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RULES AND RELATED MATTERS

U.S. SECURITIES AND

COMMISSION PROPOSES LIBERALIZED ADVERTISING EXCHANGE COMMISSION RULE FOR INVESTMENT COMPANIES

The Commission published for comment a proposed rule that would allow advertising with respect to investment companies to contain more information than is presently permitted. The proposed rule would permit any advertisement to be made with respect to an investment company, whether open or closed-end, which is registered under the Investment Company Act of 1940 (the 1940 Act) and is selling or proposing to sell its securities under a registration statement filed under the Securities Act of 1933 (1933 Act) so long as such advertisement (1) appears in a newspaper or magazine, (2) contains only information the substance of which is included in the prospectus of the company required under Section 10(a) of the 1933 Act, (3) states, conspicuously, from whom a prospectus containing more complete information may be obtained and that the investor should read that prospectus carefully before investing, (4) is limited in length to not more than 600 words, and (5) complies with certain other conditions.

Any advertisement made pursuant to the proposed rule would be required to be filed with the Commission shortly after use and would be subject to those provisions of the securities laws and the rules thereunder which deal with false or misleading statements.

The proposed rule would supplement the existing rules dealing with the advertising of securities including rule 134 under the 1933 Act, the so-called "tombstone rule". However, the Commission also proposes to amend rule 134 so as to permit a rule 134 advertisement with respect to an investment company which has filed a registration statement under the 1933 Act that has not yet become effective to contain the same information that the rule presently permits to be included only after the effectiveness of such a registration statement.

All interested persons are invited to submit their views and comments in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549 on or before July 25. All communications should refer to File No. S7-705 and will be available for public inspection. (Rel. 33-5833)

ORDERS FOR PUBLIC PROCEEDINGS

DELGER CORPORATION, CAPITAL PLANNING SECURITIES COMPANY, INC., THOMAS A. SARTAIN, SR. CITED

Public proceedings pursuant to the Securities Exchange Act of 1934 have been ordered against Delger Corporation (Delger), a Novato, California broker-dealer and member of the NASD, Capital Planning Securities Company, Inc. (Capital Securities), a San Rafael, California broker-dealer and member of the NASD, and Thomas A. Sartain, Sr. (Sartain), of Novato, California. The proceedings are based on staff allegations that (1) the respondents violated the registration and antifraud provisions of the securities laws in securities in the form of interests in limited partnerships and (2) that Capital Securities and Sartain violated the antifraud provisions of the securities laws in the securities of National Real Estate Fund, a San Francisco, California real estate investment trust. Capital Securities and Sartain are also alleged to have been permanently enjoined from securities violations in SEC v. Capital Planning Associates, Inc. (N.D. Calif. C-76-1198-SW). Delger has consented to the entry of findings and an order imposing remedial sanctions without admitting or denying the allegations in the order for proceedings. A hearing will be scheduled to take evidence on the staff's allegations. (Rel. 34-13578 and 34-13579)

NOTICE OF COMMISSION MEETINGS

Following is a schedule of Commission meetings which will be conducted pursuant to provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday mornings. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration. The Commission will not normally meet on Mondays or Fridays.

Visitors are welcome at all open meetings, insofar as seating is available.

Meetings will be held in the Commission Meeting Room on the eighth floor of the Commission's headquarters building at 500 North Capitol Street, Washington, D.C. All visitors are required to sign in and obtain passes at the Reception Desk in the lobby. Persons wishing to photograph or tape record Commission meetings must obtain permission in advance from the Secretary of the Commission.

Closed Meeting - Tuesday, June 14, 1977 - 10:00 a.m.

The subject matter of the June 14 closed meeting will be: Formal Orders of Investigation; Institution of Injunctive Actions; Institution of Administrative Proceedings; Settlement of Administrative Proceedings; Simultaneous institution and settlement of injunctive actions and/or administrative proceedings; Other litigation matters; Referral of investigative files to Federal, State or Self Regulatory authorities; Regulatory matters arising from or bearing enforcement implications; Consideration of the transmittal of comments to another Federal agency; Consideration of a petition to lift a temporary suspension pursuant to Rule 2(e).

Open Meeting - Tuesday, June 14, 1977 - 2:30 p.m.

The subject matter of the June 14 open meeting will be: Oral argument of appeals of Lamb Brothers, Inc. and Clyde C. Lamb, Jr. from an initial decision of the Commission's Administrative Law Judge (File No. 3-4706) and from adverse decision of the Board of Governors of the National Association of Securities Dealers, Inc. (File No. 3-4789).

Open Meeting - Thursday, June 16, 1977 - 10:00 a.m.

The subject matter of the June 16 open meeting will be:

- (1) Consideration by the Commission of publication of Guide 4 to the Exchange Act Guidelines; which would permit the filing of integrated annual or quarterly reports to shareholders when certain conditions are met in satisfaction with the reporting requirements.
- (2) Consideration of proposal to adopt Rule 243-2; which would provide an optional method for calculation of registration fees by open-end investment companies and unit investment trusts. The rule has the effect of requiring registration fees for only those shares or units registered in excess of the number redeemed or repurchased in the previous fiscal year.
- (3) Consideration by the Commission of request for the issuance of a declaratory order under the Administrative Procedure Act with respect to the status of certain investment companies (the "Funds"), if mergers are attempted through direct exchange offers by the Funds to shareholders in investment companies whose assets are sought to be acquired by the Funds.
- (4) Recommendation concerning certain requests by Banner Redi-Resources Trust regarding a proposed distribution arrangement.
- (5) Consideration by the Commission of adoption of Rules 17Ad-1 through 17Ad-7, prescribing, among other things, the times in which registered transfer agents must turnabout transfer items and respond to written inquiries.
- (6) Consideration of: (1) Applications pursuant to Section 12(f)(1)(C) by the Philadelphia Stock Exchange and the Pacific Stock Exchange for unlisted trading privileges in certain securities traded over-the-counter only; (b) Request by Pacific Resources, Inc. for withdrawal from listing and registration on the PSE; (c) Proposed rule changes by the Philadelphia Stock Exchange and the Pacific Stock Exchange to exempt from their off-board trading restrictions those securities which are not listed and registered on any national securities exchange but are admitted to unlisted trading on those exchanges pursuant to Section 12(f)(1)(C).

(7) Consideration by the Commission of proposed rule change concerning SR-CBOE-77-6, which deals with procedures for the appointment of Board Brokers and assessment of fees for member's use of board broker services. This proposed rule change would (1) provide for the award of Board Broker appointments on the basis of competitive bidding, (2) provide for compensation of Board Brokers by the exchange and (3) empower the CBOE to set and collect fees from members for services performed by Board Brokers.

(8) Consideration by the Commission of adoption of Rule 19d-1, 2, and 3, and 19h-1 under the Securities Exchange Act which would prescribe form and contents of notices to be filed with the Commission by self-regulatory organizations to discipline their members and their officials and employees; the admission to or continuance in, membership of persons who are, or members who are associated with, disqualified persons; and procedures for stays of disciplinary sanctions or summary suspensions and appeals to the Commission from self-regulatory organizations' imposed disciplinary sanctions.

(9) Consideration by the Commission concerning the two rating requirement qualifying commercial paper for preferential haircut treatment pursuant to Rule 15c3-1(c)(2)(vi)(E). Specifically, the Commission will consider the appropriateness of the "two ratings" presently required by the Rule for the purposes of qualifying short term commercial paper of high quality for the reduced haircut treatment available under that provision and the existing temporary qualified suspension of the provisions of the Rule.

(10) Consideration by the Commission concerning the solicitation of comments on a number of issues related to (1) accounting practices required to be developed for the reporting of energy data to the Federal Energy Administrator by domestic producers of crude oil or natural gas pursuant to Title B of Public Law 94-163, the Energy Policy and Conservation Act, and (2) disclosure of financial and operating data by registrants engaged in the oil and gas industry.

(11) Affirmation of Duty Officer's approval of transmission to the Office of Management and Budget of a letter of comment expressing Commission views with respect to H.R. 1180, a bill which would place certain reporting requirements upon individuals who engage in lobbying communications with federal officials.

TRADING SUSPENSIONS

TRADING SUSPENDED IN MINER INDUSTRIES, INC.

The SEC announced the single ten-day suspension of over-the-counter trading in the securities of Miner Industries, Inc. (Miner), a Delaware corporation located in New York, N.Y., for the period beginning on June 9 and terminating at midnight (EDT) on June 18, 1977.

The Commission ordered the suspension of trading in Miner's securities at the request of the company in view of the lack of current adequate and accurate public information about the company's operations and financial condition. Miner has failed to timely file with the Commission its annual report on Form 10-K in proper form for the fiscal year ended January 31, 1977. In addition, Miner disclosed under cover of Form 8-K for the month of March 1977 that as of March 10, 1977 it was in default on a substantial number of obligations at which time agreements were entered into with financial institutions and that the company was then engaged in negotiating refinancing agreements with certain lending institutions. (Rel. 34-13611)

COURT ENFORCEMENT ACTIONS

JOHN B. O'MALLEY, JR. CONVICTION AFFIRMED

The Denver Regional Office announced that on April 8 the Court of Appeals for the 10th Circuit affirmed the conviction of John B. O'Malley, Jr. On February 4, 1976 Mr. O'Malley had been convicted, after a trial before the Court, of interstate transportation of security with knowledge it had been taken by fraud. This transaction occurred in connection with the issuance of a note which was secured by certain Dore bars from which O'Malley claimed he could extract platinum by a secret process. Mr. O'Malley had been previously convicted on February 12, 1975 of violations of the wire fraud statutes in connection with similar transactions. This earlier conviction had also been appealed and affirmed on November 3, 1976. O'Malley is presently in custody of federal authorities pursuant to the earlier conviction. (U.S. v. John B. O'Malley, Jr., USDC, Colo., Criminal No. 74-CR-423). (LR-7962)

INVESTMENT COMPANY ACT RELEASES

LINCOLN NATIONAL INCOME FUND

An order has been issued on an application of Lincoln National Income Fund, Inc., a registered open-end, diversified management investment company, declaring that it has ceased to be an investment company. (Rel. IC-9809 - June 8)

LINCOLN NATIONAL CAPITAL FUND

An order has been issued on an application of Lincoln National Capital Fund, Inc., a registered open-end, diversified management investment company, declaring that it has ceased to be an investment company. (Rel. IC-9810 - June 8)

HOLDING COMPANY ACT RELEASES

OHIO POWER COMPANY

An order has been issued authorizing Ohio Power Company, subsidiary of American Electric Power Company, Inc., to enter into an agreement with a municipal authority for construction of pollution control equipment estimated to cost \$80 million and with respect to an initial sale of \$50 million of 7% revenue bonds. (Rel. 35-20068 - June 8)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Depository Trust Company has filed pursuant to Rule 19b-4 Amendment No. 1 to a proposed rule change (SR-DTC-76-8) relating to the depository interface between itself and the Midwest Securities Trust Company. Publication of the proposal is expected to be made in the Federal Register during the week of June 13. (Rel. 34-13609)

MISCELLANEOUS

ARWOOD CORPORATION

An order has been issued granting the application of Arwood Corporation (Applicant), a Delaware corporation, pursuant to Section 12(h) of the Securities Exchange Act of 1934, as amended, for an exemption from the reporting requirements of Section 15(d) of that Act through December 31, 1976, when Applicant's obligations under such provisions would be suspended by operation of Rule 15d-6 under that Act. It appeared to the Commission that the granting of the requested exemption would not be inconsistent with the public interest or the protection of investors in view of the fact that the securities of Applicant subject to these reporting provisions are held of record by about 213 persons and the financial information about Applicant is incorporated in all reports of Interlake, Inc. filed with the Commission. (Rel. 34-13616)

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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