

sec news digest

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U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

December 24, 1974

RULES AND RELATED MATTERS

DEC 27 1974

COMMISSION REQUESTS PUBLIC COMMENT
ON PROPOSED AMENDMENTS TO NYSE
RULE 394 (b)

LIBRARY.

The Commission announced that it was requesting public comment on proposed amendments to New York Stock Exchange Rule 394(b). All comments on the proposed amendments should be addressed to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, N.W., Washington, D.C. 20549. Comments should be received on or before January 20, 1975 and should refer to File No. S7-543. (Rel. 34-11151)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

ROBERT E. WICK BARRED

Robert E. Wick, formerly a broker-dealer in Oak Park, Illinois, has been barred from association with any broker-dealer, investment adviser, or investment company. The Commission's action was based on findings that Wick converted customers' funds to his own use, filed a false financial report with the Commission, violated the Commission's net capital rule, and kept deficient books and records.

Without admitting or denying the allegations against him, Wick consented to the order. (Rel. 34-11138)

COMMISSION ANNOUNCEMENTS

REPORT COORDINATING GROUP (ADVISORY)
MEETINGS ANNOUNCED

The Commission's Report Coordinating Group (Advisory), will hold a meeting on January 10, 1975 at the Securities and Exchange Commission, 500 North Capitol St., Room 858, Washington, D.C., and on January 17, 1975 at 55 Water St., Twenty-Third Floor, New York, N.Y. The meeting will commence at 10:00 a.m. local time. The January 10 meeting will be for the purpose of discussing the FOCUS Report of financial and operational information. The January 17 meeting will also be for the purpose of discussing the FOCUS Report and the development of simplified trading forms and 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 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 the FOCUS Report of financial and operational information. (Rel. Nos. 34-10612 and 10959)

Information concerning the meeting, including the procedures for submitting statements to the Group, may be obtained by contacting: Mr. Daniel J. Piliero II, Secretary, SEC Report Coordinating Group, Securities and Exchange Commission, Washington, D.C. 20549.

ADVISORY COMMITTEE ON THE IMPLEMENTATION
OF A CENTRAL MARKET SYSTEM MEETING
ANNOUNCED

The Securities and Exchange Commission Advisory Committee on the Implementation of a Central Market System will conduct open meetings on January 9 and 10, 1975 at 500 North Capitol St., Washington, D.C. 20549 in Room 776 beginning at 9:00 a.m. The summarized agenda for the meetings is as follows: (1) Review of written comments received in response to the Committee's Preliminary Statement (Rel. 34-11131, December 11, 1974). (2) Review of statements presented before hearings of the SEC regarding its proposed Rules 19b-3 and 10b-22 under the Securities Exchange Act of 1934. (3) Oral presentations in response to the Committee's Preliminary Statement by those members of the public having previously requested in writing to the Executive Secretary of the Committee the opportunity to make such presentations. (4) Discussion of plans for future meetings.

Further information may be obtained by writing: Andrew P. Steffan, Executive Secretary of the Committee, and Director, Office of Policy Planning, United States Securities and Exchange Commission, Washington, D.C. 20549.

COURT ENFORCEMENT ACTIONS

WESTHEIMER, FINE, BERGER AND COMPANY,
OTHERS, ENJOINED, FIRM CONSENTS TO RULE 2(e)
ORDER

The Honorable Milton Pollack, Judge, U.S. District Court for the Southern District of New York entered decrees of permanent injunction against C. J. Skelton, Ronald Rex Beasley, Robert P. Brady, Samuel Smoot, Theodore P. Beasley, Thomas G. Nash, Jr., and Westheimer, Fine, Berger and Company. The defendants consented to the entry of the injunction without admitting or denying the Commission's allegations in its complaint that Republic National Life Insurance Company, Realty Equities Corporation of New York, two accounting firms and eleven individuals participated in a long-continuing fraud in which Republic pumped huge amounts of cash into Realty to keep it solvent and to enable Realty to pay Republic on its numerous obligations owing to Republic. Previously, Realty, Republic and two individuals associated with Realty have been enjoined from further violations of the securities laws.

Westheimer, Fine, Berger and Company has been enjoined from further violations of the antifraud and reporting provisions of the Exchange Act. Westheimer has also consented to an order pursuant to Rule 2(e) of the Commission's Rules of Practice which provides for the appointment of a special consultant to review and report upon 15% of Westheimer's audits of public companies. Pursuant to terms of the 2(e) order, Westheimer is also censured.

Theodore P. Beasley, formerly Republic's Chief Executive Officer, and Thomas G. Nash, Jr., formerly Republic's President and General Counsel, were enjoined from further violations of the antifraud and reporting provisions of the Exchange Act.

Defendants Skelton, R. Beasley, Brady and Smoot were formerly directors of Republic and members of Republic's Finance and Investment Committee. Each is enjoined from filing annual and other periodic reports of Republic with the Commission which are not complete and accurate in all material respects. Each is prohibited from participation in Republic's investment decisions. (LR-6652)

INVESTMENT COMPANY ACT RELEASES

NATIONWIDE LIFE INSURANCE COMPANY AND
NATIONWIDE DC VARIABLE ACCOUNT

An order has been issued on an application of Nationwide Life Insurance Company and Nationwide DC Variable Account, a unit investment trust, under certain sections of the Act approving certain offers of exchange and granting certain exemptions. (Rel. IC-8622 - Dec. 23)

HOLDING COMPANY ACT RELEASES

PENNSYLVANIA ELECTRIC COMPANY

An order has been issued authorizing General Public Utilities Corporation, and its subsidiary, Pennsylvania Electric Company (Penelec), to enter into a loan agreement with the Small Business Administration, and for Penelec to issue a first mortgage bond as security for the loan. (Rel. 35-18724 - Dec. 23)

YANKEE ATOMIC ELECTRIC COMPANY

An order has been issued authorizing Yankee Atomic Electric Company (Yankee Atomic), subsidiary of New England Electric System and Northeast Utilities, to issue and sell short-term promissory notes to a bank and to a dealer in commercial paper. (Rel. 35-18725 - Dec. 23)

OHIO EDISON COMPANY

An order has been issued authorizing Ohio Edison Company (Ohio Edison), and Pennsylvania Power Company (Pennsylvania), its subsidiary, for Pennsylvania to issue and sell 200,000 shares of its authorized but unissued common stock to Ohio Edison. (Rel. 35-18726 - Dec. 23)

LOUISIANA POWER & LIGHT COMPANY

An order has been issued authorizing Louisiana Power & Light Company, subsidiary of Middle South Utilities, Inc., to issue and sell notes to banks and commercial paper to a dealer therein in an aggregate principal amount not exceeding \$70 million outstanding at any one time. (Rel. 35-18728 - Dec. 23)

DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until January 5, 1975 to request a hearing on an application of The Boston Stock Exchange for unlisted trading privileges in the common stocks of the following companies: Auto-Train Corporation; Capital Holding Corporation; Hammermill Paper Company; Quaker Oats Company; The Southern New England Telephone Co.; USLIFE Corporation; Vetco Offshore Industries, Inc.; Moore & McCormack Resources, Inc. (Rel. 34-11152)

SECURITIES ACT REGISTRATIONS

(S-14) WITCO CHEMICAL CORPORATION

277 Park Avenue, New York, N.Y. 10017 - 150,195 shares of common stock, to be offered to the stockholders of The Waverly Oil Works Company of Newark, Ohio under a proposed merger of that corporation with and into a wholly-owned subsidiary of Witco Chemical Corporation, at a rate of 1.61 Witco share for each outstanding Waverly share. Witco manufactures and sells a wide range of specialty chemical and specialty petroleum products for both industrial and consumer use. (File 2-52545 - Dec. 19)

(S-14) MCCULLOCH OIL CORPORATION

10880 Wilshire Blvd., Los Angeles, Cal. 90024 - 6,200,000 shares of common stock, to be offered in exchange for the outstanding common stock of Jon-T.Chemicals, Inc. (Chemicals), Brownfield, Texas, at the rate of 24-8/10 McCulloch shares for each outstanding share of Chemicals. However, the stockholders of Chemicals will be required to deposit one-half of the shares of McCulloch received by them into an escrow until June 30, 1976, when--depending upon the "consolidated earnings before federal income taxes," as defined, accumulated by Chemicals during the two years ending December 31, 1975--the shares held in escrow will be distributed to the stockholders of Chemicals, to McCulloch, or in part to both. McCulloch is primarily engaged in oil and gas exploration and production and in land development. (File 2-52534 - Dec. 17)

(S-1) HANOVER PETROLEUM CORPORATION

5 Hanover Sq., New York, N.Y. 10004 - \$14 million of units representing limited partners' capital contributions in 1975 Hanover Drilling Program at \$5,000 per unit. Hanover Planning Company, Inc., 5 Hanover Sq., New York, N.Y. 10004, a wholly-owned subsidiary of Hanover Petroleum Corporation, will be the principal underwriter. The partnerships are proposed to be formed for the purpose of exploring for oil and gas. (File 2-52537 - Dec. 18)

(S-1) COTTON PETROLEUM CORPORATION

1975 Oil and Gas Program, Suite 600, Parkland Plaza Bldg., 2121 South Columbia, Tulsa, Okla. 74114 - \$8 million of partnership interests, to be offered for sale in amounts of \$10,000 or greater multiples of \$5,000 through White, Weld & Co. Incorporated and other selected NASD members. The Partnership will engage in oil and gas drilling, development and production operations. (File 2-52538 - Dec. 18)

(S-14) NORTHWEST ENERGY COMPANY
(ENERGY)

315 East 200 South, Salt Lake City, Utah 84111 - 2,792,935 shares of common stock and 2,773,397 voting trust participation certificates therefor, to be issued in connection with the proposed restructuring of Northwest Pipeline Corporation (Pipeline) to be effected by a merger of NPC, Inc., a wholly-owned subsidiary of Energy, into Pipeline, in which the outstanding common stock of Pipeline will be converted into common stock of Energy. Subsequent to the merger, Energy will own all the outstanding common stock of Pipeline. Pipeline owns and operates a pipeline system for the transmission of natural gas. (File 2-52499 - Dec. 12)

In a separate statement the company seeks registration of 2,792,935 shares of common stock and 2,733,397 voting trust participation certificates therefor. These securities are being registered for the purpose of allowing holders of the voting trust certificates, until the close of business on February 7, 1979, to exchange such certificates for the underlying shares of common stock of the company, which are held in a voting trust. (File 2-52500 - Dec. 12)

REGISTRATIONS EFFECTIVE

Dec. 23: Allied Chemical Corp., 2-52200; Central Telephone & Utilities Corp., 2-52451; Distiller's Corporation Seagrams Ltd., 2-52548; Transway International Corp., 2-51987.

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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