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RULES AND RELATED MATTERS

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ANNOUNCEMENT OF PRELIMINARY OUTLINE OF A FINANCIAL AND OPERATIONAL COMBINED SINGLE REPORT [FOCUS REPORT] AND THE ADOPTION OF RULE 17a-18, 17a-19 AND FORM X-17A-19

The Commission has announced its approval of a preliminary outline for a Financial and Operational Combined Uniform Single Report [FOCUS Report] (in prior Releases referred to as a key regulatory report) for public comment, and the adoption of Rule 17a-18, Rule 17a-19 and Form X-17A-19.

Rule 17a-18 requires every registered national securities association and every national securities exchange to file with the Commission each proposed new form, report, questionnaire or similar document or any substantial amendment to, or substantial modification of an existing form, report, questionnaire or similar document which it requires of its members. Rule 17a-19 requires every national securities exchange and registered national securities association to file Form X-17A-19 with the Commission and SIPC upon learning of certain changes in the membership of any of its members. These rules and form shall be effective September 1, 1974.

The preliminary outline of the FOCUS Report is composed of three layers based on type, method and amount of business. It is expected that adoption of a FOCUS Report will lead to the elimination of many existing financial and operational reports now required of broker-dealers by the various regulatory authorities.

It should be noted that the preliminary outline of the FOCUS Report is not in final form and may be revised on the basis of comments received from the public and the SEC Report Coordinating Group, a federal advisory committee. Interested persons may submit comments and suggestions, in writing, on or before September 30, 1974 to Daniel J. Piliero II, Assistant Director, Division of Market Regulation, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 and Mr. R. John Cunningham, Chairman, SEC Report Coordinating Group (Advisory), 277 Park Avenue, New York, New York 10017. All such communications will be available for inspection at the Securities and Exchange Commission, Room 332, 500 North Capitol Street, Washington, D.C. (Rel. 34-10959)

TWO-TIER REAL ESTATE COMPANIES

The Commission has issued an interpretive release setting forth the views of the Division of Investment Management Regulation with respect to the status under the Investment Company Act of 1940 of two-tier real estate companies, i.e., companies which invest in companies which invest in real estate. The release describes the criteria used by the Division in determining whether such a company comes within the definition of an investment company contained in the Act. It also describes how, under certain circumstances, (1) limited partnership interests owned by a two-tier real estate partnership may be sufficiently analogous to securities issued by majority-owned subsidiaries to warrant the Division not recommending an enforcement action to the Commission if such two-tier company does not register under the Act, (2) a two-tier partnership may qualify for a Commission order under Section 3(b)(2) finding it to be primarily engaged in the real estate business through control of its underlying partnerships and, therefore, not to be an investment company, or (3) a two-tier partnership investing in limited partnerships engaged in the development of housing for low and moderate income persons may qualify for an exemption from the Act pursuant to Section 6(c). (Rel. IC-8456)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

GEORGIA POWER COMPANY AUTHORIZED TO ISSUE \$250 MILLION OF SHORT-TERM DEBT

A decision has been issued under the Public Utility Holding Company Act authorizing Georgia Power Company, of Atlanta, to borrow up to \$250 million on a short-term

basis. Georgia Power is an electric utility subsidiary of The Southern Company, a registered holding company.

Unconditional approval of Georgia Power's application was opposed by a local consumer group, Georgia Power Project, and by the Commission's Division of Corporate Regulation. Both proposed conditions to the short-term debt authorization, principally relating to the common equity percentage of the company's total capitalization. The Commission rejected the proposed conditions. It found Georgia Power within the traditional guideline under which a 30% common equity ratio is deemed adequate. The Commission observed that "the appropriateness of capital ratios in any given situation is a more complex matter than the simple application of arithmetical formulas." However, it went on to say that it was "not persuaded that Georgia's present common equity ratio requires immediate and drastic action -- particularly under present unfavorable conditions in the market for utility equity securities." The Commission further found the proposed short-term obligations an appropriate means of financing construction costs during the intervals between long-term financings. (Rel. 35-18517)

BROKER-DEALER REGISTRATION OF COMSTOCK SECURITIES, LIMITED REVOKED

The SEC has revoked the broker-dealer registration of Comstock Securities, Limited, of Salt Lake City, Utah. The sanction was based upon findings that the firm violated the recordkeeping, net capital, reporting and credit extension provisions of the securities laws. It was also found that Comstock violated the antifraud provisions of the Securities Exchange Act by effecting transactions without disclosing its inability to meet current obligations, that it was permanently enjoined from certain violations of the securities acts, and that it is being liquidated under the Securities Investor Protection Act.

Comstock failed to appear at a hearing, and it was deemed in default. (Rel. 34-10937)

COMMISSION ANNOUNCEMENTS

"CONDOMINIUMS REGISTERED UNDER THE SECURITIES ACT OF 1933: 1967-1974" REPORT ANNOUNCED

The SEC has announced the public release of a paper entitled "Condominiums Registered Under The Securities Act of 1933: 1967-1974." The study is believed to be the most complete statistical survey of condominium Securities Act registrations assembled to date. It contains a concise analysis of management organization and compensation, with a statistical profile of the registrants studied. According to figures released in the report, in the period from 1967 through May 1974, there were 75 condominium projects registered with the Commission valued at \$713.3 million. Offerings of fee condominiums represented approximately four-fifths of this amount and leasehold type units accounted for the difference. Individual offerings ranged in size from less than \$1.0 million to \$43.0 million.

The report was prepared in the Office of Economic Research, as an Economic Staff Paper. A limited number of copies are available upon written request to Le Manh Tri, Chief, Branch of Financial Reports, Office of Economic Research.

SEC REPORT COORDINATING GROUP (ADVISORY) MEETINGS ANNOUNCED

The Commission's Report Coordinating Group (Advisory) will hold meetings on September 4 and September 6, 1974 at the Securities and Exchange Commission, 500 North Capitol St., Room 332, Washington, D.C. The meetings will both commence at 10:00 a.m. local time. The September 4 meeting will be for the purpose of discussing a uniform financial and operational report, and the September 6 meeting will be held to discuss development of simplified assessment forms.

The Group's meetings are open to the public. Any interested person may attend and appear before or file statements with the advisory committee. Said statements, if in written form, may be filed before or after the meeting. Oral statements shall be made at the time and in the manner permitted by the Report Coordinating Group.

The Report Coordinating Group was formed to assist the Commission in developing a coherent, industry-wide, coordinated reporting system. In carrying out this objective, the Report Coordinating Group is to review all reports, forms, and similar materials required of broker-dealers by the Commission, the self-regulatory community and others.

The Group is expected to advise the Commission on such matters as eliminating unnecessary duplication in reporting, reducing reporting requirements where feasible, and developing a uniform financial and operational report. (Rel. 34-10612)

TRADING SUSPENSIONS

SUSPENSION OF UNAC INTERNATIONAL, INC. TO TERMINATE

The SEC has announced that the temporary suspension of over-the-counter trading in the securities of UNAC International, Inc., will terminate at midnight (EDT) on August 10, 1974.

The Commission initiated the suspension on July 12 at the request of UNAC and because of information received from the Company indicating that the Indiana Department of Insurance has advised the company that its reserves for claims may be inadequate. The Company advised that if the Indiana Department of Insurance is correct in its preliminary examination it would have a significant adverse impact on the company.

On August 5, 1974 the Superior Court for Marion County, Indiana ordered that UNAC, the primary asset and major operating subsidiary of UNAC International Corp. be placed in a conservatorship and rehabilitatorship. The Court appointed Lloyd Allan, Insurance Commissioner for the State of Indiana as a conservator for UNAC pursuant to that order. All the assets of UNAC are now under the control of the conservator. UNAC International Corp. consented to the entry of that order.

The duration of the conservatorship and the future visibility of UNAC, and UNAC International Corp. at this time are unknown and these are matters presently being considered by the Conservator and the Company. (Rel. 34-10960)

ADDITIONAL ACTION ON FOUR TRADING SUSPENSIONS

The SEC has announced the suspension of (a) over-the-counter trading in the securities of American All-Servus Corp. for the further ten-day period August 9 - 18, inclusive; and (b) exchange and over-the-counter trading in the securities of Equity Funding Corp., and over-the-counter trading in the securities of Zenith Development Corp. and Industries International Inc. for the further ten-day period August 10 - 19, inclusive.

INVESTMENT COMPANY ACT RELEASES

OLYMPIAN FUND, INC.

A notice has been issued giving interested persons until Sep. 4, 1974, to request a hearing on a proposal by the Commission to terminate on its own motion the registration under the Act of Olympain Fund, Inc. (Rel. IC-8452)

TRUST INDENTURE ACT RELEASES

ROCHESTER GAS AND ELECTRIC CORPORATION

An order has been issued under the Trust Indenture Act of 1939 on application of Rochester Gas and Electric Corporation exempting the Corporation from certain provisions of the Act to the extent percentages of bondholders are required to be increased in an indenture relating to first mortgage bonds in order to comply with the Act. (Rel. TI-365)

MISCELLANEOUS

HEARING ON MULTI BENEFIT REALTY FUND III APPLICATION

Multi Benefit Realty Fund III has made application for exemption under Section 12(h) of the Securities Exchange Act of 1934 from the provisions of Section 12(g) of the Act. Exempt. from Section 12(g) will have the effect of exempting Multi Benefit from Sections 13 and 14 of the Act and any officer, director or ten percent beneficial owner from Section 16 thereof.

The Commission has ordered that a hearing to determine whether the application should be granted or denied be held on September 16, 1974 at 10:00 a.m., at the offices of the Securities and Exchange Commission, Room 2416, 1100 L Street, Washington, D.C. Any person desiring to be heard is directed to file with the Secretary of the Commission his request as provided by Rule 9(c) of the Commission's Rules of Practice, setting forth any issues of fact or law which he desires to controvert and/or setting forth any additional issues which he feels should be considered. (Rel. 34-10956)

THE JOURNAL COMPANY

An order has been issued withdrawing the application of The Journal Company and The Journal Employees' Stock Trust for an exemption pursuant to Section 12(h) of the registration provisions of Section 12(g), and dismissing the proceedings thereunder. (Rel. 34-10944)

SECURITIES ACT REGISTRATIONS

REGISTRATIONS EFFECTIVE

Aug. 8: Central Mortgage Bancshares Inc., 2-49457; First Alabama Bancshares Inc., 2-51256, 2-51257; General Foods Corp., 2-51403; Indianapolis Power & Light Co., 2-51578.

REGISTRATIONS WITHDRAWN

Aug. 2: Aero Flex Corp., 2-46295.
Aug. 5: Telecom Equipment Corp., 2-50161.
Aug. 7: Houston Complex Inc., 2-49423.
Aug. 8: Copperola Corp., 2-46907.

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 (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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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.