

2 sec news digest

Issue 75-212

(SEC Docket, Vol. 8, No. 4 - November 18)

U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

November 3, 1975

RULES AND RELATED MATTERS

NOV 4 1975

NOTICE OF FILING OF PROPOSED RULE
CHANGE BY SELF-REGULATORY ORGANIZATIONS

LIBRARY

The American Stock Exchange, Inc. has filed a proposed rule change to Rule 19b-4 to establish procedures for the collection of the NYC bond transfer tax. The procedures have been approved by the Division of Market Regulation as of October 31. Publication of the rules establishing the procedures is expected to be made in the Federal Register during the week of November 3. (Rel. 34-11780)

STATEMENTS OF INVESTMENT POLICIES OF MONEY
MARKET FUNDS RELATING TO INDUSTRY CONCENTRATION

The Commission has authorized the publication of and solicitation of comments on a statement of the views of its staff regarding statements of investment policies of money market funds relating to industry concentration, as required by Section 8(b)(1) of the Investment Company Act of 1940 (the Act).

Historically, the Commission staff has considered statements of concentration policy pursuant to which registrants reserved unlimited freedom of action to concentrate in a particular industry or group of industries as failing to comply with Section 8(b)(1) of the Act. The staff now takes the position that money market funds may declare an investment policy on industry concentration reserving freedom of action to concentrate their investments in government securities and certain bank instruments provided that, with respect to the latter, additional disclosure is made concerning the type and nature of the various instruments in which the registrant intends to invest and the criteria used by the registrant in evaluating and selecting such investments.

The staff intends to follow these views pending consideration of any comments. Persons wishing to submit comments should refer to "Statements of Investment Policies of Money Market Funds Relating to Industry Concentration" and should direct their comments to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549. (Rel. 33-5639 and IC-9011)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

CAMPBELL, HENDERSON & COMPANY
AND PRESIDENT SANCTIONED

The Commission has censured Campbell, Henderson & Company, a Dallas investment adviser, and suspended Charles V. Campbell, Sr., its president, from association with any registered investment adviser for 30 days. In addition, the firm has undertaken not to solicit or accept new advisory clients for a 30-day period.

The sanctions were based on findings that respondents violated antifraud provisions of the securities laws. The Commission's action was taken pursuant to an offer of settlement in which respondents, without admitting or denying the charges against them, consented to the above findings and sanctions. (Rel. IA-482)

RIDGEWOOD SECURITIES CORPORATION
REVOKED; PRESIDENT BARRED

The Commission has revoked the broker-dealer registration of Ridgewood Securities Corporation, of Ft. Lauderdale, Florida, and barred its president, Charles Scott Hagstrom, from association with any broker, dealer or investment company.

The sanctions were based on findings that registrant, aided and abetted by Hagstrom, violated the net capital, bookkeeping and reporting provisions of the securities laws. Without admitting or denying the allegations in the order for proceedings, respondents consented to the above findings and sanctions. (Rel. 34-11764)

COMMISSION ANNOUNCEMENTS

STOCK TRANSACTIONS OF SELECTED FINANCIAL INSTITUTIONS AND FOREIGN INVESTORS, FIRST HALF 1975

According to estimates released by the Commission, private noninsured pension funds, open-end investment companies, life insurance companies, and property-liability insurance companies purchased \$19.0 billion of common stock and sold \$16.7 billion during the first six months of 1975, resulting in net purchases of \$2.3 billion. During the first half of 1974, their gross purchases were \$15.5 billion; gross sales were \$14.0 billion; and net purchases were \$1.5 billion. For a complete breakdown, see the November issue of the Statistical Bulletin.

REPORT COORDINATING GROUP (ADVISORY) MEETING ANNOUNCED

The Commission's Report Coordinating Group (Advisory), will hold a meeting on December 3, 1975, at the New York Stock Exchange, 23rd Floor, 55 Water St., New York, N. Y. The meeting will commence at 10:00 a.m. local time and will be for the purpose of discussing the development of simplified trading forms and assessment forms.

The Group's meetings are open to the public. Any interested person may attend and appear before or file statements with the advisory committee. Said statements, if in written form, may be filed before or after the meeting. Oral statements shall be made at the time and in the manner permitted by the Report Coordinating Group.

The Report Coordinating Group was formed to assist the Commission in developing a coherent, industry-wide, coordinated reporting system. In carrying out this objective, the Report Coordinating Group is to review all reports, forms and similar materials required of broker-dealers by the Commission, the self-regulatory community and others. The Group is advising the Commission on such matters as eliminating unnecessary duplication in reporting, reducing reporting requirements where feasible, and developing the FOCUS Report of financial and operational information (Rel. 34-10612; 34-10959; 34-11140; 34-11149).

Information concerning the meeting, including the procedures for submitting statements to the Group, may be obtained by contacting: Mr. Daniel J. Paliero II, Secretary, SEC Report Coordinating Group, Securities and Exchange Commission, Washington, D. C. 20549.

TRADING SUSPENSIONS

TRADING SUSPENDED IN FALSTAFF BREWING

The Commission announced the temporary suspension of over-the-counter trading for the single ten day period commencing on October 31, 1975 and terminating at midnight on November 9, 1975 of the securities of Falstaff Brewing Corporation, San Francisco, Calif. The Commission initiated the subject suspension because Falstaff is delinquent in filing its most recent quarterly report on Form 10Q, thereby resulting in a lack of current accurate and adequate financial information concerning the company. (Rel. 34-11781)

TRADING SUSPENDED IN BENEFICIAL LABS, INC.

The Commission announced the temporary suspension of over-the-counter trading for a single ten day period commencing at midnight (EST) on October 31 and terminating at midnight (EST) on November 10, 1975 of the securities of Beneficial Labs, Incorporated, located in Flushing, N. Y. The Commission initially ordered the suspension of trading on October 22, 1975 for the period from that date through October 31, 1975. The additional suspension of trading was ordered because of continuing questions regarding the trading activity in the company's securities. (Rel. 34-11786)

COURT ENFORCEMENT ACTIONS

HUNTER BROOKS BRASHIER SENTENCED

On October 20 Hunter Brooks Brashier of Woodland Hills, California was sentenced in the U.S. District Court of Los Angeles in connection with his September 18 conviction in the defrauding of the Shamrock Fund, an open-end diversified mutual fund based in Westlake Village, California.

Brashier was sentenced to 2-1/2 years imprisonment for conspiracy to violate the securities laws and given three 18 month sentences for violations of the Investment Company Act of 1940; the Judge ordered the sentences to run concurrently.

Brashier had been found guilty by jury of giving a \$25,000 kickback to the portfolio manager of the Shamrock Fund, Alden Rhoads, in connection with the Shamrock Fund's purchase of Advanced Container Corporation stock from Brashier in November, 1971. (SEC v. Robert Alden Rhoads, et al., C.D. Criminal Action No. 75-737, 75-738, 75-739, 75-740). (LR-7143)

DWAYNE SMITH JENSEN SENTENCED

On October 22 Dwayne Smith Jensen of Salt Lake City, Utah was sentenced in the U.S. District Court of Los Angeles in connection with the guilty plea he entered in September, 1975 to one count of conspiracy to violate the securities laws. Jensen had earlier plead guilty to helping arrange a \$40,000 kickback to be made to the portfolio manager of the Shamrock Fund, a small open-end diversified mutual fund, located in Westlake Village, California in connection with the Shamrock Fund's purchase of \$105,000 of Hoffman Resources Corp. stock in January. Jensen was the owner of the brokerage house that handled the transaction and facilitated the kickback to be made. Jensen was sentenced to serve 30 days in a jail type institution and was fined \$5,000. (SEC v. Robert Alden Rhoads, et al., C.D. Criminal Action No. 75-737, 75-738, 75-739, 75-740). (LR-7144)

JOHN M. COUGHLAN, SR. SENTENCED

On October 23 John M. Coughlan, Sr., of Beverly Hills, California, a promoter who helped arrange for the purchase and sale of \$122,000 of Advanced Container Corporation stock to the Shamrock Fund in violation of the Investment Company Act of 1940, was sentenced to one year imprisonment for conspiring to violate the securities laws. In addition, Coughlan received three one-year sentences aiding and abetting violations of the Investment Company Act. The sentences are to run concurrently. (SEC v. Robert Alden Rhoads, et al., C.D. Criminal Action No. 75-737, 75-738, 75-739, 75-740). (LR-7145)

INVESTMENT COMPANY ACT RELEASES

E. F. HUTTON CORPORATE INCOME FUND

An order has been issued on an application of E. F. Hutton Corporate Income Fund, First Series (and Subsequent Series), a registered unit investment trust (a) exempting the Fund from the minimum initial capital requirements of the Act; (b) permitting capital gains distributions more frequently than once per year; and (c) exempting the secondary market operations of the Fund's Sponsor from the daily pricing requirements of Rule 22c-1. (Rel. IC-9012 - Oct. 31)

HOLDING COMPANY ACT RELEASES

ARKANSAS-MISSOURI POWER COMPANY

A notice has been issued giving interested persons until November 25 to request a hearing on proposals of Arkansas-Missouri Power Company, a wholly owned subsidiary of Middle South Utilities, Inc., and Associated Natural Gas Company, a wholly owned subsidiary of Arkansas-Missouri, to issue and sell short-term notes to banks in the aggregate principal amount at any one time outstanding of not more than \$10,500,000. The net proceeds of the sale of these notes will be used to retire presently outstanding short-term debt. (Rel. 35-19230 - Oct. 31)

An order has been issued approving a proposal by Consolidated Natural Gas Company, a registered holding company, to act as surety on a \$9,000,000 bond filed with the Public Service Commission of West Virginia by Consolidated's subsidiary, Consolidated Gas Supply Corporation. (Rel. 35-19229 - Oct. 31)

SECURITIES ACT REGISTRATIONS

(S-7) COMPUGRAPHIC CORPORATION

80 Industrial Way, Wilmington, Mass. 01887 - 150,000 shares of common stock, to be offered for sale by certain shareholders through underwriters headed by Kidder, Peabody & Co. Inc., 10 Hanover Sq., New York, N. Y. 10005. The company manufactures photocomposition equipment. (File 2-54898 - Oct. 30)

(S-14) MCA INC.

100 Universal City Plaza, Universal City, Calif. 91608 - 183,542 shares of common stock. MCA proposes to offer these shares to the shareholders of G. P. Putnam's Sons in connection with the acquisition of Putnam by MCA, at the rate of .25 of a share of MCA common stock for each outstanding Putnam share. MCA is a broadly-based diversified entertainment company. Putnam is engaged in the book publishing business. (File 2-54899 - Oct. 30)

(S-7) DIAMOND SHAMROCK CORPORATION

1100 Superior Ave., Cleveland, Ohio 44114 - \$100 million of sinking fund debentures, due 2000, to be offered for sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York, N. Y. 10005. The company is primarily engaged in the chemical and oil and gas industries. (File 2-54900 - Oct. 30)

REGISTRATIONS EFFECTIVE

Oct. 28: Hach Chemical Co., 2-54790; Southland Capital Investors Inc. (90 days), 2-54480; Torotel Inc., 2-54748.

Oct. 29: American General Insurance Co., 2-54613; The Christiana Companies Inc., 2-54642; Commonwealth Edison Co., 2-54775; Emperor Mines Ltd., 2-54793; First Maryland Bancorp, 2-54442; Foremost-Mckesson Inc., 2-54544; The Miller-Wohl Co. Inc., 2-54719; Sabine Royalty Corp., 2-54817; Scientific Software Corp., 2-54545; Technitrol Inc., 2-54475; Tiffany Industries Inc., 2-54753; Tucson Gas & Electric Co., 2-54755; United Telecommunications Inc., 2-54517; Xerox Corp., 2-54219.

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.

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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