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RULES AND RELATED MATTERS

U.S. SECURITIES AND EXCHANGE COMMISSION

PROPOSED AMENDMENTS TO RULE 15c3-1

The SEC proposed amendments to Rule 15c3-1, which would incorporate into the uniform net capital rule specific treatment of trading strategies known as straddles. The proposed amendments arise in the context of the commencement of trading in listed put options on certain national securities exchanges. All comments on the proposals should be submitted on or before August 1. (Rel. 34-13622)

ADOPTION OF AMENDMENTS TO RULE 15c3-1

The SEC announced the adoption, in modified form, of certain previously proposed amendments to the Commission's uniform net capital rule, effective August 1. These amendments effect several technical adjustments to provisions of the uniform net capital rule prescribing financial responsibility standards for non-clearing specialists or market makers in listed options and construct an optional financial responsibility standard available to certain self-clearing specialists or market makers in listed options. (Rel. 34-13623)

ORDERS FOR PUBLIC PROCEEDINGS

STRATEGIC MANAGEMENT, INC., OTHERS

Public administrative proceedings under the Securities Exchange Act of 1934, the Investment Advisers Act of 1940 and the Investment Company Act of 1940 have been ordered against Strategic Management, Inc., Preferential Brokerage, Inc., and Dr. Leroy S. Brenna, all of Dallas, Texas, based on staff allegations of violations of the prohibited transactions section and other sections of the Investment Company Act of 1940 and the antifraud provisions of the securities laws. A hearing will be scheduled by further order on the charges against the respondents. (Rel. 34-13633)

MICHAEL J. KRATZE, OTHERS

Public Administrative proceedings have been instituted under Section 15(b) and 19(h) of the Securities Exchange Act of 1934 against Michael J. Kratze, William B. Hitchcock, III, Marshall Ramsey Horton, Jr., and David Watkins, all of Dallas, Texas. The proceedings are based on allegations of violations of the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. Kratze, Hitchcock and Horton were formerly associated with Bache, Halsey, Stuart, Inc., a registered broker-dealer. The respondents were also general partners of Listo Partnership, a dealer in government securities. A hearing will be scheduled by further order in the charges against the respondents. (Rel. 34-13634)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES SHAUGHNESSY & CO., INC. AND LAWRENCE SHAUGHNESSY, SR.

The Chicago Regional Office announced the filing of a complaint in Federal District Court, in St. Paul, Minnesota, on May 26 seeking a temporary restraining order and preliminary and permanent injunctions against Shaughnessy & Co., Inc. (Registrant), a broker-dealer registered with the Commission, and Lawrence Shaughnessy, Sr. (Shaughnessy), of St. Paul, Minnesota, president and treasurer of Registrant. The complaint charges Registrant and Shaughnessy with violating the net capital rules of the securities laws. The complaint also alleges that Registrant and Shaughnessy failed to give telegraphic notice of Registrant's financial condition and that Registrant had failed to file with the Commission an annual report of its financial condition. (SEC v. Shaughnessy & Co., Inc., et al., D. Minn., Civil Action No. 3-77-243). (LR-7972)

JOHN D. SLAWTER, LEROY SOMMER PLEAD GUILTY

The Chicago Regional Office announced that on April 26 John D. Slawter, a resident of Columbus, Ohio and Leroy Sommer, a resident of Hidden Hills, California, appeared before U.S. District Judge Thomas Johnson in Los Angeles, California, and each pled guilty to violation of Section 25540 of the California Corporate Code in one count (sale of an interest in an oil and gas lease without securing a qualification of such security and transaction).

Judge Johnson then sentenced the defendants as follows: Proceedings were suspended, and they were placed on probation for a period of seven years. Each defendant was ordered to make restitution through the Probation Office in one-half the amount claimed lost in the indictment. The claimed loss in the indictment was \$96,000 and one-half that amount will be \$48,000.

On the 1st day of November, 1974, John D. Slawter had consented to a decree of injunction issued by the USDC, S.D. Ohio, prohibiting further violations of the registration and antifraud provisions of the securities laws without admitting or denying the allegations of the complaint filed by the Commission. (State of California v. John D. Slawter and Leroy Sommer). (LR-7973)

INVESTMENT COMPANY ACT RELEASES

SCUDDER, STEVENS & CLARK COMMON STOCK FUND

An order has been issued on an application of Scudder, Stevens & Clark Common Stock Fund, Inc. (the Fund) and Scudder, Stevens & Clark, the Fund's investment adviser (collectively Applicants), pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder to permit Applicants to join in the sharing of certain expenses in connection with the proposed acquisition by the Fund of substantially all of the assets of Fund for Mutual Depositors, Inc., a registered open-end diversified management company. (Rel. IC-9815 - June 14)

KEYSTONE CUSTODIAN FUNDS

An order has been issued pursuant to Section 17(b) of the Act exempting the proposed combination of Keystone Custodian Fund, Series S-1 and Keystone Custodian Fund, Series S-2 from the provisions of Section 17(a) of the Act. (Rel. IC-9816 - June 14)

HOLDING COMPANY ACT RELEASES

THE CONNECTICUT LIGHT AND POWER COMPANY

An order has been issued authorizing The Connecticut Light and Power Company and The Hartford Electric Light Company, both subsidiaries of Northeast Utilities, to issue notes to the Connecticut Development Authority (Authority) in amounts not to exceed \$11,870,000 and \$4,130,000 respectively, pursuant to the terms of a loan agreement, for the purpose of financing pollution control facilities. The Authority will issue and sell the Authority's Pollution Control Revenue Bonds in a amount not to exceed \$16 million and advance the proceeds therefrom to the companies as funds for construction of the facilities. (Rel. 35-20072 - June 15)

LOUISIANA POWER & LIGHT COMPANY

An order has been issued authorizing Louisiana Power & Light Company, subsidiary of Middle South Utilities, Inc., to enter into transactions related to the financing of pollution control facilities and industrial development facilities. (Rel. 35-20073 - June 15)

MIDDLE SOUTH UTILITIES

An order has been issued authorizing a proposal of Middle South Utilities, Inc., a registered holding company, to issue and sell short-term bank notes up to \$218.5 million outstanding at any one time. (Rel. 35-20074 - June 15)

ARKANSAS POWER & LIGHT COMPANY

An order has been issued authorizing a proposal of Arkansas Power & Light Company, subsidiary of Middle South Utilities, Inc., to issue and sell \$11 million of first mortgage bonds at competitive bidding. (Rel. 35-20075 - June 15)

An order has also been issued approving a proposal of Arkansas Power & Light Company, whereby Arkansas Power & Light will sell a 35% undivided interest in its White Bluff electric generating facility, which is currently under construction, to the Arkansas Electric Cooperative Corporation for approximately \$59 million. Arkansas will use the proceeds of the sale to repay, in part, short-term indebtedness incurred to finance its construction program. (Rel. 35-20076 - June 15)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Chicago Board Options Exchange, Inc. (CBOE) has filed a proposed rule change under Rule 19b-4 (SR-CBOE-77-12) to establish an application fee of \$250 for each limited partner processed as part of a partnership which applied to become a Member Organization of the CBOE. Publication of the proposal is expected to be made in the Federal Register during the week of June 13. (Rel. 34-13628)

NOTICE OF EFFECTIVENESS OF A RULE CHANGE

A rule change filed by the Midwest Securities Trust Company pursuant to Rule 19b-4 (SR-MSTC-77-7) has become effective in accordance with Section 19(b)(3) of the Securities Exchange Act of 1934. The rule change clarifies requirements for good delivery of securities. Publication of the proposal is expected to be made in the Federal Register during the week of June 13. (Rel. 34-13621)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the New York Stock Exchange, Inc. under Rule 19b-4 (SR-NYSE-77-15) to permit the share denomination on single denomination stock certificates to be inscribed by maceration. (Rel. 34-13629)

SECURITIES ACT REGISTRATIONS

(S-6) THE CORPORATE INCOME FUND, FIFTY-SIXTH MONTHLY PAYMENT SERIES

\$20 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 125 High St., Boston, Mass. 02110. The Fund, a unit investment trust, was created by a trust indenture among Merrill Lynch, Bache Halsey Stuart Inc. and Reynolds Securities Inc., as sponsors, The Bank of New York and Shawmut Bank of Boston, N.A., as trustees, and Interactive Data Services, Inc., as evaluator. The Fund's primary objective is providing a high level of current income through investment in a fixed portfolio of long-term debt obligations, issued primarily by corporations and in units of previously-issued series of The Corporate Income Fund. (File 2-59251 - June 10)

(S-1) GEOSOURCE INC.

2700 South Post Oak Rd., Houston, Tex. 77056 - 750,000 shares of common stock, to be offered and sold to holders of options granted or to be granted pursuant to the Stock Option Plan of Geosource Inc. Geosource Inc. is engaged principally in providing products and services for the discovery, development, processing and distribution of oil and gas. (File 2-59255 - June 10)

(S-7) BANCORPORATION OF MONTANA

324 Central Ave., Great Falls, Montana 59401 - 55,000 shares of common stock, to be offered for sale through Dain, Kalman & Quail, Dain Tower, Minneapolis, Minn. 55402. Bancorporation of Montana is a multi-bank holding company. (File 2-59256 - June 10)

(S-1) SAMBO'S RESTAURANTS, INC.

3760 State St., Santa Barbara, Cal. 93105 - interests in joint ventures to be formed by Sambo's Restaurants, Inc. as follows: Up to 4,000 1% Joint Venture Interests in Individual Restaurant Joint Ventures 1977 - 1978 - 1 through 200 (200 Proposed Joint Ventures) at \$1,000 per 1% Joint Venture Interest; up to 1,524 Investment Units in Sambo's Master Rotation Groups - I through - VI (6 proposed Joint Ventures) at \$5,000 per unit; up to 906 Investment Units in Sambo's Restaurant Group - 1977 - 1978 at \$5,000 per unit. Units and 1% Joint Venture Interests are to be offered for sale by and through Sambo's Restaurants, Inc. from time to time through June 30, 1978 to certain of its employees. 1% Joint Venture Interests represent interests in individual restaurants in the Sambo's chain; Investment Units represent interests in joint venture which will

acquire interests in several different restaurants in the Sambo's chain and, in the case of Master Rotation Groups, certain parcels of related real property. (File 2-59258 - June 13)

(S-14) BEATRICE FOODS CO.

120 South LaSalle St., Chicago, Ill. 60603 - a maximum of 4,335,866 shares of common stock, which is to be issued or delivered in connection with the acquisition of Harman International Industries, Inc. by Beatrice at an exchange rate of from 1.59090 to 1.42857 Beatrice shares for each share of Harman common stock. Beatrice is engaged in the production, processing and distribution of food products, and is also engaged in the production of manufactured and chemical products. (File 2-59261 - June 13)

(S-7) ALLEGHENY POWER SYSTEM, INC.

320 Park Ave., New York, N.Y. 10022 - 800,000 shares of common stock, to be offered to shareholders pursuant to a Dividend Reinvestment and Stock Purchase Plan. Allegheny is a registered public utility holding company whose principal subsidiaries are engaged in the generation, transmission, and distribution of electric energy. (File 2-59262 - June 13)

(S-7) KANSAS CITY POWER & LIGHT COMPANY

1330 Baltimore Ave., Kansas City, Mo. 64141 - 800,000 shares of cumulative no par preferred stock, to be offered for sale through underwriters represented by E.F. Hutton & Company Inc. and Merrill Lynch, Pierce, Fenner & Smith Inc. The company is a public utility engaged in the generation, transmission, distribution and sale of electric energy. (File 2-59263 - June 14)

(S-1) MGF OIL CORPORATION

7th Floor, Vaughn Bldg., Midland, Tex. 79701 - \$6 million of convertible subordinated debentures, due 1992, to be offered for sale through underwriters managed by Bateman Eichler, Hill Richards Inc. MGF Oil Corporation is engaged in oil and gas exploration, development and production in Texas, New Mexico and Oklahoma through public drilling funds organized as limited partnerships in which it acts as general partner. The company also engages in contract drilling of oil and gas wells for non-affiliated third parties as well as for its affiliated limited partnerships. (File 2-59266 - June 14)

REGISTRATIONS EFFECTIVE

June 10: Blessings Corp., 2-58988; Butler International Inc., 2-59098; Chieftain Development Co., Ltd., 2-58375; Duke Power Co., 2-59024; E Systems, Inc., 2-58969; First National Boston Corp., 2-58684; Kansas-Nebraska Natural Gas Co. Inc., 2-59055; The Risdon Manufacturing Co., 2-58876; South Carolina Insurance Co., 2-59086; Tenneco Inc., 2-58300.

NOTE TO DEALERS. When applicable the 90-day period of time dealers are required to use the prospectus is noted above in parentheses after the name of the issuer. As to the other issuers, there may be no such requirement to use a prospectus, or the requirement may be for a period of only 40 days; see Section 4(3) of the Securities Act of 1933 and Rule 174 (17 CFR 230.174) thereunder.

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.

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