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ORDERS FOR PUBLIC PROCEEDINGS

U.S. SECURITIES AND EXCHANGE COMMISSION

GLEN SIVARD STEVENS AND
BERNARD TERRANCE TIERNEY

Public administrative proceedings have been ordered under the Securities Exchange Act of 1934 (1934 Act) against Glen Sivard Stevens and Bernard Terrance Tierney, both of Littleton, Colorado, formerly officers, directors and shareholders of Income Investors, Inc., a Denver-based firm which previously registered as a broker-dealer with the Commission. The proceedings are based upon allegations by the staff that from approximately March 20, 1972 through September 9, 1974, Stevens and Tierney violated certain antifraud provisions of the 1934 Act and the Securities Act of 1933 in connection with advanced refunding bond offerings by several municipalities and school districts located in the State of North Dakota. A hearing will be scheduled to take evidence on the staff's allegations and to afford the respondents an opportunity to offer defenses. (Rel. 34-13244)

COMMISSION ANNOUNCEMENTS

PUBLICATION OF STAFF ACCOUNTING BULLETIN NO. 14

The Division of Corporation Finance and the Office of the Chief Accountant announced the publication of Staff Accounting Bulletin No. 14 which deals with revisions of Staff Accounting Bulletin No. 6 regarding reporting requirements for accounting changes. (Rel. SAB-14)

COURT ENFORCEMENT ACTIONS

D. VAN HEILEN-BOURQUE SENTENCED

The Atlanta Regional Office announced that on January 21 D. Van Heilen-Bourque was sentenced to three years imprisonment by the Criminal Court of Shelby County, Tennessee on his plea of guilty to a charge of "Fraudulent Breach of Trust" in connection with his failure to remit to a customer the proceeds of sales of various municipal securities. (Tennessee v. D. Van Heilen-Bourque, Criminal Docket No. 54375). (LR-7765)

FRANK CATERINICCHIA CITED

The Atlantic Regional Office announced the filing of a complaint in the U.S. District Court for the Middle District of Alabama on January 25 seeking a preliminary and permanent injunction against Frank Caterinicchia of Birmingham, Alabama. The complaint charges the defendant with violations of the antifraud provisions of the securities laws in the offer and sale of the promissory notes of Trustees Loan and Discount Co. (Trustees), an Alabama small loan company with its principal place of business in Montgomery which has filed a petition for a Chapter XI arrangement. Caterinicchia is charged with making misrepresentations concerning, among other things, that Trustees' notes provide a high interest rate with safety and that the company is backed by sound financial management that is unexcelled, while the company operated at a loss and its liabilities exceeded its assets. (SEC v. Frank Caterinicchia, U.S.D.C. M.D. Ala. C-77-34-N). (LR-7769)

INVESTMENT COMPANY ACT RELEASES

THE FRANKLIN LIFE INSURANCE COMPANY

An order has been issued on an application of The Franklin Life Insurance Company (Franklin), an Illinois stock life insurance company, Franklin Life Variable Annuity Fund A, a separate account of Franklin registered under the Investment Company Act of

1940 as a diversified open-end management investment company, and Franklin Financial Services Corporation, a wholly-owned subsidiary of Franklin and the principal underwriter for Fund A, (hereinafter collectively referred to as Applicants), pursuant to Section 6(c) of the Act granting exemption from Sections 22(e), 27(c)(1) and 27(d) of the Act to the extent necessary to permit compliance by Applicants with certain provisions of the Education Code of the State of Texas as it would apply to payments made on variable annuity contracts subsequent to the date of the requested order. (Rel. IC-9629 - Feb. 3)

VANDERBILT INCOME FUND

A notice has been issued giving interested persons until February 22 to request a hearing on an application of Vanderbilt Income Fund, Inc. (VIF), Vanderbilt Growth Fund, Inc. (VGF), and Pegasus Income and Capital Fund, Inc. (PIC), each of which is registered under the Act as a diversified, open-end management investment company, for an order pursuant to Section 6(c) of the Act (1) exempting certain trusts to be created by VIF and VGF from all provisions of the Act and all rules and regulations thereunder other than Sections 9, 17, 31, 34, 36 and 37 and the rules and regulations thereunder, and (2) exempting, to a limited extent, said trusts and PIC from Section 17(h) of the Act. (Rel. IC-9630 - Feb. 3)

HOLDING COMPANY ACT RELEASES

THE SOUTHERN COMPANY

A notice has been issued giving interested persons until February 28 to request a hearing on a proposal of The Southern Company, a registered holding company, to amend its Certificate of Incorporation to increase the number of its authorized shares from 150,000,000 to 185,000,000 and to eliminate preemptive rights in certain instances, and to solicit proxies in connection therewith. (Rel. 35-19869 - Feb. 2)

COLUMBIA GAS SYSTEM

An order has been issued releasing jurisdiction heretofore reserved with respect to the manner in which Columbia and its subsidiaries propose to allocate consolidated Federal income tax for 1976. (See Rel. 35-19393, February 18, 1976). (Rel. 35-19870 - Feb. 3)

MASSACHUSETTS ELECTRIC COMPANY

A notice has been issued giving interested persons until February 22 to request a hearing on a proposal of Massachusetts Electric Company, subsidiary of New England Electric System, that it redeem one series of its outstanding preferred stock. (Rel. 35-19871 - Feb. 3)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the New York Stock Exchange, Inc. (NYSE). The rule change (SR-NYSE-76-53) rescinded a requirement that members obtain prior Exchange approval of advertisements, radio and television broadcasts and telephone market reports. (Rel. 34-13238)

The Commission has approved a proposed rule change filed by the American Stock Exchange, Inc. (Amex). The rule change (SR-Amex-77-1) rescinds a requirement that members obtain prior Amex approval of advertisements, radio and telephone broadcasts and telephone market reports. (Rel. 34-13239)

SECURITIES ACT REGISTRATIONS

(S-1) CADENCE INDUSTRIES CORPORATION

21 Henderson Dr., West Caldwell, N.J. 07006 - 209,220 common stock purchase warrants and an equal number of shares of common stock issuable upon exercise thereof, to be delivered pursuant to a settlement agreement to certain persons who may resell such securities from time to time at prices current at the time of sale. The company is a diversified enterprise with interests principally in publishing services, mail order marketing, pharmaceutical products and theatre operations. (File 2-58007 - Dec. 30)

(S-11) FIRST AMERICAN FINANCIAL CORPORATION

1602 Factory St., Marion, Ind. 46952 - 500,000 shares of common stock and 500,000 shares of preferred stock, each preferred share being convertible into two shares of common stock, to be offered for sale by the company in units, each unit consisting of one share of common stock and one share of preferred stock and at \$10.00 per unit. The company has not engaged in any business activity; however, upon consummation of the offering, to the extent funds are available, the company intends to acquire equity interests in income producing real properties. (File 2-58071 - Jan. 17)

**(S-6) CORPORATE SECURITIES TRUST,
LONG-TERM DEBT SERIES 2**

\$14,700,000 of units of beneficial interest, to be offered for sale through underwriters headed by Smith Barney, Harris Upham & Co. Inc., 1345 Avenue of the Americas, New York, N.Y. 10019; Loeb Rhoades & Co. Inc., 42 Wall St., New York, N.Y. 10005; Blyth Eastman Dillon & Co. Inc., One Chase Manhattan Plaza, New York, N.Y. 10005; Shearson Hayden Stone Inc., 767 Fifth Ave., New York, N.Y. 10022 and Thomson McKinnon Securities Inc., One New York Plaza, New York, N.Y. 10004. The Trust, a unit investment trust, is to be created by a trust agreement among Loeb Rhoades & Co. Inc., Smith Barney, Harris Upham & Co. Inc., Blyth Eastman Dillon & Co. Inc., Shearson Hayden Stone Inc., and Thomson McKinnon Securities Inc., as sponsors, New England Merchants National Bank, as trustee, and Interactive Data Services, Inc., as evaluator. The Trust's primary objective is providing a high level of current income and preservation of capital through investment in a diversified portfolio of long-term debt obligations. (File 2-58074 - Jan. 18)

**(S-6) CORPORATE SECURITIES TRUST,
PREFERRED STOCK SERIES 3**

\$14,700,000 of units of beneficial interest, to be offered for sale through underwriters headed by Loeb Rhoades & Co. Inc., 42 Wall St., New York, N.Y. 10005; Smith Barney, Harris Upham & Co. Inc., 1345 Avenue of the Americas, New York, N.Y. 10019; Blyth Eastman Dillon & Co. Inc., One Chase Manhattan Plaza, New York, N.Y. 10005; Shearson Hayden Stone Inc., 767 Fifth Ave., New York, N.Y. 10022 and Thomson McKinnon Securities Inc., One New York Plaza, New York, N.Y. 10004. The Trust, a unit investment trust, is to be created by a trust agreement among Loeb Rhoades & Co. Inc., Smith Barney, Harris Upham & Co. Inc., Blyth Eastman Dillon & Co. Inc., Shearson Hayden Stone Inc., and Thomson McKinnon Securities Inc., as sponsors, New England Merchants National Bank, as trustee, and Interactive Data Services, Inc., as evaluator. The Trust's primary objective is providing a high level of current income and preservation of capital through investment in a diversified portfolio of cumulative preferred stocks. (File 2-58075 - Jan. 18)

(S-7) GULF POWER COMPANY

75 North Pace Blvd., Pensacola, Fla. 32505 - \$35 million of first mortgage bonds, to be offered for sale by the company at competitive bidding. The company is an electric utility company. (File 2-58154 - Feb. 2)

(S-1) KUBOTA, LTD.

22, Funade-cho 2-chome, Naniwa-ku, Osaka, Japan - 1,000,000 depository shares representing 20,000,000 shares of common stock and evidenced by American and European Depository Receipts, 500,000 of which depository shares are being sold for the account of certain stockholders, through underwriters headed by Smith Barney, Harris Upham & Co. Inc., 1345 Avenue of the Americas, New York, N.Y. 10019 and The Nikko Securities Co. International, Inc., 140 Broadway, New York, N.Y. 10005. Kubota is a Japanese corporation which manufactures agricultural machinery, pipe, industrial castings and machinery and building materials and housing. (File 2-58155 - Feb. 1)

(S-7) AMERICAN INTERNATIONAL GROUP, INC.

102 Maiden Lane, New York, N.Y. 10005 - \$60 million of notes, due 1987, to be offered for sale through underwriters headed by Morgan Stanley & Co. Inc., 1251 Avenue of the Americas, New York, N.Y. 10020 and Loeb Rhoades & Co. Inc., 42 Wall St., New York, N.Y. 10005. The company is a holding company engaged through subsidiaries in writing substantially all lines of general and life insurance. (File 2-58156 - Feb. 2)

(S-B) NIPPON TELEGRAPH & TELEPHONE PUBLIC CORPORATION

1-6, Uchisaiwai-cho, 1-Chome, Chiyoda-ku, Tokyo, Japan - \$100 million guaranteed notes, due 1982, and \$50 million guaranteed bonds, due 1987, to be offered for sale through underwriters managed by Dillon, Read & Co. Inc., 46 William St., New York, N.Y. 10005; The First Boston Corp., 20 Exchange Pl., New York, N.Y. 10005, Smith Barney, Harris Upham & Co. Inc., 1345 Avenue of the Americas, New York, N.Y. 10019; and the Nikko Securities Co. International Inc., 140 Broadway, New York, N.Y. 10005.

Nippon Telegraph & Telephone Public Corporation, wholly-owned by the Government of Japan, provides domestic telecommunications services. (File 2-58157 - Feb. 3)

REGISTRATIONS EFFECTIVE

January 31: Chem-Nuclear Systems Inc., 2-57753; Flagship Banks Inc., 2-56826; Gulf Power Co., 2-58027; Iroquois Brands, Ltd., 2-57728; Petrolite Corp., 2-57939; Rockwell International Corp., 2-57994; Spectra-Physics, Inc., 2-58068.

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

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