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November 15, 1976

## RULES AND RELATED MATTERS

## U.S. SECURITIES AND EXCHANGE COMMISSION

### RULE 15a-5 ADOPTED

The Commission has adopted Rule 15a-5, which provides an exemption from the broker-dealer registration requirement in Section 15(a) of the Securities Exchange Act of 1934, for certain lenders participating in the guaranteed loan program of the Small Business Administration. (Rel. 34-12967)

### TEMPORARY RULE 15c2-11(f)(4)(T) EXTENDED

The SEC announced the extension of temporary Rule 15c2-11(f)(4)(T) which temporarily exempts from the provisions of Rule 15c2-11 certain publications and submissions of quotations reported to and published by an inter-dealer quotations system until February 28, 1977. Publication of the release is expected to be made in the Federal Register during the week of November 15. (Rel. 34-12969)

## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

### NASD ACTION AGAINST BEN B. REUBEN AFFIRMED

The Commission has affirmed sanctions imposed by the NASD on Ben B. Reuben, of St. Paul, Minnesota. The NASD suspended Reuben from association with any NASD member for 30 days, and fined him \$2,500.

The Commission found, as had the NASD, that, in 1974, at a time when Reuben was president of his own broker-dealer firm, he attempted to negotiate a check issued by his former employer to one of Reuben's clients although "Reuben had no rational basis for believing that his client was entitled to the proceeds of the check in question." (Rel. 34-12944)

## ORDERS FOR PUBLIC PROCEEDINGS

### GEICO ORDER AMENDED

The Commission today announced the amendment of its order of October 27, in the matter of Government Employees Insurance Company (GEICO) et al. The amendment substitutes the word "pre-tax" for the word "after-tax" in each instance where "after-tax" was used to describe GEICO's losses for the third quarter of 1975. (Rel. 34-12930A)

## COMMISSION ANNOUNCEMENTS

### SCHEDULE FOR HEARINGS ON THE BEARING OF DISTRIBUTION EXPENSES BY MUTUAL FUNDS

Anne P. Jones, Director of the Division of Investment Management, has announced the following schedule for the hearings on the bearing of distribution expenses by mutual funds, subject to possible minor changes:

#### Wednesday, November 17, 1976

9:30 a.m. - Investment Company Institute, Fidelity Research and Management Company, Scudder, Stevens & Clark

#### Thursday, November 18, 1976

9:30 a.m. - F. Eberstadt and Company, Merrill Lynch Asset Management Company, Edie Management Services, Inc., Anchor Corporation

Monday, November 22, 1976

9:30 a.m. - Investors Group of Funds, Vanguard Group of Investment Companies, Security Management Company

1:30 p.m. - Wellington Management Company, Richard M. Neyer, Esq., Ivy Fund, Inc.

Tuesday, November 23, 1976

9:30 a.m. - Loeb, Rhoades & Company, Dreyfus Corporation, National Association of Securities Dealers, Inc., Capital Research and Management Company

ROBERT N. CAMPBELL

Administrative Law Judge Irving Sommer has filed an initial decision permanently disqualifying Robert N. Campbell of Bismarck, North Dakota, a certified public accountant from appearing or practicing before the Commission. The decision is subject to Commission review on petition of a party or on the Commission's own initiative.

The decision is based, among other things, on findings that Robert N. Campbell was permanently enjoined by final judgment of the U.S. District Court for the District of North Dakota, Southwestern Division from violations of Section 17(a) of the Securities Act of 1933, as amended.

COMMISSION REQUESTS COMMENTS ON INTEGRATED NATIONWIDE SYSTEM FOR THE RESOLUTION OF INVESTOR DISPUTES

The Commission announced today that it approved in principle the recommendation by the Office of Consumer Affairs of the creation of a three-part integrated, nationwide system for complaint processing and the resolution of investor disputes and that a new independent entity be established by the self-regulatory organizations to administer the system. Before commencing a formal rulemaking proceeding or requesting that the self-regulatory organizations amend their rules, the Commission invited all interested persons to submit their comments by December 31, 1976. (Rel. 34-12974)

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## COURT ENFORCEMENT ACTIONS

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COMPLAINT NAMES ROBERT CAMPBELL, OTHERS

The Commission announced that on November 9 it filed a complaint seeking a permanent injunction in the U.S. District Court for the District of Columbia against Robert Campbell, Pacer Corporation and Tej Tanden charging violations of the antifraud and reporting provisions of the Exchange Act. The complaint alleges that from July 1, 1968 to March 31, 1973, the defendants inflated the assets and earnings of Photon Inc. and concealed the nature and extent of business dealings between Photon and Pacer. (SEC v. Robert Campbell, et al., District of Columbia, Civil Action No. 76-2077). (LR-7641)

SEC SUES GETTY FINANCIAL FOR DELINQUENT ANNUAL REPORT

The SEC announced the filing of a complaint in the U.S. District Court for the District of Columbia on November 4 seeking a court order commanding Getty Financial Corporation of Pacific Palisades, California, to comply with the reporting provisions of the Securities Exchange Act of 1934 and seeking a preliminary and a permanent injunction against further such violations. According to the Commission's complaint against Getty, the company failed to file with the Commission in proper form its annual report on Form 10-K for its fiscal year ended August 31, 1975. (SEC v. Getty Financial Corporation, D.D.C., Civil Action No. 76-2050). (LR-7643)

GEORGE H. BADGER AND BINGHAM SILVER LEAD COMPANY ENJOINED

The Denver Regional Office announced that on October 26 the Federal District Court in Salt Lake City, Utah, issued an order of permanent injunction against George H. Badger, Salt Lake City, and Bingham Silver Lead Company, a Utah corporation, enjoining them from violating the registration and antifraud provisions of the securities laws in the offer and sale of Bingham Silver Lead Company securities or any other securities of any other issuer. Both parties consented to the order without admitting or denying the allegations of the complaint. (SEC v. Bingham Silver Lead Company, et al., D. Utah, Civil Action No. C-75-523). (LR-7644)

DAVID I. LYONS, JR. AND LYONS OIL  
COMPANY ENJOINED

The Los Angeles Regional Office announced that following the filing of a complaint in the Federal Court in Los Angeles on November 4 defendants Lyons Oil Company, David I. Lyons, Jr. and Bradford J. Erickson consented to a permanent injunction restraining them from violations of the registration and antifraud provisions of the securities laws in the sale of interests in limited partnerships for which Lyons Oil Company acted as general partner. The Court's order also provided for other relief against those defendants and further provided that defendants Lyons Oil Company, Road Oil Sales, Inc. and the 66 limited partnerships involved would be under the control and direction of a Conservator. (SEC v. Lyons Oil Company, David I. Lyons, Jr., C.D. Cal., 76-3460 HP). (LR-7645)

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## INVESTMENT COMPANY ACT RELEASES

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### ADMIRALTY FUND

A notice has been issued giving interested persons until November 26 to request a hearing on an application of Admiralty Fund, Competitive Capital Fund, Seaboard Leverage Fund, and The Income Fund of Boston, Inc., for an order pursuant to Section 6(c) of the Act exempting certain litigation trusts to be established by each of them from all provisions of the Act other than Sections 9, 17, 31, 34, 36 and 37 and the rules thereunder. (Rel. IC-9524 - Nov. 11)

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## HOLDING COMPANY ACT RELEASES

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### ALABAMA POWER COMPANY

A notice has been issued giving interested persons until December 6 to request a hearing on a further post-effective amendment to an application filed by Alabama Power Company, subsidiary of The Southern Company, regarding an installment sale agreement with an agency of the City of Mobile, Alabama, whereby the agency is constructing for the company pollution control facilities heretofore financed by the agency's issuance and sale of \$29,700,000 of pollution control revenue bonds. An earlier notice in this proceeding was issued on November 3 (Rel. 35-19743). To meet increased costs of construction, it is now proposed that the agency issue and sell up to an additional \$10,600,000 of such revenue bonds. Alabama Power Company will acquire the facilities upon completion thereof pursuant to said installment sale agreement. (Rel. 35-19753 - Nov. 12)

### NEW ENGLAND POWER COMPANY

A notice has been issued giving interested persons until December 9 to request a hearing on a proposal by New England Power Company, subsidiary of New England Electric System, that the amount of short-term borrowings it may incur through March 31, 1976 be increased from \$83 million to \$115 million under certain circumstances. (Rel. 35-19754 - Nov. 12)

### MIDDLE SOUTH UTILITIES

A notice has been issued giving interested persons until December 7 to request a hearing on a proposal of Middle South Utilities, Inc. and its subsidiary, Arkansas Power & Light Company, whereby Arkansas will issue and sell at competitive bidding up to 800,000 shares of preferred stock, par value \$25 per share. Arkansas Power & Light will also issue and sell to Middle South Utilities 1,200,000 shares of common stock at a price of \$12.50 per share. The proceeds of both sales will be applied to Arkansas' construction program and the repayment of short-term debt. (Rel. 35-19755 - Nov. 12)

### ARKANSAS-MISSOURI POWER COMPANY

An order has been issued approving a proposal of Arkansas-Missouri Power Company, subsidiary of Middle South Utilities, Inc., to make short-term borrowings from banks in the maximum aggregate principal amount of \$7,750,000 at any one time outstanding. The net proceeds of the sale of these notes will be used to retire presently outstanding short-term debt. (Rel. 35-19756 - Nov. 12)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until November 24 to request a hearing on an application of the Cincinnati Stock Exchange for unlisted trading privileges in the common stock of Mobil Corporation. (Rel. 34-12975)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF EFFECTIVENESS OF RULE CHANGES

Rule changes filed by the Midwest Clearing Corporation and the Midwest Securities Trust Company pursuant to Rule 19b-4 have become effective in accordance with Section 19(b)(3) of the Securities Exchange Act of 1934. The rule changes pertain to an increase in fees for services rendered in connection with the Automatic Stock Loan programs (SR-MCC-76-6 and SR- MSTC-76-17). Publication of the rule changes is expected to be made in the Federal Register during the week of November 15. (Rel. 34-12970)