

# sec news digest

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(SEC Docket, Vol. 4, No. 8 - May 28)

U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

May 17, 1974

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## RULES AND RELATED MATTERS

MAY 20 1974

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### RULE 17a-1, A RECORDKEEPING RULE, AND AMENDMENT TO RULE 17a-6 ADOPTED

### LIBRARY

The SEC announced today the adoption, under the Securities Exchange Act of 1934 of Rule 17a-1 to require national securities exchanges and associations to keep documents and records, and the amendment of Rule 17a-6 to permit, pursuant to a plan, the early destruction and/or the retention on microfilm or other recording medium of documents kept by national securities exchanges and associations. Both the new rule and the amendments are to become effective September 2, 1974.

Rule 17a-1 requires that every national securities exchange and national securities association keep on file for a period of five years, two years in an accessible place, all documents which it makes or receives respecting its self-regulatory activities and that all such documents be made available for examination and copying by the Commission and its representatives.

To reduce the volume of material which must be kept, Rule 17a-6 has been further amended expressly to provide that documents retained pursuant to Rule 17a-1 may be destroyed before the end of the five-year retention period if so provided by an exchange or association in its record destruction plan filed with and approved by the Commission pursuant to Rule 17a-6. This amendment also permits a self-regulatory organization to designate in its plan those documents which it may transfer to microfilm or other recording medium and retain in that form for the remainder of the retention period. (Rel. 34-10809)

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## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

### HUTCHINS, MIXTER & PARKINSON, TWO OFFICERS SANCTIONED

An order has been issued revoking the broker-dealer registration of Hutchins, Mixter & Parkinson, Inc., of Boston, Massachusetts, and barring John Ransom Giles and William Gurley, who were respectively president and treasurer, from association with any broker, dealer, investment adviser or investment company. According to the decision, the firm, Giles and Gurley violated the antifraud provisions of the securities laws in the sale of customers' fully paid securities. It was further found that the firm, aided and abetted by Giles and Gurley, violated the recordkeeping and supplemental reporting requirements of that Act. Respondents consented to the findings and sanctions, without admitting or denying the charges. (Rel. 34-10782)

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## TRADING SUSPENSIONS

### TRADING SUSPENDED IN ADDITIONAL FRANKLIN SECURITIES

The Commission on May 16 announced the suspension of trading in the 7.3% notes of the Franklin New York Corporation and the 4.75% debentures of the Franklin National Bank. This action was taken at the request of the company and to permit a more orderly consideration by investors of securities of the companies. Earlier this week trading was suspended for the ten-day period beginning May 15 and ter-

minating at midnight EDT May 24, 1974, in the common and preferred stock of Franklin New York Corporation and the preferred stock of Franklin National Bank at the request of the company and to permit clarification of a release issued by the bank and its holding company on May 12, 1974 and recent corporate developments. (Rel. 34-10811)

#### ADDITIONAL ACTION TAKEN ON SEVEN TRADING SUSPENSIONS

The SEC has announced the suspension of (a) over-the-counter trading in the securities of Technical Resources, Inc. for the further ten-day period May 17 - 26, inclusive; (b) 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 May 18 - 27, inclusive; (c) exchange and over-the-counter trading in the securities of BBI, Inc., and over-the-counter trading in the securities of U. S. Financial, Inc. for the further ten-day period May 19 - 28, inclusive; and, (d) over-the-counter trading in the securities of Westgate California Corp. for the further ten-day period May 20 - 29, inclusive.

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## COURT ENFORCEMENT ACTIONS

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#### SECURITY LAND AND DEVELOPMENT CORP. ENJOINED

The Atlanta Regional Office announced that on May 8 the Federal Court in Augusta, Georgia enjoined Security Land and Development Corporation of Augusta from offering, selling or using the mails or other instruments of interstate commerce to deliver its common stock or other securities until further order of the Court. The corporation was further ordered to file a registration statement with the Commission within 90 days in accordance with Section 12(g) of the Securities Exchange Act of 1934 and to deposit with the Court all monies received after May 8, 1974 from stock subscription contracts previously executed, pending further disposition of the case. (LR-6371)

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## INVESTMENT COMPANY ACT RELEASES

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#### AMERICAN GENERAL LIFE INSURANCE COMPANY OF DELAWARE

An order has been issued on an application of American General Life Insurance Company of Delaware and its separate account, American General Life Insurance Company of Delaware Separate Account D, a unit investment trust registered under the Investment Company Act of 1940, exempting applicants from certain provisions of the Act to permit the following: (1) the elimination of sales and administrative charges in certain circumstances upon the purchase of certain variable annuity contracts issued by applicants, and (2) the elimination of the requirement that an independent trustee or custodian hold the assets of the separate account. (IC-8350)

#### MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

An order has been issued on an application of Massachusetts Mutual Life Insurance Company (MassMutual), the investment adviser for MassMutual Corporate Investors, Inc. (Fund), a non-diversified, closed-end investment company. The order permits MassMutual to purchase at direct placement \$2 million of a new issue of 9% senior notes, due 1994, of Royal Industries, Inc., a company in whose securities Applicant and the Fund have previously invested under an arrangement that prohibits, without order of the Commission, further investments in that company by either MassMutual or the Fund unless such investments are identical. (IC-8351)

#### FML GROWTH FUND

An order has been issued on an application of FML Growth Fund, Inc. (Growth) and FML Equity Income Fund, Inc. (Equity), both mutual funds which may be deemed to

be under common control, and The Fidelity Mutual Life Insurance Company (Fidelity), parent of FML Funds Advisory Company, the investment adviser to both funds (the Adviser). The order permits the merger of Growth into Equity and permits Fidelity, a major shareholder of Growth and Equity, and the Adviser, to take steps incident to such merger. (IC-8352)

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## HOLDING COMPANY ACT RELEASES

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### MISSISSIPPI POWER & LIGHT COMPANY

A notice has been issued giving interested persons until June 7 to request a hearing on a proposal of Mississippi Power & Light Company (Mississippi), subsidiary of Middle South Utilities, Inc., to enter into agreements with two Mississippi counties whereby the counties will construct for Mississippi pollution control facilities financed by the counties' sale of \$17,975,000 of pollution control revenue bonds. Mississippi will acquire the facilities upon completion, under installment sale agreements. (Rel. 35-18418)

### CONSOLIDATED NATURAL GAS COMPANY

A notice has been issued giving interested persons until June 10 to request a hearing on the 1974 financing program of Consolidated Natural Gas Company, and its subsidiary companies. The 1974 financing program contemplates the following transactions: (a) a short-term bank loan by Consolidated of up to \$60 million, the proceeds to be advanced to the subsidiaries to finance gas storage inventories; (b) the sale by Consolidated of up to \$50 million in commercial paper, the proceeds to provide working capital advances to subsidiaries; (c) a back-up \$30 million line of credit from a commercial bank; (d) long-term loans by Consolidated of \$43.5 million to subsidiaries to finance, in part, their 1974 capital expenditures (estimated at approximately \$195 million); and (e) the purchase by Consolidated of \$32.8 million par value of capital stock of subsidiary companies. (Rel. 35-18417)

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## SECURITIES ACT REGISTRATIONS

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### (S-16) THE WILLIAMS COMPANIES

National Bank of Tulsa Bldg., Tulsa, Okla. 74103 - 40,100 shares of common stock, which may be offered for sale from time to time by certain selling securityholders at prices current at the time of sale. Williams is primarily engaged in the business of chemical fertilizers, common carrier petroleum product pipelines, construction of pipelines, sale and distribution of liquefied petroleum gas, steel processing and distribution, merchandising, auto liability insurance and investments. (File 2-51066 - May 13)

### (S-7) PHILIP MORRIS INCORPORATED

100 Park Ave., New York, N. Y. 10017 - \$125 million of sinking fund debentures, due 2004, and \$75 million of notes, due 1982, to be offered for sale through underwriters headed by Lehman Brothers Incorporated, One William St., New York, N. Y. Philip Morris is engaged primarily in the manufacture and sale of cigarettes and beer. (File 2-51074 - May 14)

### (S-7) COMMONWEALTH EDISON COMPANY

One First National Plaza, P. O. Box 767, Chicago, Ill. 60690 - \$125 million of first mortgage bonds, Series 28, to be offered for sale at competitive bidding. The company is an electric utility. (File 2-51075 - May 14)

### (S-1) INTERNATIONAL DAIRY QUEEN, INC.

5701 Green Valley Dr., Minneapolis, Minn. 55437 - 60,000 shares of special 7% cumulative convertible preferred stock, Series B (\$10 par), to be offered from time to

time in connection with possible acquisitions. The company develops, licenses and services a system of retail stores which offer a limited menu of food items.  
(File 2-51076 - May 14)

(S-7) INDIANA & MICHIGAN ELECTRIC COMPANY

2101 Spy Run Ave., Fort Wayne, Ind. 46801 - \$70 million of first mortgage bonds, having a maturity of not less than five nor more than 30 years, and 300,000 shares of cumulative preferred stock (\$100 par), to be offered for sale at competitive bidding. The company is an electric utility operating company.  
(File 2-51079 - May 14)

(S-1) MERCANTILE BANCORPORATION INC.

721 Locust St., St. Louis, Mo. 63101 - 50,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of The First National Bank of Montgomery City, Montgomery City, Missouri, at the rate of 50 Mercantile shares for each Bank share. Mercantile is a bank holding company which controls fourteen banks. (File 2-51083 - May 14)

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:

Huyck Corp., Wake Forest, N. C. (File 2-51039 - May 10) - 16,566 shares  
Bausch & Lomb Inc., Rochester, N. Y. (File 2-51041 - May 10) - 150,000 shares  
Olinkraft, Inc., West Monroe, La. (File 2-51043 - May 10) - 265,000 shares  
Victor Comptometer Corp., Chicago, Ill. (File 2-51047 - May 13) - 250,000 shares  
Technicon Corp., Tarrytown, N. Y. (File 2-51050 - May 10) - 100,000 shares  
Service Corporation International, Houston, Tex. (File 2-51054 - May 13) - 208,400 shares

REGISTRATIONS EFFECTIVE

May 16: American Telephone and Telegraph Company, 2-50781; Inmont Corp., 2-50933; Michigan Avenue Financial Group, Inc., 2-50341 (90 days); NCNB Corp., 2-50866; Niagara Mohawk Power Corp., 2-50682; Orion Research Inc., 2-50188; Pacific Fidelity Life Insurance Company, 2-49108, 2-49109, 2-49110, 2-49111, 2-49112, & 2-49113.

REGISTRATIONS WITHDRAWN

May 6: ERE Industries, Inc., 2-48128.  
May 7: Tribal Corp., 2-47546.  
May 9: Corporate Forum, Inc., 2-44466 (abandoned).  
May 10: Investors Realty Trust, 2-47157; Multivest Growth Properties, 2-49009; Ricca Data Systems, Inc., 2-46321 (abandoned); Value City Inc., 2-46116.  
May 14: Capital Trinity Fund, Inc., 2-35513; J. Ray McDermott & Co., Inc., 2-49875; McDonald's Corp., 2-48496.

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 for mailing within four days (\$2 minimum) and 30¢ 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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