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U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

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RULES AND RELATED MATTERS

MAR 6 1975

NOTICE OF PUBLICATION OF PROPOSED AMENDMENTS TO
RULE 10a-1 UNDER THE SECURITIES EXCHANGE ACT OF
1934 FOR COMMENT

LIBRARY

The Commission today announced proposed amendments to Rule 10a-1 of the Securities Exchange Act of 1934 (the short sale rule). These amendments would apply short sale regulation to transactions in securities reported pursuant to a consolidated transaction reporting system (reporting securities) declared effective under Securities Exchange Act Rule 17a-15 (the consolidated system). The proposed regulation would extend to short sales of reporting securities in the third market as well as on exchanges. As amended, the short sale rule would prohibit short sales at prices below the last sale reported in the consolidated system or at the same price as the last sale reported in the consolidated system unless such price is higher than the next preceding different price (the tick provisions). Exchange specialists and market makers, however, would be able to utilize an equalizing exemption to sell short at the last sale price reported in the consolidated system. The amendments would also provide that an exchange, by rule, could (a) require short sales executed on that exchange to comply with a tick test referenced to the last sale on that exchange rather than the tick provisions of the rule; and (b) prohibit its specialists from utilizing the equalizing exemption. The release proposing the short sale rule amendments solicits public comment on the amendments prior to April 15, 1975 (File No. S7-515). (Rel. 34-11276)

NOTICE OF PROPOSED RULES 206(4)-4 AND 204-2(a) (14)

The Commission announced today that it is considering the adoption of new Rule 206(4)-4 and new paragraph (14) of Rule 204-2(a) under the Investment Advisers Act of 1940 (Act). The purpose of proposed Rule 206(4)-4 is to assure that existing and prospective clients of an investment adviser obtain written disclosure of material information which would enable such persons to evaluate, among other things, the adviser's qualifications, methods, services, and fees. Proposed Rule 206(4)-4 generally would require that investment advisers furnish a written disclosure statement to every client and prospective client (other than a registered investment company) upon entering into, extending or renewing an advisory contract with such client. Proposed paragraph (14) of Rule 204-2(a) would require that copies of each such disclosure statement be maintained by investment advisers as part of their record-keeping obligations under the Act.

The proposed Rule specifies the information required to be disclosed in the written statement, including, but not limited to: types of services offered; length of time the investment adviser has been in such business; investment techniques; sources of information used; general standards of education and business background required of advisory personnel; and basis of fees charged. There would be additional disclosure requirements for advisers providing investment supervisory services or managing investment advisory accounts. Finally, the proposed Rule would explicitly provide that it does not relieve any adviser from the obligation to make disclosures not specifically required by the Rule which are otherwise required by the Act.

Public comments on the proposals are invited, due on or before April 30, 1975. All communications in this regard should refer to File No. S7-555. (Rel. IA-442)

COURT ENFORCEMENT ACTIONS

STAN SVARA AND JEFF WARBURTON ENJOINED

The Denver Regional Office announced that on February 19 U.S. District Judge Willis W. Ritter, signed a consent judgment of permanent injunction against Stan Svava and Jeff Warburton, defendants in the Commission's injunctive action against Silver Mint Mortgage Co. Ltd., et al. The judgment permanently enjoins Stan Svava and Jeff Warburton from violating the registration and antifraud provisions of the securities laws with respect to the offer and sale of debentures of Silver Mint Mortgage Co. Ltd., and in the offer and sale of investment contracts of IMC Mint Corporation in the form of silver sales agreements or any other securities. The defendants consented to the entry of the permanent injunction without admitting or denying the allegations in the complaint. (SEC v. Silver Mint Mortgage Co. Ltd., D. Utah C-74-353). (LR-6767)

ALBERT J. GEBERT CHARGED WITH CRIMINAL CONTEMPT

The Fort Worth Regional Office announced the filing of a criminal information in Federal District Court at Wichita, Kansas on February 26, 1975 charging Albert J. Gebert of Wichita with criminal contempt of an order entered on November 12, 1969 permanently enjoining Gebert and others from violations of the registration and anti-fraud provisions of the securities laws. The information alleged that Gebert violated the Court's order in the offer and sale of fractional undivided working interests in oil and gas leases located in Kansas and Oklahoma. (U.S. v. Albert J. Gebert, District of Kansas). (LR-6768)

INVESTMENT COMPANY ACT RELEASES

THE GUARDIAN INSURANCE & ANNUITY COMPANY

A notice has been issued giving interested persons until March 28 to request a hearing on an application by The Guardian Insurance & Annuity Company, Inc. (Guardian), a wholly-owned subsidiary of the Guardian Life Insurance Company of America (Guardian Life), The Guardian Variable Account 1 (VA-1) and The Guardian Variable Account 2 (VA-2), separate accounts of Guardian registered as unit investment trusts, and GLICOA Associates, Inc., a wholly-owned subsidiary of Guardian Life and the principal underwriter of VA-1 and VA-2, for an order of the Commission exempting applicants from Section 22(d) of the Act to the extent necessary to permit certain variations in the sales and administrative charges imposed upon the purchase of securities of VA-1 and VA-2. (Rel. IC-8700 - March 3)

FEDERAL STREET FUND

A notice has been issued giving interested persons until March 28 to request a hearing on an application of Federal Street Fund, Inc., for an order exempting from Section 17(a) of the Act the redemption of Fund shares by affiliated persons for marketable securities owned by the Fund. (Rel. IC-8701 - March 4)

HOLDING COMPANY ACT RELEASES

NEW ENGLAND ELECTRIC SYSTEM

A notice has been issued giving interested persons until March 27 to request a hearing on a proposal of New England Electric System (NEES) and certain of its subsidiary electric utility companies, for the subsidiaries to issue short-term promissory notes to banks and/or NEES, and commercial paper to dealers in commercial paper. (Rel. 35-18838 - March 3)

INDIANA & MICHIGAN ELECTRIC COMPANY

A notice has been issued giving interested persons until March 26 to request a hearing on a proposal of Indiana & Michigan Electric Company (I&M), subsidiary of American Electric Power Company, Inc., to issue and sell \$15 million principal amount of first mortgage bonds, due March 1, 1985, to refund first mortgage bonds previously issued, due April 1, 1975. (Rel. 35-18839 - March 3)

GEORGIA POWER COMPANY

A notice has been issued giving interested persons until March 28 to request a hearing on proposals of Georgia Power Company, subsidiary of The Southern Company, to issue and sell unsecured bank and trust notes and/or commercial paper from time to time through March 31, 1976, up to an aggregate principal amount of \$375 million at any one time outstanding. (Rel. 35-18841 - March 4)

MISSISSIPPI POWER COMPANY

A notice has been issued giving interested persons until March 28 to request a hearing on proposals of Gulf Power Company and Mississippi Power Company, subsidiaries of The Southern Company, to issue and sell unsecured bank notes and/or commercial paper from time to time through March 31, 1975, up to an aggregate principal amounts of \$30,000,000 and \$31,750,000, respectively. (Rel. 35-18842 - March 4)

ALABAMA POWER COMPANY

A notice has been issued giving interested persons until March 28 to request a hearing on proposals of Alabama Power Company, subsidiary of The Southern Company, to issue and

sell unsecured bank and trust notes and/or commercial paper from time to time through March 31, 1976, up to an aggregate principal amount of \$350 million at any one time outstanding. (Rel. 35-18843 - March 4)

THE SOUTHERN COMPANY

A notice has been issued giving interested persons until March 28 to request a hearing on proposals of The Southern Company, a registered holding company, to issue and sell unsecured bank and trusts notes from time to time through March 31, 1976, up to an aggregate principal amount of \$155 million at any one time outstanding. (Rel. 35-18844 - March 4)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON ONE TRADING SUSPENSION

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of BBI, Inc. for the further ten-day period March 5 - 14, inclusive.

SECURITIES ACT REGISTRATIONS

(S-7) IOWA POWER & LIGHT COMPANY

823 Walnut St., Des Moines, Iowa 50303 - 600,000 shares of common stock, to be offered for sale through underwriters headed by Halsey, Stuart & Co. Inc., 100 Gold St., New York, N.Y. 10038, and Piper, Jaffray & Hopwood Incorporated, 800 Multifoods Bldg., Minneapolis, Minn. 55402. The company operates an electric and gas utility business. (File 2-52835 - Feb. 14)

(S-6) NATIONAL MUNICIPAL TRUST, EIGHTH SERIES

\$7.5 million of units, to be offered for sale through underwriters headed by Thomson & McKinnon Auchincloss Kohlmeyer Inc., Two Broadway, New York, N.Y. 10004. The Fund is a unit investment trust created by a trust agreement among Thomson & McKinnon Auchincloss Kohlmeyer Inc. and Piper, Jaffray & Hopwood Incorporated, as sponsors, United States Trust Company of New York, as trustee, and Standard & Poor's Corporation, as evaluator. The objectives of the Fund are tax-exempt income and conservation of capital through an investment in a diversified portfolio of municipal bonds. (File 2-52837 - Feb. 14)

(S-5) MONEY MARKET TRUST

421 Seventh Ave., Pittsburgh, Pa. 15219 - 1,000,000 shares of beneficial interest. It is proposed to offer these shares for sale from time to time at net asset value. The initial offering price will be \$1.00 per share. Money Market Trust is a diversified, open-end investment company. (File 2-52842 - Feb. 14)

(S-7) IOWA POWER AND LIGHT COMPANY

823 Walnut St., Des Moines, Iowa 50303 - 100,000 shares of cumulative preferred stock (\$100 par), to be offered for sale through underwriters headed by Smith, Barney & Co., Incorporated, 1345 Avenue of the Americas, New York, N.Y. 10019. The company operates an electric and gas utility business. (File 2-52915 - Feb. 27)

(S-16) BEATRICE FOODS CO.

120 South LaSalle St., Chicago, Ill. 60603 - 473,947 shares of common stock, to be offered for sale for the account of certain shareholders of Beatrice by block trading in negotiated transactions on the New York or Midwest Stock Exchange at gross prices per share approximating market prices prevailing at the time of sale. Beatrice is a diversified producer of dairy and grocery products and is also a producer of manufactured products and chemical specialties. (File 2-52916 - Feb. 28)

(S-1) HOUSTON OIL & MINERALS CORPORATION

242 The Main Bldg., Houston, Tex. 77002 - \$30 million of convertible subordinated debentures, due 1995, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006 and Eppler, Guerin & Turner, Inc., 2001 Bryan Tower, Dallas, Tex. 75201 and 53,332 shares of common stock, which may be offered for sale from time to time by

Eppler, Guerin & Turner, Inc. as a selling shareholder on the American Stock Exchange at prices related to prices then prevailing. The company is engaged in oil and gas exploration, development and production. (File 2-52917 - Feb. 28)

(S-7) WESTVACO CORPORATION

299 Park Ave., New York, N.Y. 10017 - \$70 million of sinking fund debentures, due 2000, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, 1 Liberty Plaza, 165 Broadway, New York, N.Y. 10006. Westvaco is a producer of paper and paperboard. (File 2-52918 - Feb. 28)

(S-9) EMERSON ELECTRIC CO.

8100 Florissant Ave., St. Louis, Mo. 63136 - \$50 million of notes, due 1985, to be offered for sale through underwriters represented by Goldman, Sachs & Co., 55 Broad St., New York, N.Y. 10004 and White, Weld & Co. Incorporated, One Liberty Plaza, New York, N.Y. 10006. The company manufactures a broad range of electrical-electronic products and systems. (File 2-52919 - Feb. 28)

In a separate (S-14) registration statement the company seeks registration of 2,437,94 shares of common stock issuable to the shareholders of A. B. Chance Company in connection with the proposed merger of Chance into a subsidiary of Emerson, on the basis of 0.74 Emerson shares for each Chance share. (File 2-52926 - Feb. 28)

(S-1) ADOBE INVESTMENT CORPORATION

1100 Western United Life Bldg., Midland, Tex. 79701 - \$5 million of preformation limited partnership interests in Adobe Drilling Program - 1975, Ltd., to be offered for sale at \$5,000 per unit (two unit minimum - except one unit to subscribers in prior Programs) by selected NASD members and/or other registered broker-dealers. The Partnership will be formed to engage in the exploration and development of oil and gas properties. (File 2-52920 - Feb. 28)

REGISTRATIONS EFFECTIVE

March 4: Arizona Public Service Co., 2-52779; Commonwealth Edison Co., 2-52812; The Narda Microwave Corp., 2-52888; Rospatch Corp., 2-52782; Sanders Associates, Inc., 2-52682; Sears Roebuck and Co., 2-52847; Sierra Pacific Power Co., 2-51862, 2-51863; Silo, Inc., 2-52651.

REGISTRATIONS WITHDRAWN

Feb. 12: American International Pictures, Inc., 2-49317.
Feb. 26: Mark F. Preddy & Associates, Inc., 2-51800.
Feb. 27: Die Mesh Corp., 2-50121; White Shield Exploration Corp., 2-51160.
March 3: Broms Lonie Inc. Honokawai Maui Partnership, 2-50692; Broms Lonie Inc. Kahana Maui Partnership, 2-50858.

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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