

sec news digest

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August 7, 1974

COMMISSION ANNOUNCEMENTS

PBW STOCK EXCHANGE FILES OPTION TRADING PLAN

The Commission announced today that the PBW Stock Exchange, Inc. has filed its "Options Trading Plan" pursuant to Rule 9b-1 of Securities Exchange Act of 1934. The PBW Plan contained (i) a description of the Exchange's pilot program; (ii) pertinent proposed amendments to the by-laws and rules of the Exchange's subsidiary, the Stock Clearing Corporation of Philadelphia (SCCP). While there are certain differences in approach, the PBW's proposed pilot program will be similar to existing pilot of Chicago Board Options Exchange, Inc. (CBOE) and to the pilot proposed by the American Stock Exchange, Inc. (AMEX) in that it plans to apply trading and clearing principles that are substantially the same as those used by those exchanges. PBW plans to begin trading in call option on ten securities listed on the NYSE but has not decided whether its options will be the same as CBOE or Amex options.

All interested persons are invited on or before August 25, 1974, to submit written comments on the PBW's proposed option trading plan to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549. Comments should refer to File No. S7-531. (Rel. 34-10950)

INITIAL DECISION REVOKES MIDLAND SECURITIES CORPORATION AND SANCTIONS ASSOCIATES

Administrative Law Judge David J. Markun has filed an initial decision revoking the registration as a broker-dealer of Midland Securities Corporation of Edina, Minnesota. The decision also bars various present or former officers or employees of Midland under conditions allowing them to apply to become associated with a broker-dealer, subject to specified restrictions, after varying periods ranging from three to nine months.

The revocation and sanctions were imposed on the basis of findings that the registrant violated antifraud provisions regarding the handling of underwriting receipts, the net capital rule, Regulation T, books and records requirements, various filing and reporting requirements, and the "early warning rule," together with statutes authorizing the foregoing rules, and that each of the other respondents aided or abetted one or more of such violations and/or failed reasonably to supervise with a view to preventing one or more of such violations. In addition, the record indicated that in March of 1973 Midland and its officers and employees were permanently enjoined by the U.S. District Court for Minnesota from violating specified provisions of the Exchange Act and Rules thereunder and ordered to file certain notices and reports with the Commission and to furnish its customers certain information. Also, in May 1973 Midland was suspended for 10 business days by the Minnesota Securities Division.

The decision is subject to review by the Commission on its own motion or on petition of a party.

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

KIPPEN & COMPANY, KIPPEN CANADA CORP. AND W. BRUCE KIPPEN SANCTIONED

The Commission, pursuant to an offer of settlement, has issued an order sanctioning Kippen & Company, Inc. (K Co.), of Montreal, and its subsidiary, Kippen Canada Corporation (KC), of New York, both registered broker-dealers, and W. Bruce Kippen, chairman of K Co.'s board of directors and president of KC. For a period of 12 months beginning August 12, K Co. and KC may not, with certain exceptions, act as broker-dealers in the United States. Kippen is subject to the restrictions imposed on K Co.

and, in addition, Kippen has voluntarily undertaken not to be associated with any broker-dealer for a period of 4 months which will also begin on August 12.

The sanctions imposed were based on findings that respondents violated certain provisions of the securities acts in transactions involving securities of Accurate Calculator Corp. Respondents, without admitting or denying the charges against them, consented to the findings and sanctions. (Rel. 34-10935)

TRADING SUSPENSIONS

ARTHRITIS CLINICS TRADING SUSPENDED

The SEC announced the suspension of over-the-counter trading in the securities of Arthritis Clinics International, Inc., Salt Lake City, Utah, for the ten-day period beginning on August 6 and terminating at midnight (EDT) on August 15, 1974.

The Commission initiated the suspension because of incorrect information available to the public concerning the company's operations. New company management has represented to the Commission that the company does not have certain clinics, exclusive licenses to sell drugs, nor patents pending as stated in the Form 10 Registration Statement filed with the Commission pursuant to Section 12(g) of the Exchange Act. (Rel. 34-10949)

ADDITIONAL ACTION ON FIVE TRADING SUSPENSIONS

The SEC has announced the suspension of (a) exchange and over-the-counter trading in the securities of Canadian Javelin Ltd., and over-the-counter trading in the securities of Winner Industries, Inc. and Royal Properties, Inc. for the further ten-day period August 6 - 15, inclusive; and (b) exchange and over-the-counter trading in the securities of BBI, Inc., and over-the-counter trading in the securities of NICAOCorp., for the further ten-day period August 7 - 16, inclusive.

COURT ENFORCEMENT ACTIONS

M.A. LUNDY ASSOCIATES, SCOTCH WHISKEY LTD., ENJOINED IN RHODE ISLAND

The Boston Regional Office announced that on August 2 the Federal Court in Rhode Island permanently enjoined Maurice Lundy, M. A. Lundy Associates, Kathryn A. Allard and Scotch Whiskey Ltd., from violations of the registration and antifraud provisions of the securities laws. Associates, a broker-dealer, Lundy and Allard were enjoined in connection with the offer and sale of trust receipts in four Rhode Island trusts. Scotch Whiskey Ltd. and Lundy were enjoined in connection with the offer and sale of Scotch Whiskey receipts. At the time of the hearing on the preliminary injunction, the Court's ruling that Scotch Whiskey receipts were securities represented the first such determination in this regard. The defendants consented to the permanent order. (LR-6468)

CAPITAL SYNDICATIONS, INC., OTHERS, ENJOINED

The Fort Worth Regional Office announced that on July 20 the Federal District Court at Fort Worth, Texas, preliminarily enjoined Capital Syndications, Inc., and Capital Syndications Company, both of Hurst, Texas, Wayne R. Morgan, Fort Worth, and Jesse D. Sanders, Dallas, Texas from violations of the antifraud provisions of the Federal securities laws in the offer and sale of limited partnership interests in raw land real estate syndications issued by Capital Syndications, Inc. In addition, the court placed restrictions on the operation of Capital Syndications, Inc., and Capital Syndications Company among which were included limitations on the amount of compensation to Morgan and Sanders and on the amount of funds which can be disbursed or withdrawn without prior approval of the court as well as requiring that counsel for Capital Syndications, Inc., assume responsibility for approving any disposition of assets or money and ordering a complete audit conducted by court-approved certified public accountants. (LR-6470)

TRI-STATE METALS, OTHER ENJOINED; RECISSION OFFERED

The Chicago Regional Office announced that on July 31 the Federal court at Toledo, Ohio permanently enjoined Tri-State Metals Corporation, a West Virginia corporation

with offices in Chester, West Virginia; Theodore D. Glass, president of Tri-State and a resident of Chester; and Mark S. Haukedahl, of Battle Creek, Michigan, from violations of the registration provisions of the securities laws. The defendants, without admitting or denying the allegations, consented to the court order. As part of the settlement, the defendants have offered to repurchase up to \$35,400 worth of Tri-State shares previously purchased by various individuals. (LR-6469)

INVESTMENT COMPANY ACT RELEASES

PROVIDENT FAMILY INVESTMENT PLANS

The SEC has issued a notice giving interested persons until September 3 to request a hearing on a proposal that Provident Family Investment Plans, of Philadelphia, Pennsylvania, has ceased to be an investment company. (Rel. IC-8449)

FIDELITY MUTUAL INCOME INVESTORS

The SEC has issued a notice giving interested persons until September 3 to request a hearing on a proposal that Fidelity Mutual Income Investors, of Philadelphia, Pa., has ceased to be an investment company. (Rel. IC-8450)

HOLDING COMPANY ACT RELEASES

DELMARVA POWER & LIGHT COMPANY OF VIRGINIA

The SEC has issued a notice giving interested persons until September 4 to request a hearing on a proposal of Delmarva Power & Light Company of Virginia to issue 30-year promissory notes to its parent, Delmarva Power & Light Company, a registered holding company. The notes will be in an aggregate amount not to exceed \$2,750,000 and will be pledged with a bank. (Rel. 35-18521)

SECURITIES ACT REGISTRATIONS

(S-16) WALT DISNEY PRODUCTIONS

500 South Buena Vista St., Burbank, Cal. 91521 -- 189,366 shares of common stock, to be distributed under a plan of complete liquidation of Wrather Corporation, pro rata, to the shareholders thereof. Walt Disney Productions produces and distributes motion pictures; owns and operates Disneyland Park and Walt Disney World; produces television shows; and markets various products. (File 2-51691 - Aug. 2)

(S-7) HERCULES INCORPORATED

Hercules Tower, 910 Market St., Wilmington, Del. 19899 - \$100 million of convertible subordinated debentures, due 1999, to be offered for sale through underwriters headed by Lehman Brothers Incorporated, One William St., New York, N.Y. 10004, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. Hercules manufactures and sells a widely diversified line of chemicals and allied products. (File 2-51695 - Aug. 2)

(S-9) NORTHWESTERN BELL TELEPHONE COMPANY

100 South 19th St., Omaha, Neb. 68102 - \$150 million of forty year debentures, due 2014, to be offered for sale at competitive bidding. The company furnishes communications services, mainly local and toll telephone service. (File 2-51696 - Aug. 2)

(S-7) POTOMAC ELECTRIC POWER COMPANY

1900 Pennsylvania Ave., N.W., Washington, D.C. 20068 - \$100 million of first mortgage bonds and 500,000 shares of a new series of serial preferred stock, to be offered for sale under underwriting agreements with Merrill Lynch, Pierce, Fenner & Smith Incorporated and Goldman, Sachs & Co., as representatives. The company generates, transmits, distributes and sells electric energy. (File 2-51698 - Aug. 2)

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:

Watsco, Inc., Hialeah, Fla. (File 2-51676 - July 31) - 197,543 shares
Wickes Corp., San Diego, Cal. (File 2-51677 - July 31) - 133,333 shares
Amax Inc., New York, N.Y. (File 2-51678 - July 31) - 100,000 shares
Walls Industries, Inc., Cleburne, Texas (File 2-51683 - Aug. 1) - 33,980 shares
Worthington Biochemical Corp., Freehold Township, N.J. (File 2-51688 - Aug. 1) - 92,662 shares
Keener Corp., New York, N.Y. (File 2-51692 - Aug. 1) - 100,000 shares
Warner Electric Brake & Clutch Co., South Beloit, Ill. (File 2-51694 - Aug. 2) - 98,750 shares
Sterndent Corp., Mount Vernon, N.Y. (File 2-51697 - Aug. 2) - 50,000 shares
American Buildings Co., Eufaula, Ala. (File 2-51699 - Aug. 2) - 100,000 shares

REGISTRATIONS EFFECTIVE

Aug. 6: AMF Inc., 2-51274; CAP Corp., 2-51314; Centex Corp., 2-51637; ESB Inc., 2-51629; First of Michigan Capital Corp., 2-51512; Genisco Technology Corp., 2-51505; Irving Trust Co., 2-51600; Mountain States Telephone and Telegraph Co., 2-51580; Municipal Investment Trust Fund, 2-51556; United Aircraft Corp., 2-51685; Western Trio Cattle Co., 2-50799; Wisconsin Electric Power Co., 2-51573.

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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