

sec news digest

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U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

May 28, 1974

COMMISSION ANNOUNCEMENTS

MAY 29 1974

ADDITIONAL MEMBERS OF THE CENTRAL MARKET ADVISORY COMMITTEE ANNOUNCED

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The SEC on May 24 announced four additional members of the Commission's Advisory Committee on the Implementation of a Central Market System: David B. Heller, vice president of Ralph W. Davis & Co., Inc., a specialist member firm of the Midwest Stock Exchange and a subsidiary of Dain, Kalman & Quail, Inc.; Boyd L. Jefferies, president and chairman of Jefferies & Co., Inc., Los Angeles brokerage firm; Jon B. Lovelace, Jr., president of Capital Research and Management Company of Los Angeles; and Lee A. Pickard, Director of the Commission's Division of Market Regulation.

The other members of the Advisory Committee, announced on May 10 (Rel. 34-10790), are: Alexander Yearley, IV, Chairman; Kenneth S. Axelson; M. Colyer Crum; Robert Gardiner; C. Rader McCulley; Ray F. Myers; Felix G. Rohatyn; and Donald Stone. (Rel. 34-10826)

RULES AND RELATED MATTERS

AMENDMENTS TO ANNUAL REPORT FORMS OF MEMBERS, BROKERS AND DEALERS ANNOUNCED

The SEC on May 24 announced the adoption of amendments to Form X-17A-5 and the Audit Requirements thereto which reflect the additional information necessary to monitor compliance with Rule 15c3-3 as well as other developments in the securities industry since 1967 which have affected the auditing and financial regulation of brokers and dealers. The principal amendments to the Form relate to the Commission's adoption of Rule 15c3-3 under the Securities Exchange Act of 1934 and would require the submission of a schedule in support of the computation of a broker-dealer's "Formula for Determination of Reserve Requirement" under Rule 15c3-3 as of the audit date and the financial questionnaire would require reporting of the amount required to be deposited in the "Special Reserve Bank Account for the Exclusive Benefit of Customers" and any amount on deposit in such account in excess of the reserve requirement.

The Form has also been revised to test the broker-dealer's compliance with the requirements of Rule 15c3-3 to reduce customers' fully paid for and excess margin securities to a broker-dealer's possession or control. These amendments shall be effective for all audits pursuant to Rule 17a-5 under the Securities Exchange Act of 1934 commencing on or after July 15, 1974. (Rel. 34-10825)

RULE DEFINING CERTAIN MORTGAGE SECURITIES AS EXEMPTED SECURITIES ADOPTED: RULE 15a-1 RESCINDED

The SEC today announced the adoption of Rule 3a12-4 and rescission of Rule 15a-1 under the Securities Exchange Act of 1934. The rule, originally released for public comment on December 13, 1973, has been revised in line with some of the comments received. The principal effect of the new rule will be to exempt broker-dealers dealing solely in mortgage securities (as defined) under specified conditions and other exempted securities from the operation of subsections (a) and (c)(3) of Section 15 of the Act which provide, respectively, for registration of broker-dealers and for regulation of their financial responsibility by the Commission. Rule 15a-1 currently provides only for an exemption from the operation of the registration requirement. (Rel. 34-10828)

TRADING SUSPENSIONS

TRADING SUSPENDED IN FRANKLIN NEW YORK CORPORATION

The SEC announced the suspension of over-the-counter trading in all the securities of Franklin New York Corporation and all the securities of Franklin National Bank for a ten-day period May 25, 1974 through June 3, 1974.

The Commission initiated the suspension of trading of the common and preferred stock of Franklin New York Corporation and the preferred stock of the Franklin National Bank on May 13, 1974; and on May 16, 1974, the Commission initiated the suspension of trading in the 7.30 percent notes of Franklin New York Corporation and 4.75 percent debentures of Franklin National Bank. The suspensions were initiated to permit the adequate dissemination and review of releases issued by the Federal Reserve Board and the Franklin New York Corporation and at the request of Franklin New York Corp.

The Commission previously announced the trading suspensions would terminate at midnight May 24, 1974. Upon the request of Franklin New York Corporation and the Franklin National Bank and to allow time for the dissemination of information about the companies, the Commission announced the present suspension. (Rel. 34-10830)

COURT ENFORCEMENT ACTIONS

COMPLAINT CITES ALEXANDER (OZZIE) CURTIS, H. DEWORTH WILLIAMS, OTHERS

The Los Angeles Regional Office announced that on May 20 a complaint was filed in the U. S. District Court for California seeking to enjoin Alexander (Ozzie) Curtis, World Mint, Inc., Ships Stores, Inc., Morr Industries, Inc., Milton Cohn, Nevada Securities Transfer Corporation, Harold B. Silene, H. DeWorth Williams, doing business as H. DeWorth Williams Investment Company, John Warren Williams, Robert C. Goodwin, Nathan Debin, Canon Drive Corporation, Eugene D. (Gino) Massaro, and Frances Holman Cording from violations of the registration and antifraud provisions of the securities laws. The violations alleged arose out of the distribution and sale of the securities of World Mint and Ships Stores. (LR-6378)

INVESTMENT COMPANY ACT RELEASES

AMERICAN GENERAL LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until June 18 to request a hearing on an application of American General Life Insurance Company and American General Life Insurance Company Separate Account B, a unit investment trust, for an order exempting them from certain provisions of the Act to permit: (a) the elimination of sales and administrative charges in certain circumstances upon the purchase of certain variable annuity contracts issued by them and (b) the insurance company to hold the assets of the separate account. (Rel. IC-8358)

QUIDNET DEVELOPMENT CAPITAL COMPANY

A notice has been issued giving interested persons until June 18 to request a hearing on an application of Quidnet Development Capital Company, New Jersey limited partnership, for an order exempting it from all provisions of the Act. (Rel. IC-8359)

HOLDING COMPANY ACT RELEASES

OHIO POWER COMPANY

A notice has been issued giving interested persons until June 18 to request a hearing on a proposal of Ohio Power Company, subsidiary of American Electric Power, Inc., to sell up to \$25 million of short-term notes to banks. (Rel. 35-18424)

NEW ENGLAND ELECTRIC SYSTEM

A notice has been issued giving interested persons until June 25 to request a hearing on a proposal of New England Power Company (NEPCO), subsidiary of New England Electric System (NEES), to sell 750,000 shares of common stock to NEES. (Rel. 35-18425)

SECURITIES ACT REGISTRATIONS

(S-1) MERCANTILE BANKSHARES CORPORATION

2, Hopkins Plaza, Baltimore, Md. 21201 - 715,050 shares of common stock. It is proposed to offer these shares in exchange for shares of First National Bank of Southern Maryland, Upper Marlboro, Md., at the rate of seven shares for each Bank share. Bankshares is a bank holding company, which owns controlling interests in ten banks, a mortgage banking subsidiary and a commercial and consumer financing subsidiary. (File 2-51155 - May 23)

(S-1) WHITE SHIELD EXPLORATION CORP.

16 East 16th St., Tulsa, Okla. 74101 - 225,464 shares of common stock reserved for exercise of qualified and non-qualified stock options and stock purchase warrants. The company is engaged in foreign oil and gas exploration and development. (File 2-51160 - May 24)

REGISTRATIONS EFFECTIVE

May 22: The Chesapeake and Potomac Telephone Company of Maryland, 2-50958.

May 24: Becton, Dickinson and Company, 2-50735; Channing Securities, Inc., 2-50825; Cummings Engine Company, Inc., 2-50549; Florida Bancorp, Inc., 2-49887; John Fluke Mfg. Co., Inc., 2-50611 and 2-50612; W. R. Grace & Co., 2-50899; Lilly Industrial Coatings, Inc., 2-50202; Madison Financial Corp., 2-50797; Pizza Inn, Inc., 2-49243; Republic of Texas Corp., 2-50481; Sears, Roebuck and Co., 2-50875; Shenadoah Oil Corp., 2-50000; Square D Company, 2-50835.

REGISTRATIONS WITHDRAWN

May 22: Garbalizer Corporation of America, 2-50601; The Janus Fund, Inc., 2-21314 (Abandoned); Mod-U-Kraft Homes, Inc., 2-48637.

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
OLD STONE MORTGAGE & REALTY TRUST	13,14	04/74
OLIPHANT JAMES H & CO INC	11,14	04/74
OPTICS TECHNOLOGY INC	11,14	04/74
OXFORD LABORATORIES	2	04/74
PACIFIC POWER & LIGHT CO	7,14	04/74
PERTEC CORP	13	04/74
POTOMAC ELECTRIC POWER CO	3,7,11,13,14	04/74
PRESTON MINES LTD	11	05/74
PSA INC	2	04/74
PULASKI FURNITURE CORP	7,8,14	04/74
REFORESTATION INC	2,14	04/74
REVCO D S INC	7,14	04/74
RIVERSIDE REAL ESTATE INVESTMENT TRUST	7,13,14	10/73
SAGE OIL CO INC	2,11	04/74
SAUL B F REAL ESTATE INVESTMENT TRUST	7	04/74
SECURITY FIRST REAL ESTATE INVESTMENT TR	7	04/74
SEGA ENTERPRISES INC	14	03/74
SEGA ENTERPRISES INC	13	04/74
SELIGMAN & LATZ INC	11	04/74
SERNCO INC	1	04/74
SIGMA INTERNATIONAL LTD	3	04/74
SIMMONS CO	11,14	04/74
SMITHFIELD FOODS INC	2,13,14	04/74
STATE AUTOMOTIVE DISTRIBUTORS INC	14	04/74
STELBER INDUSTRIES INC	12	04/74
STORAGE TECHNOLOGY CORP	11	04/74
SULLAIR CORP	11,14	04/74
SUPERIOR ELECTRIC CO	11,14	04/74
SUSQUEHANNA CORP	3,6	04/74
TAYLOR RENTAL CORP	7,14	03/74
TELEFLEX INC	7,11,13	04/74
TENNECO CORP	3,4,11,14	04/74
TENNESSEE VALLEY BANCORP INC	3,4,11,13,14	04/74
TEXAS INSTRUMENTS INC	11	04/74
TIME HOLDINGS INC	13	04/74

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 for mailing within four days (\$2 minimum) and 30¢ per page plus postage for over-night mailing (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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U.S. first class mail, \$26.70 elsewhere. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.