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RULES AND RELATED MATTERS

CONCLUSIONS AND PROPOSALS
RE ENVIRONMENTAL AND SOCIAL DISCLOSURE

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The SEC has announced its conclusions and proposals for further rulemaking action in the proceeding announced in Rel. 33-5569 (Feb. 11, 1975) concerning possible disclosure in registration statements, reports and other documents filed with the Commission or required to be furnished to investors pursuant to the Securities Act of 1933 and Securities Exchange Act of 1934 of environmental and other matters of social concern, including equal employment matters.

The Commission has concluded that, although it is generally not authorized to consider the promotion of social goals unrelated to the objectives of the Federal securities laws, it is authorized and required by the National Environmental Policy Act of 1969 (NEPA) to consider the promotion of environmental protection as a factor in exercising its rulemaking authority under the Securities Act of 1933 and the Securities Exchange Act of 1934. In this regard, NEPA, and the promotion of environmental protection which it explicitly mandates all agencies to effect, are unique insofar as the Commission's disclosure requirements are concerned.

Regarding possible disclosure of corporate behavior in socially significant areas other than the environment, the Commission concluded that no showing was made in this proceeding, particularly in light of the more than 100 areas of social information identified by persons responding to our request for comments, that disclosure of information describing corporate social practices should be specifically required of all registrants. This is not to say, however, that, in specified cases, some information of this type might not be required in order to make the statements in a filing not misleading or to make the filing otherwise complete with respect to information investors appropriately might need to make informed investment or voting decisions. The Commission's rules already require, in addition to specific disclosures, the disclosure of any other material information.

In light of the apparent interest among some investors and the Commission's obligation to consider promotion of environmental protection among other factors in exercising its disclosure authority, the Commission proposed for comment rules which would make available to interested investors information regarding the extent to which corporations have failed to satisfy environmental standards under federal law. Comment deadline in that proceeding is January 12, 1976. All communications related to those rules should refer to File No. S7-593 and should be addressed to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D. C. 20549.

Copies of the Commission's release announcing its conclusions and proposals concerning environmental and social disclosure, may be obtained from the Commission's Public Reference Section. The testimony and documents submitted in this proceeding, as well as certain staff analyses thereof, are available for public inspection at the Public Reference Section, 1100 L Street, N.W., Washington, D. C. Copies may be obtained upon payment of duplicating costs. (Rel. 33-5627)

COMMISSION ANNOUNCEMENTS

NEW APPOINTMENTS - DIVISION OF
ENFORCEMENT

Stanley Sporkin, Director, Division of Enforcement announced the following appointments:

Richard S. Kraut to the position of Assistant Director of the Branches of Investment Management Enforcement and Corporation Finance Enforcement. Mr. Kraut has been Assistant Director of the Branches of Market Surveillance since May 1974 and prior to that

was Special Counsel in charge of the Branches of Market Surveillance. Prior to that, Mr. Kraut was Senior Counsel to the Commission's Institutional Investor Study in charge of the Study of Institutional Participation in Corporate Take-overs and Tender Offers. Previously, Mr. Kraut was a trial attorney in the Branch of Criminal Reference and Special Proceedings. Mr. Kraut received his L.L.B. degree from Columbia Law School in 1966 and his B.A. degree from Colgate University in 1963.

David H. Belkin to the position of Special Counsel to the Associate Director. Mr. Belkin joined the staff of the Commission in September 1969 as a trial attorney in the Division of Corporation Finance. He became a Branch Chief in charge of one of the investigative branches in the Division of Enforcement in January 1973. Mr. Belkin received his undergraduate from Temple University in 1964 and his law degree from Villanova University in 1969. Between degrees he received a certificate as a Certified Public Accountant.

Peter M. Sullivan to the position of Branch Chief of Corporation Finance Enforcement, succeeding David Belkin who was promoted to Special Counsel. Mr. Sullivan joined the staff in June 1969 as a summer legal intern. Following graduation from law school in 1970, he served for three years as an attorney in the Chief Counsel's Office of the Division of Investment Management Regulation. Since August 1973 he has served in the Branch of Investment Management Enforcement of the Division of Enforcement. Mr. Sullivan received his J.D. degree from Georgetown University Law School in June 1970 and his A.B. in 1967 also from Georgetown. He resides in Silver Spring, Maryland.

COURT ENFORCEMENT ACTIONS

AVIS SUIT SETTLED

The Commission announced that on October 8 Judge Inzer B. Wyatt of the U.S. District Court for the Southern District of New York entered an order upon an undertaking by defendant Rudman Associates (Rudman) pursuant to which Rudman shall not engage in transactions of the securities of any issuer, nor recommend the purchase or sale of securities, while in possession of material non-public information concerning such issuer, in violation of the antifraud provisions of the securities laws; and Rudman shall pay some \$28,700 plus 6% annual interest to those persons who purchased 12,100 shares of Avis common stock sold by Rudman from May 17, 1973 to June 6, 1973. The Commission had alleged in its complaint that Rudman sold the aforementioned stock while in possession of corporate inside information that gains from car sales constituted a significant portion of Avis' first quarter 1973 earnings. (SEC v. Avis, Inc., et al., 74 Civ. 1065 S.D.N.Y.). (LR-7117)

BEISINGER INDUSTRIES CORPORATION, OTHERS ENJOINED

The Commission announced that on October 7 Judge Gerhard A. Gessell of the U.S. District Court for the District of Columbia signed a order preliminarily enjoining Beisinger Industries Corporation (the Industries), Beisinger Industries of Canada (Canada), Court J. Beisinger and Jeanette H. Beisinger (the Beisingers) from violations of the antifraud and reporting provisions of the securities laws and imposing certain restrictions upon the business activities of these defendants. The defendants consented to the entry of a preliminary injunction without admitting or denying the allegations of the Commission's complaint at a hearing held October 1, 1975. Judge Gessell's order also required that inasmuch as counsel for the Commission sought the appointment by the Court of a Special Advisor the Commission had to submit a specific proposal defining the functions and obligations of such an Agent, and that the matter would come on for further hearings as to the issue of the appointment of a Special Advisor. (SEC v. Beisinger Industries Corporation, et al., Civil Action No. 75-1180). (LR-7118)

COMPLAINT NAMES CHARLES H. ELDREDGE, JR.

The Chicago Regional Office announced on September 25 the filing of a civil injunctive action in the U.S. District Court for the Northern District of Illinois, Eastern Division, against Charles H. Eldredge, Jr., an investment adviser. The complaint alleges violations of the antifraud provisions of the securities laws.

The suit alleges that Eldredge invested in excess of \$900,000 of his client's funds into seven non-public companies in which Eldredge had an interest as an officer, shareholder, director, owner or financial adviser. The complaint also alleges that Eldredge never disclosed to his clients the poor financial condition of these companies, his affiliation with them, and "commissions" or finder's fees he received. In addition, Eldredge allegedly appropriated in excess of \$300,000 of his clients' funds and securities to his own use.

The complaint seeks a temporary restraining order, an injunction, an accounting and disgorgement from the defendant. On September 29, the Chicago Regional Office filed a motion seeking a temporary freeze on the personal assets of defendant pending a determination as to the issue of disgorgement. (LR-7119)

INVESTMENT COMPANY ACT RELEASES

NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until November 5 to request a hearing on an application of Northwestern Mutual Life Insurance Company, a Wisconsin mutual life insurance company, and NML Variable Annuity Account B and NML Variable Annuity Account 2, both unit investment trusts registered under the Investment Company Act of 1940 (Act), for an order approving certain offers of exchange pursuant to Section 11 of the Act. (Rel. IC-8981 - Oct. 10)

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

An order has been issued pursuant to Section 17(d) of the Investment Company Act of 1940 and Rule 17d-1 thereunder to permit Massachusetts Mutual Life Insurance Company, a mutual life insurance company and Mass Mutual Income Investors, Inc., a registered closed-end investment company, to engage in certain transactions involving investments in debt securities of Sohio/BP TransAlaska Pipeline Finance, Inc. (Rel. IC-8982 - Oct. 14)

DANA ASSOCIATES

A notice has been issued giving interested persons until November 10 to request a hearing on an application of Dana Associates for an order declaring that it has ceased to be an investment company. (Rel. IC-8983 - Oct. 14)

AMERICAN FUNDS

A notice has been issued giving interested persons until November 10 to request a hearing on an application of AMCAP Fund, Inc., American Mutual Fund, Inc., The Bond Fund of America, Inc., The Growth Fund of America, Inc., The Income Fund of America, Inc., The Investment Company of America, New Perspective Fund, Inc., Washington Mutual Investors Fund, Inc., (herein collectively referred to as the Funds), the American Fund of Government Securities, Inc. (AFGS), each of which is a registered diversified, open-end management investment company, and American Fund Distributors, principle underwriter for each of the Funds and AFGS, for an order of the Commission pursuant to Section 11(a) of the Act to permit the Funds to offer to exchange their shares for shares of AFGS on a basis other than their relative net asset value per share at the time of the exchange and pursuant to Section 6(c) of the Act granting exemptions from Section 22(d) of the Act and Rule 22d-1 thereunder, in connection with such exchanges. (Rel. IC-8984 - Oct. 14)

FINANCIAL VENTURE FUND

A notice has been issued giving interested persons until November 4 to request a hearing on an application of Financial Venture Fund, Inc. for an order declaring that it has ceased to be an investment company. (Rel. IC-8985 - Oct. 14)

AID INVESTMENT FUND

A notice has been issued giving interested persons until November 10 to request a hearing on an application of AID Investment Fund, Inc., for an order declaring that the applicant has ceased to be an investment company as defined in the Act. (Rel. IC-8986 - Oct. 14)

FINANCIAL INTERNATIONAL CORPORATION

A notice has been issued giving interested persons until November 10 to request a hearing on an application of Financial International Corporation, a registered closed-end non-diversified investment company, and its controlled affiliates, Financial General Bankshares, Inc., Empire Shares Corporation, and Bank of Buffalo, for an order exempting certain transactions involving the sale of shares of Bank of Buffalo from Section 17(d) of the Act and Rule 17d-1 thereunder. (Rel. IC-8987 - Oct. 14)

HOLDING COMPANY ACT RELEASES

THE COLUMBIA GAS SYSTEM

A notice has been issued giving interested persons until November 7 to request a hearing on a proposal of The Columbia Gas System, Inc., a registered holding company, to issue and sell at competitive bidding up to \$75 million of debentures. The proceeds of the sale will be used to finance, in part, Columbia's 1975 and 1976 capital expenditures programs. (Rel. 35-19209 - Oct. 14)

SECURITIES ACT REGISTRATIONS

(S-14) CENTRAL TELEPHONE & UTILITIES CORPORATION

1201 N Street, Lincoln, Neb. 68501 - 927,760 shares of common stock, to be offered to the shareholders of Mid-Texas Communications Systems, Inc., in a merger transaction at the rate of 0.9 share for each Mid-Texas share. The company is a telephone holding company and it also owns and operates electric and gas utility properties. (File 2-54779 - Oct. 10)

(S-2) SOLAR CORPORATION OF AMERICA

1001 Connecticut Ave., N.W., Washington, D.C. 20036 - 1,000,000 shares of common stock, to be offered for sale through underwriters headed by J. Daniel Bell & Company, Inc., 739 17th St., Denver, Colo. 80202. The company proposes to engage in the manufacture and distribution of equipment and systems for the heating and cooling of buildings by solar energy. (File 2-54780 - Oct. 10)

REGISTRATIONS EFFECTIVE

Oct. 3: Sierra Western Management Co., Inc., (90 days), 2-54254.
Oct. 6: Beatrice Foods Co., 2-54602; General Host Corp., 2-52654; IDS Cash Management Fund, Inc., 2-54516; I T E Imperial Corp., 2-54486; Municipal Investment Trust Fund, Forty-Eight Monthly Payment Series, 2-54508.
Oct. 7: Bell Canada and Northern Electric Co. Ltd., 2-54506; Carbon Industries, Inc., 2-54513; Delta Air Lines Inc., 2-54260; The First Trust of Insured Municipal Bonds, 2-54609; Jerrico Inc., 2-54472; Michigan Bell Telephone Co., 2-54592; Morton-Norwich Products Inc., 2-54590; Pennsylvania Power Co., 2-54561; Rochester Gas & Electric Corp., 2-54547.
Oct. 8: Alza Corp., 2-54428; Boatmen's Bancshares Inc., 2-54625; First Investors Corp., 2-53010; Interstate Power Co., 2-54574 & 2-54573; Jerrico Inc., 2-54471; Louisville Gas & Electric Co., 2-54555; McGraw Edison Co., 2-54631; Mack Trucks Inc., 2-54591; Montreal Urban Community, 2-54501; Nuveen Tax-Exempt Bond Fund, 2-54202; Pan Ocean Oil Corp., 2-54341; Pennsylvania Electric Co., 2-54498; Pioneer Texas Corp., 2-54381; Pioneer Corp., 2-54335; Rochester Gas & Electric Corp., 2-54546; Savannah Electric and Power Co., 2-54615; Synercon Corp., 2-54629; Tandycrafts Inc., 2-54086.
Oct. 9: General Telephone Co. of Indiana, Inc., 2-54604; Cardinal Tax-Exempt Fund, 2-54458; Pandick Press Inc., 2-54718; Sola Basic Industries Inc., 2-54640; United Nuclear Corp., 2-54593; Vermont Research Corp., 2-54540.

NOTE TO DEALERS. 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 (17 230.174) thereunder.

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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