

sec news digest

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ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND
EXCHANGE COMMISSION

FIRST OPTIONS OF CHICAGO, INC.

The Commission announced that it has accepted an offer of settlement from First Options of Chicago, Inc. (Registrant), a registered broker-dealer, in which Registrant consented to findings of wilful violations of Regulation T and agreed to adopt and maintain procedures relating to extension of credit and to certain portions of the net capital rule which relate to the limitations upon the terms an options clearing broker can extend in clearing and carrying the accounts of non-clearing options market makers. (Rel. 34-15017)

COURT ENFORCEMENT ACTIONS

JUDGMENT ENTERED RE: EDWARD A. STOLTENBERG

The SEC announced the settlement of the Commission's case with respect to Edward A. Stoltenberg pursuant to a Stipulation and Final Order of Settlement signed on July 6 by Charles E. Stewart, Jr., U.S. District Judge, and entered as a judgment in this action. As part of the Stipulation and Final Order of Settlement approved by the Court, Stoltenberg agreed and undertook to comply with Section 10(b) of the Securities Exchange Act of 1934 and was ordered by the Court to do so. The Order also provides that the Court retains jurisdiction to make such orders as may be appropriate to ensure compliance with the Stipulation and Final Order of Settlement and that the action with respect to Stoltenberg has been discontinued and terminated with prejudice. Stoltenberg also undertook that in the event that he should practice before the Commission as an accountant, at any time within two years from the entry of the Stipulation and Final Order of Settlement, that he will notify the Commission of his intention to do so. The litigation settled by Stoltenberg arose out of the activities of IOS and its related mutual funds during the years 1970 through 1973 in which Stoltenberg was charged, along with others, with violating the antifraud provisions of the Securities Exchange Act of 1934. (SEC v. Robert L. Vesco, et al., U.S.D.C., S.D.N.Y., Civil Action No. 72 Civ. 5001, CES). (LR-8488)

COMPLAINT NAMES RALPH M. PARSONS COMPANY, OTHERS

The Commission announced that on August 4 it filed a complaint for permanent injunction against Ralph M. Parsons Company of Pasadena, California, The Parsons Corporation, a recently organized Delaware holding company and RMP International, Ltd., a Cayman Islands corporation alleging violations of the reporting and proxy provisions of the securities laws. The complaint alleged that reports filed with the Commission and proxy soliciting materials were false, misleading and contained material omissions of fact with respect to a \$6 million payment and a \$300,000 payment made in a Middle East nation in connection with a \$400 million plus total cost project; a payment made in connection with elections of the State of Hawaii recorded on Parsons' books as "professional services"; and a payment made to union officials in connection with a construction project in the State of New Jersey recorded on Parsons' books as "employee welfare expense". On August 4, without admitting or denying the Commission's allegations, the defendants consented to the entry of a final judgment of permanent injunction which proscribes certain conduct and requires, among other things, that each of the defendants establish internal controls and a system for accounting for transactions and dispositions of corporate assets and funds to ensure that the Foreign Corrupt Practices Act is complied with and that any violations of the Foreign Corrupt Practices Act are reported promptly to the companies' respective audit committees. Further, the audit committees of each defendant, pursuant to the defendants' undertakings, are required to review annually payments to foreign consultants, agents or sales representatives, payments to foreign trade associations, cash payments or transfers to foreign subsidiaries, significant rebates, sudden write-offs of loans or prepayments of contracts.

In addition, the final judgment requires that Parsons file a report with the Commission on Form 8-K promptly upon issuance of the final judgment, which report will contain further information as to the foreign payments referred to in the complaint, will disclose these proceedings and will include as exhibits thereto the Commission's complaint, the related consents and undertakings of the defendants and the final judgment. Further, in accordance with the final judgment, at the time the said Form 8-K report is filed, The Parsons Corporation will immediately file with the Commission an amendment to its pending registration statement on Form S-14 which shall describe in detail the transactions referred to in the complaint and such description shall be filed as an exhibit to the Form 8-K report. Pursuant to Section 15(d) of the Exchange Act, RMP International, Ltd. will be a co-registrant and will thereafter be required to comply with, among others, the reporting and proxy provisions of the securities laws. (SEC v. Ralph M. Parsons Company, et al., D.D.C., 1978). (LR-8493)

HOLDING COMPANY ACT RELEASES

THE SOUTHERN COMPANY

An order has been issued authorizing a proposal of The Southern Company, a registered holding company, and three of its subsidiaries, Alabama Power Company, Gulf Power Company and Mississippi Power Company, whereby Southern will issue from time to time on or before March 31, 1979, notes to banks up to an amount of \$100 million pursuant to the terms of certain lines of credit which have been obtained. (Rel. 35-20662 - Aug. 8)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

EXTENSION OF EFFECTIVE DELISTING DATE FOR THE COMMON STOCK OF PACIFIC RESOURCES, INC.

The Commission has issued an order amending the effective date of Pacific Resources, Inc.'s application to withdraw its common stock from listing and registration on the Pacific Stock Exchange. The Commission, which initially approved the withdrawal from listing on June 22, 1977, extended the effective date of that approval until February 2, 1979. The Commission's order also extended, for the same duration, the exemption of certain persons from the last sale reporting requirements of Rule 17a-15 as they apply to over-the-counter transactions in Pacific Resources, Inc. (Rel. 34-15030)

DELISTING GRANTED

An order has been issued granting the application submitted by the American Stock Exchange, Inc. to strike from listing and registration the common stock (par value 25¢) of Supronics Corporation. (Rel. 34-15024)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the National Association of Securities Dealers, Inc. The rule change (SR-NASD-78-5) requires underwriters for investment companies to notify the NASD if a check received from a dealer for payment of an open transaction is returned by a bank as uncollectable. (Rel. 34-15031)

ORDER DISMISSING DISAPPROVAL PROCEEDING

The Commission has issued an order dismissing the consolidated disapproval proceeding on twenty six option-related rule proposals. Publication of the order is expected to be made in the Federal Register during the week of August 7. (Rel. 34-15027)

AMENDMENT AND APPROVAL OF PROPOSED RULE CHANGE

The American Stock Exchange, Inc. has filed an amendment to a proposed rule change under Rule 19b-4 (SR-Amex-77-35) designated as Commentary .01 and .02 to its existing Rule 909, providing for the imposition of trading restrictions on certain member transactions during the pendency of underwritten distributions of securities underlying call options traded on the Amex. The Commission has approved the proposed rule change, as amended, on an accelerated basis. (Rel. 34-15032) Publication of the amendment to the proposal is expected to be made in the Federal Register during the week of August 7.

APPLICATIONS GRANTED

The Commission has granted the applications of the Philadelphia Stock Exchange, Inc. and the Pacific Stock Exchange, Inc. to begin trading in certain call option classes which those exchanges have selected to replace classes which have been involuntarily delisted. Publication of the release is expected to be made in the Federal Register during the week of August 7. (Rel. 34-15025)

MISCELLANEOUS

RETIREMENT SAVINGS PLAN OF WHITMAN & RANSOM

A notice has been issued giving interested persons until August 29 to request a hearing on an application of the Retirement Savings Plan of Whitman & Ransom, for an order under Section 3(a)(2) of the Securities Act of 1933, exempting interests or participations in the Plan from the provisions of Section 5 of the Act. (Rel. 33-5955)

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-1) OIL BASE, INC., 3625 Southwest Freeway, Houston, Tex. 77027 - 800,000 shares of common stock. Underwriter: Loeb Rhoades, Hornblower & Co. The company manufactures and markets a full line of drilling fluids. (File 2-62318 - Aug. 9)
- (S-7) GULF POWER COMPANY, 75 North Pace Blvd., Pensacola, Fla. 32505 (904) 434-8111 - \$25 million of first mortgage bonds. The company is engaged in the generation and purchase of electricity. (File 2-62319 - Aug. 9)
- (S-8) KNOGO CORPORATION, 100 Tec St., Hicksville, N.Y. 11801 (516) 822-4200 - 80,000 common shares. The company designs, manufactures, markets and services the Knogo Detection System which is designed to protect against shoplifting. (File 2-62320 - Aug. 8)
- (S-8) NEWELL COMPANIES, INC., 916 South Arcade Ave., Freeport, Ill. 61032 (815) 235-4171 - 110,000 shares of common stock. (File 2-62321 - Aug. 7)
- (S-16) THE GAS SERVICE COMPANY, 2460 Pershing Rd., Kansas City, Mo. 64108 (816) 221-4765 - 100,000 shares of common stock. (File 2-62322 - Aug. 9)
- (S-16) CONGOLEUM CORPORATION, 777 East Wisconsin Ave., Milwaukee, Wis. 53202 (414) 765-0777 - 374,968 shares of common stock. (File 2-62323 - Aug. 9)

REGISTRATIONS EFFECTIVE

Aug. 1: H. & Val J. Rothschild, Inc., 2-52774.

Aug. 2: Aydin Corp., 2-61869; Cherry Electrical Products Corp., 2-62065 (90 days); Cullinane Corp., 2-61964 (90 days); J P Income Fund, Inc., 2-61114; Kansas City Power & Light Co., 2-61360; National Fuel Gas Co., 2-62089, Nicor, Inc., 2-62095; Orange and Rockland Utilities, Inc., 2-62103; Ratliff Drilling Co., 2-61847 (90 days); Sundance Oil Co., 2-61767; Superior Industries International, Inc., 2-61965.

NOTE TO DEALERS. When applicable the 90-day period of time dealers are required to use the prospectus is noted above in parentheses after the name of the issuer. As to the other issuers, there may be no such requirement to use a prospectus, or the requirement may be for a period of only 40 days; see Section 4(3) of the Securities Act of 1933 and Rule 174 (17 CFR 230.174) thereunder.



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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 10c per page plus postage (7 days) (\$3.50 minimum); 20c per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30c per page plus postage for priority service overnight (\$5.00 minimum). Cost estimates are given or request. All other reference material is available in the SEC Docket.

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