPERTIES, 1055 Sixth Ave., Des Moines, Iowa 50306, filed a registration statement on October 31 seeking registration of 975,000 shares of beneficial interest, of which 525,000 are to be offered for public sale by the company and 450,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$24.25 per share maximum) through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, and Piper, Jaffray & Hopwood Inc., 115 S. 7th St., Minneapolis, Minn. 55402. The company is an equity investor in income-producing real estate. General Growth Management Corporation will act as investment adviser. Of the net proceeds of its stock sale, \$3,400,000 will be used to repay short-term indebtedness incurred in connection with the recent acquisition of properties and the balance for other corporate purposes. (File 2-46195)

STANDARD BRANDS INCORPORATED, 625 Madison Ave., New York 10022, filed a registration statement on October 31 seeking registration of 127,270 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made by Loeb, Rhoades & Co., 42 Wall St., New York. (File 2-46196)

AMERON, INC., 400 S. Atlantic Blvd., Monterey Park, Calif. 91754, filed a registration statement on November 1 seeking registration of 150,000 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof. (File 2-46199)

SEC LIFE INSURANCE COMPANY, 402 Office Park Dr., Birmingham, Ala. 35223, filed a registration statement on November 1 seeking registration of 130,000 shares of common stock, to be offered for public sale at \$10 per share by I. J. Schenin Co., Inc., 17070 Collins Ave., Miami Beach, Fla. 33160. The company, which is in the development stages, proposes to operate as an Alabama life insurance company. Net proceeds will be used for general corporate purposes. (File 2-46200)

SECURITIES ACT REGISTRATIONS. Effective November 8: American Thermal Resources, Inc., 2-45008 (90 days); Cenco Inc., 2-46091; Florida Power & Light Co., 2-46058. Effective November 9: APF Electronics, Inc., 2-45149; Arizona Public Service Co., 2-46080; Biospherics Inc., 2-43670 (90 days); Capehart Corp., 2-45595; Computer Automation, Inc., 2-45505; Film Corp. of America, 2-45802; First National City Corp., 2-46115; Inland Financial Corp., 2-45282 (90 days); Kustom Electronics, Inc., 2-41417; Meadowbrook, Inc., 2-45477 (Feb 7); New England Power Co., 2-45990; Peerless Chain Co., 2-45586 (Feb 8); Perma-Bilt Industries, 2-45584 (Feb 8); B. F. Saul Real Estate Investment Trust, 2-46033; Summit Properties, 2-45762; Transamerica Income Shares, Inc., 2-43188 (Feb 7).

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

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ONLY the SEC News Digest is for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402. All other referenced material must be ordered from the Securities and Exchange Commission, Washington, D. C. 20549. In ordering full text of releases from SEC Publications Unit cite number.