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COMMISSION ANNOUNCEMENTS

U.S. SECURITIES AND EXCHANGE COMMISSION

COMMISSION ISSUED STAFF REPORT ON TRANSACTIONS IN NEW YORK CITY SECURITIES

The Commission transmitted to Congress today a Staff Report on Transactions in Securities of the City of New York. The Report is the product of a 19-month investigation and focuses on events which occurred during the period from October 1974 through April 1975, when the City faced a fiscal crisis and issued very large amounts of short-term securities.

The investigation which underlies the Report, conducted by the New York Regional Office, was one of the most complex in the Commission's history and involved collection of more than 250,000 documents and over 12,000 pages of sworn testimony. It sought to --

(1) determine the nature and extent of the knowledge of City officials, underwriters, and bond counsel with respect to the steadily-worsening financial condition of the City; and

(2) compare the knowledge of these parties to the disclosures made to the public from October, 1974 through April, 1975 -- a period during which approximately \$4 billion worth of City short-term debt securities were sold to the public.

"The federal securities laws administered by the Securities and Exchange Commission have as their principal purpose the protection of public investors," the Report declares. "Accordingly, our inquiry has been to determine whether, in the offer, sale and distribution of the City's debt securities, under the circumstances, there was provided the measure of disclosure mandated under the federal securities laws in the interests of the investing public. We conclude that it was not."

The Report is accompanied by an Introduction and Summary and is divided into seven chapters. The Commission will, after receiving staff recommendations, consider what Commission action or legislative recommendations, if any, should follow.

The initial supply of copies of the Report is insufficient to allow distribution to the public. However, copies of the Introduction and Summary may be obtained by writing to: Publications Section, Securities and Exchange Commission, 500 North Capitol St., Washington, D.C. 20549.

The Report is available for inspection at the Commission's Public Reference Rooms in Washington (1100 L Street N.W.) and New York (26 Federal Plaza). Further notice will be published in the News Digest when copies of the complete Report are available.

TRADING SUSPENSIONS

TRADING SUSPENDED IN HOLOGRAPHIC DEVELOPMENT CORPORATION OF AMERICA

The SEC announced the temporary suspension of over-the-counter trading in the securities of Holographic Development Corporation of America, a Utah corporation located in Beverly Hills, California, for the single ten-day period beginning on August 25 and terminating at midnight (EDT) on September 3, 1977. The suspension was initiated because of the lack of adequate and accurate public information about the company's financial condition and operations and because of questions which have arisen concerning recent market activity in the company's securities. (Rel. 34-13888)

COURT ENFORCEMENT ACTIONS

RICHARD KIRSCHBAUM AND STANLEY H. MOLOTSKY INDICTED

The Washington Regional Office and the Philadelphia Branch Office announced the return of a three count indictment by a Federal Grand Jury in Philadelphia, Pennsylvania on August 3 charging Richard Kirschbaum, a former broker at Delphi Capital Corporation, with violations of the securities fraud, mail fraud and conspiracy statutes. The indictment alleges that Kirschbaum and unindicted co-conspirators Joel Kline and Eric Baer arranged, in 1972, for the purchase of US Vinyl Corporation common stock from Max Zerkin and Associates, Inc., in return for a cash payment for each US Vinyl share bought and that Molotsky, pursuant to this scheme, purchased, in 1972, approximately 8500 shares of US Vinyl stock for his customers from Zerkin, Molotsky and Kirschbaum sharing in the resultant cash payments made by Kline. The indictment also alleges that Molotsky did not disclose the receipt of these cash payments to his customers. The indictment is a product of a joint investigation conducted by the SEC, the U.S. Postal Inspection Service, the I.R.S. and the U.S. Department of Justice, Philadelphia Strike Force. (U.S. v. Richard Kirschbaum and Stanley H. Molotsky, E.D. Pennsylvania, Criminal Action No. 77-334). (LR-8082)

PETER B. EDWARDS ENJOINED

The Fort Worth Regional Office and the Houston Branch Office announced that on August 10 Federal District Judge Woodrow Seals, Houston, Texas, entered an Order of Permanent Injunction by Consent against Peter B. Edwards of Houston, Texas, prohibiting him from further violations of the antifraud provisions of the securities laws. Edwards entered into the Order without admitting or denying the allegations in the plaintiff's complaint. (SEC v. Russell, Kennedy & Hodgden, Inc., S.D. Tex.). (LR-8083)

INVESTMENT COMPANY ACT RELEASES

J.P. CABOT SHORT-TERM FUND, INC.

A notice has been issued giving interested persons until September 19 to request a hearing on an application of The J. P. Cabot Short-Term Fund, Inc. for an order declaring that it has ceased to be an investment company. (Rel. IC-9909 - Aug. 24)

NORTH RIVER SECURITIES CO., INC.

A notice has been issued giving interested persons until September 19 to request a hearing on an application of North River Securities Co., Inc. for an order pursuant to Section 17(b) of the Act exempting a proposed sale of portfolio securities and a related pledge agreement from the provisions of Section 17(a) of the Act. (Rel. IC-9910 - Aug. 24)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING GRANTED

An order has been issued granting the application of the Pacific Stock Exchange Inc. for unlisted trading privileges in the common stock, \$1.00 par value, of General Exploration Company. (Rel. 34-13887)

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.