

sec news digest

LIBRARY

Issue 77-29
(SEC Docket, Vol. 11, No. 9 - February 22)

FEB 16 1977

February 11, 1977

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND EXCHANGE COMMISSION

KENNETH J. WELKER SANCTIONED

Pursuant to an offer of settlement submitted by Kenneth J. Welker, Marietta, Georgia, former executive vice president of Baker, Welker and Company, Inc., Atlanta, Georgia, the Commission has suspended him from association with any broker or dealer for a period of sixty days. Following the suspension period, the Commission ordered that Welker be barred from association with any broker or dealer in a supervisory or proprietary capacity. The offer of settlement was made without admitting or denying the allegations in the Commission's order for proceedings. The sanctions were based upon findings pursuant to the offer of settlement that Welker willfully aided and abetted violations of the net capital, bookkeeping, reporting and customer protection rules. (Rel. 34-13233)

CUMULO MANAGEMENT, INC., FREDRICK F. GREGORY SANCTIONED

The Commission announced the simultaneous instituting of public administrative proceedings against Cumulo Management, Inc., a registered investment adviser, and Fredrick F. Gregory, Cumulo Management's president and principal shareholder, both of Los Angeles, California, and acceptance of their offer of settlement. It was alleged that the respondents, who were investment advisers to Cumulo Fund and Cumulo Alternate Fund, two open-end mutual funds located in Los Angeles, did not maintain the books and records of those Funds, file the required reports on behalf of those Funds with the Commission and did not transmit to Fund shareholders required reports. The Commission also alleged that Cumulo Management's books and records also had not been maintained as required by the Investment Advisers Act.

The Commission accepted respondent's offer of settlement which provided that Cumulo Management would be suspended from acting as an investment adviser for the period of one year and that Gregory would be suspended from associating with any investment adviser or investment company for a period of one year; however, he could be associated with a broker-dealer, but for a period of one year such association would have to be in a supervised capacity. The respondents also have a right to apply to the Commission to have the suspensions shortened or terminated.

The respondents consented to the imposition of the sanctions without admitting or denying the allegations. (Rel. IA-569)

ORDERS FOR PUBLIC PROCEEDINGS

KURTZ & COMPANY, INC.

Public administrative proceedings have been ordered under the Securities Exchange Act of 1934 against Kurtz & Company, Inc., a municipal securities broker-dealer registered with the Commission, and David Doty Kurtz, its president, of Willoughby, Ohio. The proceedings are based upon allegations of the Commission's staff that Kurtz & Company, Inc. had violated the Exchange Act and its rules as they relate to net capital, record-keeping, filing of accurate and complete registration Form BD, SECO and SIPC fees and supplemental financial and operating report requirements and that Kurtz aided and abetted those violations. A hearing will be scheduled in order to take evidence on the staff's allegations and to afford respondents an opportunity to offer any defenses. (Rel. 34-13255)

INVESTMENT COMPANY ACT RELEASES

CNA MONEY INSTRUMENTS

An order has been issued declaring that CNA Money Instruments, Inc. has ceased to be an investment company. (Rel. IC-9640 - Feb. 8)

HOLDING COMPANY ACT RELEASES

SYSTEM FUELS

A notice has been issued giving interested persons until March 7 to request a hearing on a proposal of SFI and its parent operating companies in the Middle South Utilities, Inc. system to enter into a coal supply agreement with Antelope Coal Company, a joint venture subsidiary of Powder River Coal Company and Panhandle Eastern Pipeline Company. Under the contract, Antelope will deliver 5 million tons of low sulfur coal per year to SFI for use in two new coal fired units being built by AP&L. (Rel. 35-19881 - Feb. 10)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The National Association of Securities Dealers, Inc. (NASD) has filed pursuant to Rule 19b-4 a proposed rule change (SR-NASD-77-4) to amend Schedule C under Article I Section 2(d) of the NASD By-Laws by adding a new Part III describing the NASD's summary suspension procedures. Publication of the submission is expected to be made in the Federal Register during the week of February 14. (Rel. 34-13253)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Midwest Stock Exchange, Inc. (MSE). The rule change (SR-MSE-76-18) amends MSE Rule 11 to require that those members for which the MSE is not the designated examining authority file with the MSE the reports required by 17 CFR 240.17a-5(b) upon terminating membership interest in the designated examining authority. (Rel. 34-13254)

MISCELLANEOUS

REGULATION A EXEMPTION OF WESTERN RESOURCE AND DEVELOPMENT, INC. PERMANENTLY SUSPENDED

An order has been issued permanently suspending the Regulation A exemption from registration under the Securities Act of 1933, as amended, with respect to the offering of 2,000,000 shares of common stock of Western Resource and Development, Inc. (Rel. 33-5804)

SECURITIES ACT REGISTRATIONS

(S-7) PACIFIC GAS AND ELECTRIC COMPANY

77 Beale St., San Francisco, Cal. 94106 - 4,000,000 shares of redeemable first preferred stock (\$25 par), to be offered for sale through underwriters managed by Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, Cal. and Blyth Eastman Dillon & Co. Inc., 555 California St., San Francisco, Cal. The company is an operating public utility engaged principally in the business of supplying electric and natural gas service. (File 2-58196 - Feb. 9)

(S-7) AMERICAN EXPRESS CREDIT CORPORATION

One Rollins Plaza, Wilmington, Del. 19803 - \$50 million of senior notes, due 1987, to be offered for sale in denominations of \$1,000 or any integral multiple thereof through underwriters headed by Salomon Brothers, One New York Plaza, New York, N.Y. 10004, and Blyth Eastman Dillon & Co. Inc., One Chase Manhattan Plaza, New York, N.Y. 10005. The company purchases receivables arising from the use of American Express (R) Card issued by American Express Company. (File 2-58197 - Feb. 9)

(S-7) PHILADELPHIA ELECTRIC COMPANY

2301 Market St., Philadelphia, Pa. 19101 - \$75 million of first and refunding mortgage bonds, due 2007, to be sold at competitive bidding to a group of non-affiliated underwriters. The company is a public utility supplying electric, gas and steam service. (File 2-58198 - Feb. 9)

(S-1) SOUTHWEST CHEMICAL SERVICES INCORPORATED

2575 Two Shell Plaza, Houston, Tex. 77002 - 400,000 shares of common stock, to be sold by the company in its initial public offering of securities, together with 100,000 shares of common stock to be sold by certain selling stockholders, to be offered for sale through underwriters represented by White, Weld & Co. Inc., One Liberty Plaza, 91 Liberty St., New York, N.Y. 10006, and Rotan Mosel Inc., 1500 South Tower, Pennzoil Pl., Houston, Tex. 77002. Southwest Chemical Service Incorporated and its subsidiaries provide specialized service to the plastics, chemical and petroleum industries, including custom compounding and dispersion services and the fabrication and sale of wire screen filters; the production and sale of specialty chemicals, and the formulation, blending and sale of industrial and automotive lubricants. (File 2-58200 - Feb. 9)

(S-2) OLD DOMINION BEEF, INCORPORATED

F&M Center, Richmond, Va. 23219 - up to 825,000 shares of common stock, to be offered for sale through underwriters headed by Scott & Stringfellow, Inc., 909 East Main St., Richmond, Va. 23219. Old Dominion Beef is a company in the development stages which proposes to construct and operate a confined cattle feedlot and packing plant to slaughter cattle and sell beef products at wholesale. (File 2-58202 - Feb. 9)

REGISTRATIONS EFFECTIVE

Feb. 9: Dean Witter Tax-Exempt Trust, Twenty Fifth Series, 2-58078; E. F. Hutton Tax-Exempt Fund, National Series 29, 2-58029.

Feb. 10: Corporate Securities Trust, Long-Term Debt Series, 2-58074; Dover Corp., 2-58037; Greyhound Leasing & Financial Corp., 2-58066; Harsco Corp., 2-58121; Household Finance Corp., 2-58034; Municipal Investment Trust Fund, Sixty-Fifth Monthly Payment Series, 2-57971; Pacific Lighting Corp., 2-58153; U. S. Bancorp., 2-58076.

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.

RECENT 8K FILINGS

Form 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes: changes in control of the registrant; acquisition or disposition of assets; legal proceedings; changes in securities (i.e., collateral for registered securities); defaults upon senior securities; increase or decrease in the amount of securities outstanding; options to purchase securities; revaluation of assets; submission of matters to a vote of security holders.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
ACE HARDWARE CORP	8	11/76
ACETO CHEMICAL CO INC	3,7,14	01/77
AFFILIATED PUBLICATIONS INC	14	11/76
AIR EXPRESS INTERNATIONAL CORP	13,14	01/77
ALASKA INTERSTATE CO	2	01/77
ALLIED SECURITY INC	13	01/77
ALLIED SUPERMARKETS INC	8	01/77
ALOHA AIRLINES INC	13,14	01/77
ALTON BOX BOARD CO	8	01/77
AMERIBANC INC	7	01/77
AMERICAN BUSINESS PRODUCTS INC	13	01/77
AMERICAN INTERNATIONAL PICTURES INC	3	01/77
AMERICAN VIDEONETICS CORP	6	01/77
AMES DEPARTMENT STORES INC	7,14	01/77
AMSTED INDUSTRIES INC	3	01/77
APPLIED DEVICES CORP	13	01/77
ASSOCIATED BANK CORP	2,7,14	01/77
ASSOCIATES CORP OF NORTH AMERICA	3	12/76
AUTOMATION INDUSTRIES INC	3,13	01/77

RECENT 8K FILINGS CONT.

AVCO CORP	13,14	01/77
BELL FIDELITY CORP	3	01/77
BERGEN BRUNSWIG CORP	13	01/77
BIG V SUPERMARKETS INC	7,14	01/77
BIOLOGICAL PRESERVATION INC	12,14	01/77
BLACK INDUSTRIES INC	11,13	01/77
BLOUNT INC	8	01/77
BOATMENS BANCSHARES INC	7	01/77
CABLECOM GENERAL INC	13	01/77
CABOT CABOT & FORBES LAND TRUST	10,14	01/77
CADENCE INDUSTRIES CORP	3,13,14	01/77
CAMERON BROWN INVESTMENT GROUP	3	01/77
CANADIAN MERRILL LTD	7	01/77
CAPITAL CITIES COMMUNICATIONS INC	13,14	01/77
CAPITAL FINANCIAL SERVICES INC	7	01/77
CENTRAL & SOUTH WEST CORP	3	01/77
CHARLES RIVER BREEDING LABORATORIES INC	8	01/77
CHARTER MEDICAL CORP	13,14	01/77
CHC CORP	3,7	01/77
CHEF PIERRE INC	13	01/77
CITIZENS BANCORPORATION	7	01/77
COMBANKS CORP	13	01/77
COMPUTER INVESTORS GROUP INC	11,14	01/77
COMPUTER MICROGRAPHICS INC	11	01/77
CONTINENTAL CONVEYOR & EQUIPMENT CO	11,13,14	01/77
COURIER CORP	11	01/77
COUSINS MORTGAGE & EQUITY INVESTMENTS	9,14	01/77
DANA CORP	3,14	01/77
DELMARVA POWER & LIGHT CO	3	01/77
DESOTO INC	4,7,14	01/77
DIAMOND M DRILLING CO	8	01/77
DILLARD DEPARTMENT STORES INC	7,14	02/77
DOYLE DANE BERNBACH INC	13,14	01/77
DRUG FAIR INC	7	11/76
EAGLE CLOTHES INC	2,3	01/77
ECKERD DRUGS INC	1,2,11	01/77
ELECTRONIC MEMORIES & MAGNETICS CORP	3,13	01/77
ENERGY SOURCES INC	13	12/76
FAMILY & INDUSTRY MANAGEMENT CORP	12	01/77
FAS INTERNATIONAL INC	11	01/77
FELMCNT OIL CORP	1,8	01/77
FIDELITY UNION BANCORPORATION	5	01/77
FIRST UNION CORP	10,14	01/77
FIRST WISCONSIN CORP	13	01/77
FLICKINGER S M CO INC	4,7,14	01/77
GAMBLE SKOGMO INC	13	02/77
GENESCO INC	13,14	01/77
GLEN GERY CORP	7	01/77
GOLDEN STATE FOODS CORP	8	01/77
GREAT ATLANTIC & PACIFIC TEA CO INC	8	01/77
GREAT WESTERN UNITED CORP	3,13	01/77
GRI COMPUTER CORP	13	01/77
HAMILTON DIGITAL CONTROLS INC	13,14	01/77
HEALTHGRADE CORP	13	09/76
HEALTHGRADE CORP	13	10/76
HEALTHGRADE CORP	13	11/76
HERTZ CURP	11	01/77

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.

SEC NEWS DIGEST is published daily. Subscription rates: 64.45/yr in U.S. first class mail; \$80.60 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$43.70/yr in U.S. first class mail, \$54.65 elsewhere. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.