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RULES AND RELATED MATTERS

U.S. SECURITIES AND
EXCHANGE COMMISSION

RULE 17e-1 RESCINDED

The Commission has rescinded, as obsolete, Rule 17e-1 under the Investment Company Act of 1940, which had permitted an affiliated broker of an investment company to receive a commission in an over-the-counter transaction greater than the statutory maximum, if the commission paid did not exceed the fixed commission rates for similar securities on specified stock exchanges. (Rel. IC-10740)

FOR FURTHER INFORMATION CONTACT: Mark B. Goldfus at (202) 755-0230

NEW RULE 17e-1 ADOPTED

The Commission has adopted a new Rule 17e-1 (which was proposed as rule 17e-2) under the Investment Company Act of 1940 which allows investment company directors to establish procedures which are reasonably designed to provide that the commission received by an affiliated broker in a stock exchange transaction is reasonable and fair compared to the commissions received by other brokers in comparable transactions. (Rel. IC-10741)

FOR FURTHER INFORMATION CONTACT: Mark B. Goldfus at (202) 755-0230

PROPOSED RULE FOR PERFORMANCE-BASED COMPENSATION OF REGISTERED INVESTMENT ADVISERS TO BUSINESS DEVELOPMENT COMPANIES

The Commission proposed for comment Rule 205-3 under the Investment Advisers Act of 1940 which would permit certain registered investment advisers to business development companies to be compensated based on a share of net capital gains upon, or net capital appreciation of, the funds, or any portion of the funds, of a business development company, a form of compensation which is presently prohibited by the Advisers Act. Interested persons should submit their views and comments in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 on or before August 31, 1979 and should refer to File No. S7-788. (Rel. IA-680)

FOR FURTHER INFORMATION CONTACT: Eric Thompson at (202) 755-3507

COMMISSION ANNOUNCEMENTS

CHAIRMAN WILLIAMS SPEAKS BEFORE THE FINANCIAL TIMES LIMITED

Chairman Williams spoke before the Worldwide Investment in the United States, Financial Times Limited, in New York City, on June 19, 1979. The title of his address was "Foreign Investment in the United States."

COMMISSIONER KARMEL SPEAKS BEFORE THE ANNUAL CONVENTION OF THE FLORIDA BAR

Commissioner Karmel spoke before The Annual Convention of the Florida Bar, in Lake Buena Vista, Florida, on June 15, 1979. The title of her address was "The Trouble With Implied Remedies and Sanctions."

TRADING SUSPENSIONS

TRADING SUSPENDED IN SCHICK, INC.

The Commission has announced the single ten-day suspension of exchange and over-the-counter trading in the securities of Schick, Inc., a Delaware corporation located in Westport, Connecticut, for the period beginning on June 19 and terminating at midnight (EST) on June 28, 1979. The Commission initiated the suspension because of the lack of current adequate and accurate information about its operations and financial condition in that Schick has failed to file its Annual Report on Form 10-K for its fiscal year ended February 28, 1979. (Rel. 34-15932)

CIVIL PROCEEDINGS

ATLANTIC & PACIFIC CORPORATION AND HOLLIS H. MARSHALL ENJOINED

The Denver Regional Office announced that on May 23 Chief Judge Fred M. Winner signed a Final Judgment enjoining Atlantic & Pacific Corporation and Hollis H. Marshall from violating the registration provisions of the Securities Act of 1933 in the offer and sale of unregistered promissory notes of the corporate defendant or any other security of any other issuer whatsoever. The defendants entered into certain undertakings including one which requires the defendants within 75 days of the entry of the judgment to submit to the Denver Regional Office a document disclosing the financial statement of the corporate defendant, a list of persons comprising the management, description of the business activities, details concerning both the insurance and financial operations of the subsidiaries of the corporate defendant and other information appropriate to enable the holders of the corporate defendant's notes to evaluate those securities and to mail such disclosure document to each of the purchasers of the debt securities no later than 15 days thereafter. The judgment requires the defendants to comply with their undertakings. The defendants consented to the judgment without admitting or denying the allegations of the Commission's complaint. (SEC v. Atlantic & Pacific Corporation, et al., USDC, Colo., Civil Action No. 77-W-1155). (LR-8781)

CRIMINAL PROCEEDINGS

RUSSELL H. TWIFORD, JR. SENTENCED

The Denver Regional Office announced that on May 21 Russell H. Twiford, Jr. plead guilty to one count charging him with fraud in the sale of the securities of Polaris Mining Company. The Honorable Sherman G. Finesilver, U.S. District Court Judge for the District of Colorado, sentenced Twiford to five years imprisonment, all but six months of which was suspended and Twiford was placed on probation for a period of four and one-half years to commence upon his release from confinement. (U.S. v. Russell H. Twiford, Jr., USDC, Criminal Action No. 78-CR-373). (LR-8782)

URCLE C. CAMPBELL, OTHERS SENTENCED

The Seattle Regional Office announced that on May 17 Urcle C. Campbell was sentenced in the U.S. District Court for the District of Utah by Judge Bruce S. Jenkins to three and one half years imprisonment following a plea of guilty to securities fraud. On April 26 Norman E. Frank was fined \$7,000 and Norman Nomura was fined \$2,000 in the U.S. District Court for the District of Hawaii by Judge W. Matthew Byrne, Jr., following a plea of guilty by Frank and a plea of nolo contendere by Nomura to the information charging them with violations of certain antifraud provisions of the securities laws. The convictions of Campbell, Frank and Nomura arose from their sale of common stock of Rudolph Corporation. (U.S. v. Campbell, et al., CR-79-56, U.S.D.C. D. Utah; CR-77-00141, U.S.D.C. D. Hawaii). (LR-8784)

INVESTMENT COMPANY ACT RELEASES

AMERICAN UTILITY SHARES, INC.

An order has been issued on an application of American Utility Shares, Inc. declaring that it has ceased to be an investment company. (Rel. IC-10738 - June 18)

THE TRAVELERS INSURANCE COMPANY

An order has been issued pursuant to Section 6(c) of the Investment Company Act of 1940 granting exemptions from Sections 26(a)(2) and 27(c)(2) of the Act to the Travelers Insurance Company, a Connecticut stock insurance company, and The Travelers Fund A and A-1 for Variable Annuities, diversified open-end management investment companies registered under the Act. (Rel. IC-10739 - June 18)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC pursuant to the Securities Act of 1933. The information noted below has been taken from the cover page and the facing sheet of the prospectus and registration statement and will appear as follows: Form; Name, address and phone number (if available) of the issuer of the security; Title and the number or face amount of the securities being offered; Name of the managing underwriter (if applicable); Whether the offering is a rights offering; and File number and date filed.

- (S-12) CITIBANK, N.A., 111 Wall St., New York, N.Y. 10015 - 100,000 American Depositary Receipts for ordinary stock of Cadbury Schweppes Limited. (File 2-64778 - June 18)
- (S-12) CITIBANK, N.A., 111 Wall St., New York, N.Y. 10015 - 100,000 American Depositary Receipts for ordinary shares of Emperor Mines Limited. (File 2-64779 - June 18)
- (N-1) FIDELITY TAX-EXEMPT MONEY MARKET TRUST, 82 Devonshire St., Boston, Mass. 02109 (617) 726-0200 - an indefinite number of shares. (File 2-64791 - June 19)
- (S-8) KUHLMAN CORPORATION, 2565 West Maple Rd., Troy, Mich. 48084 (313) 649-9300 - 100,000 shares of common stock. (File 2-64792 - June 19)
- (S-8) SECURITY NEW YORK STATE CORPORATION, One East Ave., Rochester, N.Y. 14638 (716) 262-4520 - 80,000 shares of common stock. (File 2-64793 - June 19)
- (S-8) TRANS WORLD CORPORATION, 605 Third Ave., New York, N.Y. 10016 (212) 557-6150 - 57,000 shares of \$2.66 cumulative convertible preferred stock, Series C. (File 2-64794 - June 19)
- (S-8) SCAN-DATA CORPORATION, 800 East Main St., Norristown, Pa. 19401 (215) 277-0500 - 100,000 shares of common stock. (File 2-64795 - June 19)
- (S-16) BALLY MANUFACTURING CORPORATION, 2640 West Belmont Ave., Chicago, Ill. 60618 (312) 267-6060 - 200,000 shares of common stock. (File 2-64796 - June 19)
- (S-7) NATIONAL FUEL GAS COMPANY, 30 Rockefeller Plaza, New York, N.Y. 10020 (212) 541-7533 - \$40 million of sinking fund debentures, due August 1999. (File 2-64797 - June 19)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, ONE HUNDRED TENTH MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-64798 - June 19)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, ONE HUNDRED NINTH MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-64799 - June 19)
- (S-6) THE GOVERNMENT SECURITIES INCOME FUND, FOURTEENTH GNMA SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-64800 - June 19)

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