

# sec news digest

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## RULES AND RELATED MATTERS

## LIBRARY

### REPEAL OF INVESTMENT ADVISER ASSESSMENT RULES

The SEC announced the repeal of paragraphs (b), (c), (d) and (e) of Rule 203-3 under the Investment Advisers Act of 1940, 17 CFR 275.203-3(b), (c), (d) and (e), effective immediately. Paragraph (f) of the Rule, 17CFR 275.203-3(f), is redesignated as paragraph (b) and remains otherwise unchanged.

Rule 203-3(b) provided that every registered investment adviser should pay a \$100 annual assessment to the Commission while its registration was effective. Rule 203-3(c) provided that any registered adviser who filed a notice of withdrawal on or before June 30 of any year should pay one-half the annual assessment for that year, while Rule 203-3(d) provided that any adviser who filed a notice of withdrawal after June 30 should pay the full assessment. Rule 203-3(e) provided that any adviser who failed to pay the assessment when due would be required to pay a late payment fee of \$100 to defray additional costs resulting from such failure.

This action was taken following the Commission's consideration of the recent decisions of the United States Supreme Court in National Cable Television Association, Inc. v. United States, U.S., 42 U.S.L.W. 4306 (March 4, 1974) and Federal Power Commission v. New England Power Company, U.S., 42 U.S.L.W. 4308 (March 4, 1974). These decisions considered the validity of certain fees imposed by other federal agencies pursuant to the Independent Offices Appropriation Act of 1952, 31 U.S.C. §483a. In view of the Supreme Court's decisions, the Commission is undertaking a review of all fees imposed by it pursuant to the authority of that Act. (Rel. IC-404)

### COMMENT PERIOD EXTENDED ON PROPOSED GUIDES FOR DISCLOSURE OF EXTRACTIVE RESERVES AND NATURAL GAS SUPPLIES

On February 7, 1974, the Commission announced that it proposes to amend Guide 28, "Extractive Reserves," of the Guides for Preparation and Filing of Registration Statements under the Securities Act of 1933 by adding a new paragraph relating to disclosure by companies engaged in the gathering, transmission or distribution of natural gas. The Commission also announced that it is considering the adoption of the substance of Guide 28, as amended, as Guide 2 of proposed Guides for Preparation and Filing of Reports and Registration Statements under the Securities Exchange Act of 1934. If adopted, amended Guide 28 and Guide 2 would be captioned "Disclosure of Extractive Reserves and Natural Gas Supplies." (Rel. 33-5454)

The time for submitting comments on this matter has been extended from March 29 to April 15, 1974. Comments should refer to File No. S7-511. (Rel. 33-5474)

## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

### LINDQUIST SANCTIONED

The SEC has affirmed the administrative law judge's initial decision in which he concluded, among other things, that the broker-dealer registration of Griffith C. Lindquist, doing business as Lindquist Securities, Salt Lake City, Utah, be revoked, and that Lindquist be barred from association with any broker or dealer. In view of the affirmance of this decision, the SEC denied a request for withdrawal of Lindquist's broker-dealer registration filed after the institution of the proceedings.

The administrative law judge found that from April to July 1967, Lindquist violated registration and antifraud provisions of the securities laws in the offer and sale of stock of North American Research and Development Corporation (whose name had been changed during this period from Utah Fortuna Gold Company). In addition, he noted that Lindquist was subject to injunctions entered by the U. S. District Court for New York.

The Commission observed that no brief had been filed in support of Lindquist's petition for review of the initial decision, and that the petition itself made no showing which would preclude a summary affirmance of that decision. It saw no reason to disturb the findings, conclusions and revocation and bar sanctions against Lindquist contained in that decision. (Rel. 34-10702)

#### ISAAC PINCHUK BARRED

An order has been issued barring Isaac Pinchuk, of Brooklyn, New York, from association with any broker or dealer. After two years he may apply for permission to re-enter the securities business in a nonsupervisory position upon a showing of adequate supervision.

According to the decision, Pinchuk entered orders to purchase the stock of Wiremaster Corporation of America without having any intention of paying for those shares, refused to pay for them, and made undisclosed payments to induce the entry of orders to purchase the stock. It was also found that the New York State Supreme Court had convicted Pinchuk in April 1971 of a misdemeanor which involved the fraudulent conversion of funds, and barred him in January 1972 from engaging in the securities business in New York State.

The Commission's order was based on an offer of settlement in which Pinchuk, without admitting or denying any violations of the securities laws, consented to the indicated findings and sanction. (Rel. 34-10703)

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## ORDERS FOR PUBLIC PROCEEDINGS

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#### SEC CITES GLENDALE SECURITIES CORPORATION, OTHERS

Public administrative proceedings have been instituted against Glendale Securities Corp., a registered broker-dealer of New York City, Dolf James Romeo, its president, and Louis S. Foti, its vice-president.

The Commission's order is based upon alleged violations of the net capital rule, bookkeeping rules, and supplemental reporting requirements of the securities laws.

A hearing will be scheduled to take evidence on the staff's allegations and to afford the respondents 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. 34-10709)

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## COURT ENFORCEMENT ACTIONS

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#### EMPIRE FIRE & MARINE INSURANCE COMPANY, OTHERS ENJOINED

The SEC has announced that on March 26 the U. S. District Court for New York permanently enjoined Empire Fire and Marine Insurance Company, a Nebraska corporation, Gary O. Gross, and Yale Kaplan, board chairman and executive vice president respectively, from violations of the registration provisions of the securities laws. Empire and Gross were also enjoined from violations of the antifraud provisions. Ancillary relief was ordered against Empire and Gross. The defendants consented to the Court orders without admitting or denying the allegations in the Commission's complaint. (LR-6298)

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## INVESTMENT COMPANY ACT RELEASES

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### PACIFIC FIDELITY LIFE INSURANCE COMPANY

A notice has been issued on an application of Pacific Fidelity Life Insurance Company (the Company) and PFL Variable Annuity Fund I, PFL Variable Annuity Fund II, PFL Variable Annuity Fund III, PFL Variable Annuity Fund IV, PFL Variable Annuity Fund V, and PFL Variable Annuity Fund VI (collectively referred to as the Funds), separate accounts of the Company registered as unit investment trusts under the Investment Company Act of 1940, and Piedmont Capital Corporation, underwriter for the variable annuity contracts to be issued by the Funds. Applicants requested an order which would (1) permit exchanges of contracts issued by one of the separate accounts for contracts issued by certain other of the separate accounts (2) permit reductions and elimination of sales charges in certain circumstances upon the purchase of individual and group variable annuity contracts issued by the Company and the Funds, and (3) exempt the Company and the Funds from the requirement that the assets of the separate accounts be held in trust. (Rel. IC-8285)

### MUTUAL BENEFIT GROWTH FUND

An order has been issued permitting the withdrawal of an application (Rel. IC-8230 of February 14, 1974) of Mutual Benefit Growth Fund and Mutual Benefit Fund, both mutual funds, and Mutual Benefit Financial Service Company, the Funds' principal distributor and investment adviser. The application requested an order permitting sale of shares of the Funds without a sales load in connection with a reinvestment privilege offered by the Funds. On February 20, 1974, the SEC adopted Rule 22d-2, which, in effect, provides applicants with the type of relief requested in the application. (Rel. IC-8286)

### MERIDIAN INCOME SECURITIES

An order has been issued declaring that Meridian Income Securities, Inc. of Baltimore, Maryland, has ceased to be an investment company. (Rel. IC-8288)

### ABERDEEN FUND

An order has been issued on an application of Aberdeen Management Corporation, depositor of Aberdeen Fund, of Washington, D.C., declaring that Aberdeen Fund has ceased to be an investment company. (Rel. IC-8287)

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## HOLDING COMPANY ACT RELEASES

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### DELMARVA POWER & LIGHT COMPANY

An order has been issued authorizing Delmarva Power & Light Company, a registered holding company, to sell 1,400,000 shares of common stock at competitive bidding. (Rel. 35-18342)

### THE HARTFORD ELECTRIC LIGHT COMPANY

An order has been issued authorizing The Hartford Electric Light Company (HELCO), subsidiary of Northeast Utilities, to sell \$30 million of first mortgage bonds and 300,000 shares of preferred stock (\$50 par) at competitive bidding. Total proceeds (estimated at \$45 million) will be used to finance construction, retire short-term indebtedness, and for other corporate purposes. (Rel. 35-18346)

## MISSISSIPPI POWER & LIGHT COMPANY

A notice has been issued giving interested persons until April 25 to request a hearing on a proposal of Mississippi Power & Light Company, subsidiary of Middle South Utilities, to sell \$25 million of first mortgage bonds and 75,000 shares of preferred stock (\$100) at competitive bidding. (Rel. 35-18347)

## APPALACHIAN POWER COMPANY

An order has been issued authorizing Appalachian Power Company, subsidiary of American Electric Power Company, Inc., to sell short-term notes to 83 banks in an aggregate amount of \$30,673,000. Appalachian will use the proceeds to reimburse its treasury for past expenditures for its construction program and to pay part of the cost of future construction program. (Rel. 35-18348)

## ALLEGHENY POWER SYSTEM

A notice has been issued giving interested persons until April 26 to request a hearing on a proposal of Allegheny Power System, Inc. (APS) to acquire common stock of its subsidiaries, Monongahela Power Company and The Potomac Edison Company, and to make a cash capital contribution to another subsidiary, West Penn Power Company. Net proceeds of the sale of common stock and of the cash capital contributions will be used by the subsidiaries for their construction programs. (Rel. 35-18349)

An order has also been issued authorizing APS to sell notes to banks and to commercial paper dealers and an exception from competitive bidding. (Rel. 35-18350)

## NEW ENGLAND ELECTRIC SYSTEM

An order has been issued authorizing New England Electric System (NEES) and certain of its electric utility subsidiaries to sell short-term notes to banks and/or NEES and granting a request for exception from competitive bidding. (Rel. 35-18351)

## HEARING SCHEDULED RE GEORGIA POWER COMPANY

The SEC has ordered a hearing be held on April 8 on an application of Georgia Power Company, subsidiary of The Southern Company, for an order to sell, through March 31, 1975, up to \$250 million in short-term borrowings. In addition, the order authorizes Georgia to effect short-term borrowings of up to \$175 million through May 31, 1974, to assure Georgia's capability to meet its cash needs during the pendency of the proceeding. (Rel. 35-18352)

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## TRUST INDENTURE ACT RELEASES

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### PULLMAN TRANSPORT LEASING COMPANY

An order has been issued granting the request of Pullman Transport Leasing Company for a finding that the trusteeships of The Chase Manhattan Bank under an existing indenture, dated April 1, 1973 which is not qualified under the Act, and under a new indenture to be qualified under the Act are not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify The Chase Manhattan Bank from acting as trustee under these indentures. (Rel. TI-360)

## SECURITIES ACT REGISTRATIONS

### (S-1) BROCK EXPLORATION CORPORATION

150 Baronne St., New Orleans, La. 70112 - \$5 million of preformation partnership interests in its 1974 Oil and Gas Drilling Program, to be offered for sale at a minimum subscription of \$5,000 by selected NASD members. The Program will consist of up to three partnerships which will engage in a diversified program of exploratory and development drilling. (File 2-50539 - Mar 27)

### (S-1) FRED. S. JAMES & CO., INC.

230 West Monroe St., Chicago, Ill. 60606 - 1,000,000 shares of common stock, which may be issued from time to time in connection with future acquisitions of other businesses or properties. The company is engaged in the risk management and insurance brokerage and agency business. (File 2-50541 - Mar 28)

### (S-1) FUNDED INVESTORS INCORPORATED

555 Northgate Dr., San Rafael, Cal. 94903 - \$10 million of Programs for the Acquisition of Mutual Fund Shares and Insurance. The primary business of Funded Investors, Inc. is the coordination of sales of mutual fund shares and insurance. (File 2-50543 - Mar 28)

### (S-12) FIRST NATIONAL CITY BANK

111 Wall St., New York, N. Y. 10015 - seeks registration of 100,000 American Depositary Receipts for ordinary shares of West Rand Consolidated Mines Limited, a South African corporation. (File 2-50546 - Mar 27)

### (S-16) EMERSON ELECTRIC CO.

8100 Florissant Ave., St. Louis, Mo. 63136 - 40,203 shares of common stock, which may be offered for sale from time to time by certain shareholders at prices current at the time of sale. Emerson designs, manufactures and sells a broad range of electrical-electronic products and systems. (File 2-50550 - Mar 28)

In a second statement Emerson seeks registration of 10,434 shares of common stock which may be offered for sale from time to time by certain shareholders at prices current at the time of sale. (File 2-50551 - Mar 28)

### (S-1) FIRST UNION, INCORPORATED

515 Olive St., St. Louis, Mo. 63101 - 153,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of Florissant Bank, St. Louis, Missouri, at the rate of 21.85714 First Union shares for each Bank share. First Union is a bank holding company which controls First National Bank in St. Louis, St. Louis Union Trust Company and fifteen other Missouri banks. (File 2-50552 - Mar 28)

### (S-1) PHILIPPINE OIL DEVELOPMENT COMPANY, INC.

A. Soriano Bldg., 8776 Paseo de Roxas, Makati, Rizal, Philippines - 2,449,604,831 shares of Class B capital stock. It is proposed to offer these shares for subscription by stockholders of Class B Capital Stock at the rate of one share for each share held. No underwriting is involved. The company explores for oil in the Philippines. (File 2-50556 - Mar 28)

(S-7) DOMINION BANKSHARES CORPORATION

201 South Jefferson St., Roanoke, Va. 24040 - \$15 million of debentures, due 1999, and \$10 million of convertible subordinated debentures, due 1999, to be offered for sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N. Y. 10005 and Wheat, First Securities, Inc., Ross Bldg., 801 East Main St., Richmond, Va. 23219. Dominion Bankshares is a bank holding company. (File 2-50557 - Mar 28)

(S-1) FUQUA INDUSTRIES, INC.

3800 First National Bank Tower, Atlanta, Ga. 30303 - 89,182 shares of common stock and \$25 million of 9-1/2% subordinated debentures, due 1998. Of these securities, the debentures may be issued in connection with the company's acquisition program, 19,391 shares may be issued under the company's Restricted Stock Plan and 69,791 shares may be offered for sale (or pledged) from time to time by certain stockholders at prices current at the time of sale. Fuqua is a diversified company with operations in the areas of recreation products and services, shelter and transportation. (File 2-50563 - Mar 29)

STOCK PLANS FILED

The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

- Union Carbide Corporation, New York, N. Y. (File 2-50540 - Mar 28) - 170,000 shares
- Archer-Daniels-Midland Company, Decatur, Ill. (File 2-50545 - Mar 27) - 1,200,000 shares
- Bank Building & Equipment Corporation of America, St. Louis, Mo. (File 2-50548 - Mar 27) - 30,000 shares
- Zenith Radio Corporation, Chicago, Ill. (File 2-50553 - Mar 27) - 300,000 shares
- Tasty Baking Company, Philadelphia, Pa. (File 2-50555 - Mar 28) - 5,880 shares
- Merck & Co., Inc., Rahway, N. J. (File 2-50558 - Mar 28) - 240,000 shares
- Central Illinois Light Company, Peoria, Ill. (File 2-50559 - Mar 28) - 137,000 shares
- Data 100 Corporation, Minneapolis, Minn. (File 2-50560 - Mar 28) - 150,000 shares and (File 2-50561 - Mar 28) - 100,000 shares

REGISTRATIONS EFFECTIVE

March 28: Central Telephone & Utilities Corp., 2-50297.  
March 29: American Hospital Supply Corporation, 2-50294; The Chesapeake and Potomac Telephone Company of Virginia, 2-50370; Delmarva Power & Light Company, 2-50223; The El Paso Co., 2-50364; Energy Management Corp., 2-50107; First Hawaiian, Inc., 2-50204; The Hartford Electric Light Company, 2-50218; Minneapolis Gas Co., 2-50259; Survival Technology, Inc., 2-48419.

REGISTRATIONS WITHDRAWN

March 22: Tempco Business Services, 2-46795 (Abandoned).  
March 29: Commercial Investment and Development Corp. of Florida, 2-41774.

## RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- |  |   |
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| <i>Item 1. Changes in Control of Registrant</i>              | <i>Item 9. Options to Purchase Securities</i>                                 |
| <i>Item 2. Acquisition or Disposition of Assets</i>          | <i>Item 10. Revaluation of Assets or Restatement of Capital Share Account</i> |
| <i>Item 3. Legal Proceedings</i>                             | <i>Item 11. Submission of Matters to a Vote of Security Holders</i>           |
| <i>Item 4. Changes in Securities</i>                         | <i>Item 12. Changes in Registrant's Certifying Accountant</i>                 |
| <i>Item 5. Changes in Security for Registered Securities</i> | <i>Item 13. Other Materially Important Events</i>                             |
| <i>Item 6. Defaults upon Senior Securities</i>               | <i>Item 14. Financial Statements and Exhibits</i>                             |
| <i>Item 7. Increase in Amount of Securities Outstanding</i>  |   |
| <i>Item 8. Decrease in Amount of Securities Outstanding</i>  |   |

The companies listed below have filed 8-K reports for the month indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	MONTH
AGM INDUSTRIES INC	2,7	02/74
AMERICAN POLLUTION PREVENTION CO INC	10,13,14	02/74
ARA SERVICES INC	8	02/73
ATCHISON TOPEKA & SANTA FE RAILWAY CO	NO ITEMS	02/74
ATLANTIC AMERICAN CORP	1	02/74
BGEING CO	7	02/74
C&R CLOTHIERS INC	3,14	03/74
CANYONLANDS URANIUM INC	12,14	02/74
COMPUTER ELECTION SYSTEMS INC	13,14	02/74
COPICO	2,14	12/73
CORTERRA CORP	3	02/74
COUNTRYWIDE CREDIT INDUSTRIES INC	13	02/74
DATA LEASE FINANCIAL CORP	3,14	02/74
DAVIS H B CORP	13,14	02/74
DYNASIL CORP OF AMERICA	7,8	02/74
ETS HOKIN CORP	11	02/74
FIRST MORTGAGE INVESTORS	10,13,14	02/74
FIRST NATIONAL REALTY & CONSTRUCTION COR	3,6	02/74
FLORIDA FIRST EQUITIES CORP	7	12/73
FRANKLIN RESOURCES INC	11,12,13,14	02/74
GEOTHERMAL RESOURCES INTERNATIONAL INC	13	03/74
GLENMORE DISTILLERIES CO	7	02/74
GULF UNION CORP	2,14	03/74
HOMESTEAD MINERALS CORP	1	10/73
HONEGGERS & CO INC	3	02/74
HOSPITAL AFFILIATES INC	8	02/74
HY GAIN ELECTRONICS CORP	11	02/74
IDEAL BASIC INDUSTRIES INC	3,13,14	02/74
INTERNATIONAL FOODS SERVICE SYSTEMS INC	7,8,14	02/74
JACKSON NATIONAL LIFE INSURANCE CO	9	02/74
JEFFERSON NATIONAL CORP	13	02/74
KALVEX INC	3	02/74
KERONIX INC	12,14	02/74
KEY CO	13	02/74
LAFAYETTE FUNDS GAS & OIL INCCME PROGRAM	7	01/74
LIFE INVESTORS INC	2	02/74
MCCARTHY CO	9,13	02/74
MCNEIL REAL ESTATE FUND FOUR LTD	2,14	03/74
MEDICAL SCIENTIFIC INTERNATIONAL CORP	13	02/74
MICKELBERRY CORP	10,14	02/74
MISSISSIPPI VALLEY GAS CO	11,13	02/74
MOCAMCO CORP	2	01/74
MONOGRAM INDUSTRIES INC	3,13	02/74
MONTCALM VINTNERS INC	2,14	12/73
MONTEREY LIFE SYSTEMS INC	12,14	02/74
MOORES FOOD PRODUCTS INC	13	02/74
MORTGAGE GROWTH INVESTORS	13	03/74
NATIONAL CONVENIENCE STORES INC	7,14	02/74
NATIONAL INFORMATION SYSTEMS CORP	10,13,14	02/74

RECENT 8K FILINGS CONT.

NORTH ATLANTIC BANCORP	7,10	01/74
OMEGA ALPHA INC	3,10,11,14	02/74
PACEMAKER FINANCIAL CORP	13	02/74
PACIFIC COMMODITIES EXCHANGE INC	11,13	01/74
PAGE AIRWAYS INC	3	10/73
PATENT DEVELOPMENT CORP	13	02/74
PERRY DRUG STORES INC	11	02/74
PLASTILINE INC	3,13,14	02/74
PLYMOUTH RUBBER CO INC	14	03/74
REGENCY DEVELOPMENT CORP	11,14	02/74
RENAULT WINERY INC	11,14	02/74
RFI REALTY TRUST	7	06/73
RFI REALTY TRUST	7	08/73
RFI REALTY TRUST	7	09/73
RFI REALTY TRUST	7	12/73
SEARLE G D & CO	13,14	03/74
SOUTHERN CALIFORNIA WATER CO	13,14	02/74
STELLAR INDUSTRIES INC	7,8,13,14	02/74
SZABO FOOD SERVICE INC	4,8,11,14	02/74
TENNANT CO	13	02/74
TURNER COMMUNICATIONS CORP	11	01/74
UNIVERSAL SECURITY INSTRUMENTS INC	12,14	01/74
URIS BUILDINGS CORP	3	02/74
VWR UNITED CORP	11,14	02/74
WESTON INTERNATIONAL CORP	2	01/74
WHITE CONSOLIDATED INDUSTRIES INC	7	02/74
WHITEHALL CEMENT MANUFACTURING CO	7,14	02/74
HARMAN INTERNATIONAL INDUSTRIES	13	02/74
NORTH SHORE GAS CO MASSACHUSETTS	NO ITEMS	12/73
WASTE MANAGEMENT INC	9	12/73

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 12¢ per page plus postage for mailing within four days (\$2 minimum) and 25¢ per page plus postage for over-night mailing (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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