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sec news digest

Issue 74-184
(SEC Docket, Vol. 5, No. 6 - Oct. 1)

U.S. SECURITIES & EXCHANGE COMMISSION
September 20, 1974

RECEIVED

COMMISSION ANNOUNCEMENTS

SEP 23 1974

COMMISSION ANNOUNCES WRITTEN REQUESTS
CONCERNING COMMISSION RATES SENT TO REGISTERED
NATIONAL SECURITIES EXCHANGES

LIBRARY

The Commission has released the text of a letter that it sent to all registered national securities exchanges containing a written request pursuant to various Sections of the Securities Exchange Act of 1934 that such exchanges effect changes in their constitutions, rules and practices so to eliminate any requirement that exchange members charge any person fixed minimum rates of commission. The letter made clear that the Commission's request applied to both public rates and intra-member rates, and stated that such changes should be effective on or before May 1, 1975. The letter stated further that if the boards of directors of all of the registered national securities exchanges do not approve the requested changes by November 1, 1974, with the changes to become effective, after appropriate exchange procedures, not later than May 1, 1975, the Commission will commence appropriate proceedings promptly to determine whether it should exercise its authority to alter or amend the constitutions, rules and practices of such exchanges in the manner described. In that event, the letter stated, the Commission will afford each exchange and other interested persons an opportunity to submit both written and oral data and views in order to facilitate the Commission's consideration of whether to exercise its authority in the manner specified. (Rel. 34-11019)

RULES AND RELATED MATTERS

COMMISSION PROPOSES TO AMEND
PARA. (n) OF RULE 17a-5

The Commission announced today a proposal to amend paragraph (n) of Rule 17a-5 under the Securities Exchange Act of 1934. The amendment would modify the present requirements of paragraph (n) to require a broker-dealer to furnish its customers statements of financial condition on a semi-annual basis rather than on a quarterly basis as presently required. The release states that the Commission believes that it is important that customers of broker-dealers receive information concerning the financial and operating conditions of broker-dealers to whom they entrust their monies and securities. The Commission also believes the benefits of providing quarterly statements of financial condition to customers is significantly outweighed by other factors and, consequently, proposes to amend paragraph (n) of the rule in such fashion as would require broker-dealers to send statements of financial condition approximately 6 months apart. (Rel. 34-11017)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

CIRO COZZOLINO AND
STEVE HARRIS SANCTIONED

The Commission has suspended Ciro Cozzolino, of Sunnyside, New York, and Steve Harris, of Springfield, New Jersey, from association with any broker-dealer for respective periods of 240 and 180 days. After his suspension, Cozzolino, a former trader for a



REMEMBER SEC 40TH ANNIVERSARY

The SEC 40th Anniversary Celebration will be held on October 24, 1974, at the Statler Hilton, 16th and K Sts., N.W., Washington, D.C. For additional information and registration form see page 7 of the Digest.

broker-dealer, is barred from any such association except as a supervised employee in a non-supervisory capacity. Following his suspension, Harris, a salesman for another broker-dealer, is suspended for an additional 180 days from association with a broker-dealer in a supervisory capacity.

The sanctions were based on findings that, from September 1972 through March 1973, Cozzolino and Harris violated antifraud provisions of the securities laws in their activities involving the securities of The Bolton Group Ltd. (Cozzolino) and EKG Service Corp. (Harris). Cozzolino participated in a manipulative scheme in which most of a public offering of securities of The Bolton Group, Ltd. was withheld from public sale and sold to a small group of scheme participants through nominee accounts, causing the aftermarket to open at an artificially inflated premium. The withheld securities were later sold at inflated prices, and fraudulent representations were made in connection with their sale. Harris, in order to create the false appearance that securities of EKG Service Corp. had been legitimately offered and sold to the public, placed some EKG stock in a nominee account. It was also found that Cozzolino and Harris caused false entries to be made in a broker-dealer's books and records.

The Commission's order was issued pursuant to offers of settlement in which Cozzolino and Harris, without admitting or denying the charges against them, consented to the above findings and the indicated sanctions. (Rel. 34-11012)

ORDERS FOR PUBLIC PROCEEDINGS

COMMONWEALTH CHEMICAL SECURITIES, INC., OTHERS

Public administrative proceedings have been ordered against Commonwealth Chemical Securities, Inc. (Commonwealth), a New York City broker-dealer, its president, Julius Kleinman and its vice-president, Robert Drucker.

The order alleges that Commonwealth, aided and abetted by Kleinman and Drucker, violated the antifraud and trading suspension provisions of the securities laws in connection with the common stock of Pelorex Corp., at a time when trading in such securities was suspended by the Commission. Furthermore, the order alleges that Commonwealth wilfully aided and abetted by Drucker and Kleinman, wilfully violated the Commission's book-keeping provisions in the offer and sale of the securities of Beneficial Labs, Inc., in order to conceal the true beneficial owners of a sizeable block of such securities from the public. A hearing will be scheduled by further order on the charges against Commonwealth, Kleinman and Drucker. The proceedings also stays the effectiveness of a withdrawal of Commonwealth's registration as a broker-dealer until the conclusion of the hearing. (Rel. 34-11018)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES OHIO REAL ESTATE EQUITIES CO., OTHER

The SEC announced the filing of a complaint in the U.S. District Court for the District of Columbia on September 18, seeking a court order directing Ohio Real Estate Equities Co. (Equities) and Ohio Real Estate Investment Company (Investment), both of Cincinnati, Ohio, to comply with the reporting provisions of the Securities Exchange Act of 1934 and seeking a permanent injunction against further such violations.

According to the Commission's complaint against Equities and Investment, those trusts have failed to file: (1) their annual reports on Form 10-K for their fiscal years ended November 30, 1973; (2) their quarterly reports on Form 7-Q for the quarters ended February 28, 1974 and May 31, 1974; and (3) at least one report on Form 8-K for each trust, with the Commission. (SEC v. Ohio Real Estate Equities Co. and Ohio Real Estate Investment Company, U.S.D.C. D.C., Civ. Action No. 74-1380). (LR-6522)

INVESTMENT COMPANY ACT RELEASES

PUTNAM INCOME FUND

A notice has been issued giving interested persons until October 16 to request a hearing on an application of The Putnam Income Fund, Inc., The George Putnam Fund of Boston, Putnam Convertible Fund, Inc., Putnam Equities Fund, Inc., The Putnam Growth Fund, Putnam Investors Fund, Inc., Putnam Vista Fund Inc., and Putnam Voyager Fund, Inc., all

mutual funds, and Putnam Fund Distributors, Inc., and Putnam Financial Services, for an order permitting income dividends of Putnam Income Fund to be invested in shares of any of the other funds without a sales charge. (Rel. IC-8510 - Sept. 20)

SHEARSON INCOME FUND

A notice has been issued giving interested persons until October 15 to request a hearing on an application of Shearson Income Fund, Inc., Shearson Investors Fund, Inc., The Shearson Appreciation Fund, Inc., and The Shearson Capital Fund, mutual funds, for an order permitting Shearson Hammill Management Company to continue to render investment advice to the Funds under the same terms as the present contracts, following the merger of the adviser's parent, Shearson Hammill & Co., Inc., into Hayden Stone, Inc., until Fund shareholder meetings are held in December, 1974. (Rel. IC-8511 - Sept. 20)

MIDHURST CORPORATION

An order has been issued on an application of Midhurst Corporation, exempting it from all provisions of the Act. (Rel. IC-8512 - Sept. 20)

HOLDING COMPANY ACT RELEASES

THE SOUTHERN COMPANY

An order has been issued releasing jurisdiction with respect to the terms and conditions of the sale of 17,500,000 shares of common stock by The Southern Company under negotiations with a group of underwriters. (Rel. 35-18569 - Sept. 18)

UTAH POWER & LIGHT COMPANY

An order has been issued authorizing Utah Power & Light Company, an electric utility company and a registered holding company, to sell up to \$40 million of first mortgage bonds at competitive bidding. (Rel. 35-18570 - Sept. 19)

LOUISIANA POWER & LIGHT COMPANY

A notice has been issued giving interested persons until October 11 to request a hearing on a post-effective amendment to an application-declaration of Middle South Utilities, Inc., and its subsidiary, Louisiana Power & Light Company, regarding a proposed increase in the amount of Louisiana's authorized short-term notes to banks and commercial paper from \$50 million to \$70 million. (Rel. 35-18571 - Sept. 19)

OHIO EDISON COMPANY

A supplemental order has been issued authorizing Ohio Edison Company, a registered holding company and an electric utility company, to issue notes in connection with the issuance of Pollution Control Revenue Bonds in the aggregate principal amount of \$11 million at an effective interest rate of 8% per annum. (Rel. 35-18572 - Sept. 19)

A supplemental order has also been issued authorizing Ohio Edison Company to issue notes in connection with the issuance of Pollution Control Revenue Bonds in the aggregate principal amount of \$19 million at an effective interest rate of 8% per annum. (Rel. 35-18573 - Sept. 19)

DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING GRANTED

An order has been issued granting the application of the Boston Stock Exchange for unlisted trading privileges in the common stock of Maremont Corporation (Delaware). (Rel. 34-11016)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON THREE TRADING SUSPENSIONS

The SEC has announced the suspensions of over-the-counter trading in the securities of Franklin National Bank, Franklin New York Corp. and Continental Vending Machines Inc. for the further ten-day period Sept. 21 - 30, inclusive.

MISCELLANEOUS

CORRECTION RE RELEASE NO. FOR
NOTICE OF ADOPTION OF RULE 17a-7 and
FORM N-1R

The release number cited for the notice of adoption of Rule 17a-7 and Form N-1R which appeared in the News Digest on September 13 was incorrect. The correct release number is Rel. IC-8494.

SECURITIES ACT REGISTRATIONS

REGISTRATION EFFECTIVE

Sept. 19: E. F. Hutton Tax-Exempt Fund, 2-51752; Harcourt Brace Jovanovich, Inc., 2-51792; Hawaiian Electric Co. Inc., 2-51814; Health Management Services Inc., 2-48337; Russ Togs, Inc., 2-51643; Tennessee Forging Steel Corp., 2-51711; Utah Power & Light Co., 2-51736.

REGISTRATIONS WITHDRAWN

Sept. 19: Data Processing Security, Inc., 2-46991; Elfab Corp., 2-46928; Southern Bancorporation, 2-50742.

RECENT 8K FILINGS

Form 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes: changes in control of the registrant; acquisition or disposition of assets; legal proceedings; changes in securities (i.e., collateral for registered securities); defaults upon senior securities; increase or decrease in the amount of securities outstanding; options to purchase securities; revaluation of assets; submission of matters to a vote of security holders.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
GREAT WESTERN UNITED CORP	13,14	08/74
HARVEY GROUP INC	6,14	08/74
HAZELTINE CORP	13,14	08/74
HIBERNIA CORP	11,14	08/74
HOUDAILLE INDUSTRIES INC	13,14	08/74
IDAHO POWER CO	3	08/74
IMPERIAL CORP OF AMERICA	8	08/74
INNOVATIVE COMMUNICATIONS INC	7,14	08/74
JASMIN GROVES CO	6	08/74
KAISER INDUSTRIES CORP	14	08/74
KAY CORP	2,4,7,10,13,14	08/74
KRUEGER W A CO	13	08/74
LAUFER CO	11	08/74
LRC INC	1	02/74
MINNESOTA OHIO OIL CORP	11,13	08/74
MOBILE HOME DYNAMICS INC	12	07/74
MONMOUTH REAL ESTATE INVESTMENT TRUST	13	08/74
NATIONAL TELEPHONE CO INC	9	07/74
NEWHALL LAND & FARMING CO	12	08/74
PARA MEDICAL ENTERPRISES INC	13,14	08/74
PATENTS INTERNATIONAL AFFILIATES LTD	7,14	07/74
PBA INC	1,4	07/74
POLY INDUSTRIES INC	8	08/74
ROYAL AMERICAN INDUSTRIES INC	8	08/74

RECENT 8K REPORTS CONT.

ADVANCED TECHNOLOGY GROUP INTERNATIONAL	7	08/74
AGWAY INC	7,8	08/74
AIRCRAFT ACCEPTANCE CORP	13	08/74
AMERICAN BUILDING MAINTENANCE INDUSTRIES	3	08/74
AMINI OIL CO	13	08/74
APECO CORP	13	08/74
ASHLAND OIL INC	3	08/74
AUSTRAL OIL CO INC	7,14	08/74
BAUSCH & LOMB INC	3	08/74
BRIGGS & STRATTON CORP	13	08/74
CASTLE & COOKE INC	3	08/74
CENTER FOR LABORATORY MEDICINE INC	3,14	08/74
CENTRAL BANKING SYSTEM INC	13	08/74
CIT FINANCIAL CORP	13	08/74
COLLEGE UNIVERSITY CORP	1	08/74
COLONIAL PENN GROUP INC	3	08/74
COLORADO NATIONAL BANKSHARES INC	7	08/74
COMBINED COMMUNICATIONS CORP	2,7,10,11,14	08/74
COMMODORE CORP	3	08/74
COMPUTER OPTICS INC	13	08/74
CORENCO CORP	8	08/74
CREDITTHRIFT FINANCIAL CORP	7,14	08/74
CUMIS INSURANCE SOCIETY INC	11	08/74
DCL INC	13,14	08/74
ENERGY VENTURES INC	13,14	08/74
FABRI TEK INC	11	08/74
FIRST BANCGROUP ALABAMA INC	13	08/74
FLICK REEDY CORP	13,14	08/74
FLORIDA COMMERCIAL BANKS INC	3,14	08/74
FLORIDA POWER & LIGHT CO	13	08/74
FREQUENCY SOURCES INC	3,14	08/74
FRIEDMAN INDUSTRIES INC	11	08/74
GENERAL MOTORS CORP	3	08/74
GENERAL TELEPHONE & ELECTRONICS CORP	3	08/74
GIT REALTY & MORTGAGE INVESTORS	3,8,14	08/74
GULF STATES UTILITIES CO	3,13	08/74
HANDSCHY CHEMICAL CO	7	09/74
HAWAII CORP	3	08/74
HISTORIC SMITHVILLE INNS INC	2,13,14	08/74
HOE R & CO INC	13,14	08/74
HUGHES & HATCHER INC	2,7,8,14	08/74
HUGHES TOOL CO	3,14	08/74
HYDROMATION FILTER CO	7	08/74
INDIAN HEAD INC	1,14	08/74
INTERNATIONAL FUNERAL SERVICES INC	11,13,14	08/74
ISC INDUSTRIES INC	13	08/74
JACKSON NATIONAL LIFE INSURANCE CO	4	08/74
KANSAS POWER & LIGHT CO	8	08/74
KEEBLER CO	13	08/74
LACLEDE GAS CO	13	08/74
LACLEDE STEEL CO	3,7	08/74
LEATH & CO	7	08/74
LEE WAY MOTOR FREIGHT INC	13	08/74
LEXITRON CORP	7,14	08/74
LIBERTY LOAN CORP	13	08/74
LINCOLN AMERICAN CORP	13	08/74
LYKES YOUNGSTOWN CORP	3,6,14	08/74
MACDERMID INC	3	08/74
MAPLE PLAIN CO INC	11	08/74
MARCOR INC	13,14	08/74
MARVA INDUSTRIES INC	7,14	08/74
MCCRORY CORP	11,13	08/74
MCDONALDS CORP	7,14	08/74
MCNEIL REAL ESTATE FUND IV LTD	2,7	08/74
METRO GOLDWYN MAYER INC	8	08/74
MICROFORM DATA SYSTEMS INC	13,14	08/74
MINNESOTA POWER & LIGHT CO	3	08/74
MIRRO ALUMINUM CO	4,7,14	08/74
MISSISSIPPI POWER & LIGHT CO	13	08/74
MISTER WIGGS DEPARTMENT STORES INC	10,14	08/74
MONTANA DAKOTA UTILITIES CO	7	08/74

RECENT 8K REPORTS CONT.

MONTCALM VINTNERS INC	1,4,6,7,9,10,11,12,	08/74
MOUNTAIN STATES TELEPHONE & TELEGRAPH CO	7,14	08/74
NATIONAL DEVELOPMENT CORP	13	08/74
NELLY DON INC	8	08/74
NORFOLK & WESTERN RAILWAY CO	3	08/74
NORRIS OIL CO	11,13,14	08/74
NORTHERN UNION HOLDINGS CORP	9,14	08/74
NORTON CO	8	08/74
NUCLEONIC PRODUCTS CO INC	13,14	03/74
OLSON FARMS INC	3	08/74
OTIS ELEVATOR CO	14	08/74
OUTBOARD MARINE CORP	13,14	08/74
OWENS ILLINOIS INC	3	08/74
OZARK AIR LINES INC	7	08/74
PACESETTER INDUSTRIES INC	8	08/74
PACIFIC SOUTHERN MORTGAGE TRUST	13	08/74
PALL CORP	4,13	08/74
PARKER DRILLING CO	7,14	08/74
PHILLIPS PETROLEUM CO	3	03/74
PIZZA HUT INC	11,13,14	08/74
POMINEX LTD	2,7,9,13,14	06/74
PP&C COMPANIES INC	8	08/74
PPG INDUSTRIES INC	4,14	08/74
PRECISION POLYMERS INC	13	08/74
PRO TECH PROGRAMS INC	13	08/74
PUERTO RICO TELEPHONE CO	12,14	06/74
PUGET SOUND POWER & LIGHT CO	13,14	08/74
REGAL BELOIT CORP	13	08/74
RELIANCE INDUSTRIES INC	7	08/74
REMICO INC	13,14	08/74
RESERS FINE FOODS INC	11	08/74
REUTER INC	9,14	08/74
RIGHTON INTERNATIONAL CORP	11,14	08/74
SACOM	13	08/74
SALEM CARPET MILLS INC	7,14	08/74
SAN DIEGO GAS & ELECTRIC CO	3,7,13	08/74
SANTA ANITA CONSOLIDATED INC	7	08/74
SCIENCE MANAGEMENT CORP	13	08/74
SCIENTIFIC ATLANTA INC	13,14	08/74
SECURITY PACIFIC CORP	3	08/74
SERVICE CORP OF AMERICA	7	03/74
SHAW INDUSTRIES INC	7	08/74
SHELLER GLOBE CORP	3	08/74
SMUCKER J M CO	11	08/74
SOUTHEAST BANKING CORP	7,14	08/74
SOUTHERN CO	13	08/74
SOUTHERN NATURAL GAS CO	13	08/74
SOUTHLAND ROYALTY CO	13	08/74
SOUTHWEST FOREST INDUSTRIES INC	3,7,14	08/74
SOUTHWESTERN PUBLIC SERVICE CO	10,14	08/74
SPERRY RAND CORP	13,14	08/74
SPOTTS FLORAFAX CORP	1,2,8,11	07/74
SPRINGS MILLS INC	2,14	08/74
STAFF BUILDERS INC	2,14	08/74
STANDARD ALLIANCE INDUSTRIES INC	13	08/74
STANDARD OIL CO OF CALIFORNIA	3	08/74
TANDY CORP	7,8	08/74
TAYLOR RENTAL CORP	7,14	09/74
TELEFILE COMPUTER PRODUCTS INC	1,7,13	07/74
TESORO PETROLEUM CORP	7,14	08/74
TEXAS INTERNATIONAL CO	2,14	08/74
TEXAS UTILITIES CO	13	08/74
TEXTURED PRODUCTS INC	2,3,14	08/74
TRANS SONICS INC	13,14	08/74
TUCSON GAS & ELECTRIC CO	7,13,14	08/74
TWIN CITY BARGE & TOWING CO	3	08/74
UGI CORP	13	08/74
UNION PACIFIC CORP	13	08/74
UNION TANK CAR CO	7	08/74
UV INDUSTRIES INC	7,8	08/74
VERIT INDUSTRIES	2,8,14	08/74

SEC 40TH ANNIVERSARY CELEBRATION

The SEC wishes to invite all past employees to attend its 40th Anniversary Celebration to be held on October 24, 1974, at the Statler Hilton in Washington. The price will be \$25 per person for all former employees. The dress is optional.

Many past staff members may wish to sit together as a group, or even reserve an entire table for 12. Priority will be given to requests for such special arrangements whenever possible. To avoid confusion, however, only one of such group should request the special seating arrangement--but each person in a group should be identified and in the manner in which his or her name should appear in the Anniversary Program. You may use the registration form on this page. We cannot finalize our plans with the Hotel until we have rather definite information as to the number expected to attend, so we request that you make your reservation as soon as possible. Tickets will be mailed to the purchasers.

Please notify any past SEC friends, get together a group, and come help us celebrate!

DINNER RESERVATION & REGISTRATION FORM

To The SEC Anniversary Committee:

Herewith is my check or money order in the amount of \$_____ for which please issue _____ tickets to the SEC 40th Anniversary Celebration for the following persons (please PRINT names as they should appear in the Anniversary Program, listing married couples as "Mr. and Mrs."):

Please send the tickets to:

(Name) _____

(Address) _____

Please seat the persons listed above with the following additional persons (please PRINT names):

Make checks or money orders payable to "SEC Anniversary Committee," and mail to

SEC Anniversary Committee, Room 856
Securities and Exchange Commission
Washington, D. C. 20549

Present staff members and employees may make payment to Lawrence A. Friend, Treasurer, in Room 502.

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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