

sec news digest

Issue 74-110

(SEC Docket, Vol. 4, No. 11 - June 18)

SECURITIES & EXCHANGE COMMISSION

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June 6, 1974

JUN 7 1974

COMMISSION ANNOUNCEMENTS

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BROKER-DEALER ADVISORY COMMITTEE MEETING SCHEDULED

The Commission's Advisory Committee on a Model Compliance Program for Broker-Dealers, established October 1972 (Rel. 34-9835), will hold public meetings on June 19-20, 1974, at the Essex House, 160 Central Park South, New York, New York, Room M 11. The meeting on June 19 will commence at 10:00 a.m. and the meeting on June 20 will commence at 9:00 a.m.

This Advisory Committee was formed to assist the Commission in developing a model compliance program to serve as an industry guide for the broker-dealer community. Assisted by this Committee's work, the Commission plans to publish a guide to broker-dealer compliance under the securities acts in order to advise broker-dealers of the standards to which they should adhere if investor confidence in the fairness of the market place is to be warranted and sustained. The Committee's scheduled meetings will be for the purpose of reviewing drafts and proposals concerning the Committee's proposed report to the Commission on these compliance guidelines for broker-dealers.

Any interested person may file statements with the Committee -- which statements, if in written form, may be filed before or after the meetings or, if oral, at the time and in the manner and extent permitted by the Advisory Committee.

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

DAVID W. BUSH SANCTIONED

An order has been issued barring David W. Bush, of Wichita, Kansas, from association with any broker, dealer or investment adviser. It also prohibited him from serving in various capacities with a registered investment company.

According to the decision, Bush violated various provisions of the securities laws in transactions in securities of First Home Investment Corporation of Kansas, Inc. (FHI), a registered investment company, and Bush & Company, Inc., then a registered broker-dealer which had been investment adviser to and principal underwriter for FHI. It was found that Bush, who was president of both Bush & Co. and FHI, unlawfully sold unregistered common stock of Bush & Co., and made misrepresentations in transactions in FHI securities. The misstatements included representations that there was no risk in FHI's investments in insured mortgages, that FHI had paid a return of over 10% to its investors every year, that its profits had been paid out in the form of cash and stock splits, and that its shares would not go below 5-1/4 on the market.

The Commission's order was based on an offer of settlement in which Bush admitted the charges and consented to the findings and sanctions. (Rel. IC-8362)

FOUR INVESTMENT FIRMS AND FIVE INDIVIDUALS SANCTIONED

An order has been issued suspending Financial Investments Corporation and barring its manager, Edward Stewart, from being associated with any broker-dealer, investment adviser or investment company. The order also barred Kingswood Growth Fund, Harvest Growth Fund and their general partner, Rudolph S. Maurizi, the Malta Fund and its managing partner, John M. Toal, and Jack R. Cooper, who has traded on his own behalf in his name and others, including "Carter Industries," from being so associated. After one year Stewart and Cooper, after nine months Kingswood, Harvest and Maurizi, and after six months Malta and Toal may apply to the Commission to become so associated.

The sanctions were based on findings that from January to July 1972 respondents made short sales of certain securities prior to the effective dates of registration statements covering other offerings of securities of the same issue. Before making these short sales, respondents gave indications of interest to the underwriters of the registered offerings. Respondents' short sales caused a decline in the market prices for such securities and depressed the prices at which the registered securities were sold to the public. Respondents failed to disclose that their sales were short sales which they intended to cover with the registered securities acquired from underwriters. By reason of the foregoing, respondents were found to have violated the antifraud provisions of the securities laws.

In these transactions, respondents obtained credit for and caused credit to be obtained from broker-dealers in violation of the Exchange Act's restrictions on the extension of credit and of Regulations T and X promulgated thereunder by the Board of Governors of the Federal Reserve System.

The Commission's order was issued pursuant to offers of settlement in which respondents, without admitting or denying the charges against them, consented to the findings and sanctions. (Rel. 34-10834)

A separate order has been issued dismissing the proceedings with respect to The Elba Fund, of Bronxville, N.Y. This action was based on information indicating that the Fund did not engage in the alleged activities. (Rel. 34-10833)

ORDERS FOR PUBLIC PROCEEDINGS

TRAVIS & COMPANY, INC.

Public administrative proceedings have been ordered under the Securities Exchange Act of 1934 against Travis & Company, Inc., a registered broker-dealer, and against Alanson Raymond Travis, president, and John A. Pittman, vice president. The proceedings are based on allegations by the Commission's staff that the respondents have violated and have aided and abetted violations of the antifraud, net capital, bookkeeping and reporting requirements of the securities laws and also have failed to amend Registrant's Form BD as required. (Rel. 34-10840)

HOLDING COMPANY ACT RELEASES

CENTRAL POWER AND LIGHT COMPANY

An order has been issued authorizing Central Power and Light Company (CP&L), subsidiary of Central and South West Corporation, to sell \$40 million of first mortgage bonds at competitive bidding. (Rel. 35-18435)

GENERAL PUBLIC UTILITIES CORPORATION

An order has been issued authorizing General Public Utilities Corporation (GPU), to offer 4,340,000 shares of common stock for subscription by the holders of its outstanding common stock. The net proceeds will be used by GPU for additional investment in its subsidiaries and to repay all or a portion of GPU's short-term indebtedness. (Rel. 35-18441)

INVESTMENT COMPANY ACT RELEASES

THE SAGITTARIUS FUND

A notice has been issued giving interested persons until July 1 to request a hearing on an application of The Sagittarius Fund, Inc., a mutual fund, for an order permitting suspension of the right of redemption of the Fund's outstanding redeemable securities and suspension of payment for shares already submitted for redemption for which payment has not been made. A temporary order has been issued granting the Fund permission to suspend the right of redemption and suspend payment for shares already submitted for redemption until further order of the Commission. (Rel. IC-8375)

GENERAL ELECTRIC OVERSEAS CAPITAL CORPORATION

An order has been issued on an application of General Electric Overseas Capital Corporation, of New York, New York, exempting it from certain provisions of the Act so that it can invest or lend up to 40% of its assets to suppliers or customers of General Electric Corporation which are not at least 10% owned by General Electric. (Rel. IC-8376)

THE COLONIAL FUND

A notice has been issued giving interested persons until June 27 to request a hearing on an application of The Colonial Fund, Inc. and Colonial Growth Shares, Inc., both mutual funds of Boston, Mass., State Mutual Life Assurance Society of America, of Worcester, Mass., Terra Chemicals International, Inc., of Sioux City, Iowa, and Diamond Shamrock Corporation, of Cleveland, Ohio, for an order permitting applicants to sell common stock of Terra pursuant to a registration statement under the Securities Act. (Rel. IC-8377)

DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING GRANTED

An order has been issued granting the application of The Boston Stock Exchange for unlisted trading privileges in the common stocks of the following companies: Cyclops Corporation, Dayco Corporation, Development Corp. of America (Delaware), Gamble-Skogmo, Inc., Gardner-Denver Co., International Mining Corp., Kansas City Southern Industries, Inc., Leaseway Transportation Corp., L.V.O. Corporation, Reeves Brothers, Inc., World Airways, Inc. (Rel. 34-10841)

SECURITIES ACT REGISTRATIONS

(S-1) LIBERTY LOAN CORPORATION

7711 Bonhomme Ave., St. Louis, Mo. 63105 - \$2 million of thrift accounts issuable under its Thrift Accounts Plan. The Company is in the consumer finance business. (File 2-41183 - May 29)

(S-14) CCNB CORPORATION

331 Bridge St., New Cumberland, Pa. 17070 - 104,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of common stock of The Duncannon National Bank, Duncannon, Pa., at the rate of eight CCNB shares for each Bank share. CCNB is a one bank holding company, whose principal subsidiary is Cumberland County National Bank and Trust Company. (File 2-51184 - May 29)

REGISTRATIONS EFFECTIVE

May 31: The May Department Stores Company, 2-51106
June 5: East Daggagontein Mines Ltd., 2-50751; Central Power & Light Company, 2-51023; First Texas Financial Corporation, 2-51119; Hammermill Paper Company, 2-50920; Noxell Corporation, 2-50785; Pennsylvania Electric Company, 2-50934; Tennessee Forging Steel Corporation, 2-50960.

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 15c per page plus postage for mailing within four days (\$2 minimum) and 30c 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.

SEC NEWS DIGEST is published daily. Subscription rates: \$35.45/yr in U.S. first class mail; \$44.35 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$21.35/yr in 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.

statistical bulletin

Beginning in June, 1974, the SEC Statistical Bulletin will be published monthly instead of on the present weekly schedule.

The contents of the Statistical Bulletin includes the following items:

- **STATISTICAL SERIES RELEASES** -- This series includes data on round-lot and odd-lot share volume in stock exchanges, OTC volume in selected securities, block distributions, securities registrations and offerings, net changes in corporate securities outstanding, working capital of U. S. corporations, and assets of non-insured pension funds.
- **144 FILINGS** -- Form 144 is a notice of the proposed sale in ordinary trading transactions of limited amounts of securities owned by persons controlling, controlled by or under common control with the issuer, and by persons who have acquired restricted securities of the issuer.
- **8K REPORTS** -- These must be filed with the Commission when material corporate developments such as changes in control of a registrant, acquisition or disposition of assets, or legal proceedings have occurred in the past month.

Because of rising costs and staff limitations, the SEC has discontinued its free mailing lists. Releases under the various Acts are made available through another publication, the **SEC Docket**. However, the statistical series releases and the 144 information can be obtained only by subscribing to the **Statistical Bulletin**. Subscriptions can be entered by completing the form below, and mailing it with \$23.80 to the Superintendent of Documents. Current subscriptions to the weekly Statistical Bulletin will be replaced with monthly issues until the subscription term ends.

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