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RULES AND RELATED MATTERS

U.S. SECURITIES AND EXCHANGE COMMISSION

DISCLOSURE RELATING TO OIL AND GAS RESERVES

The SEC adopted amendments to Forms S-1 and S-7 under the Securities Act and amendments to Forms 10 and 10-K under the Exchange Act to require disclosure relating to oil and gas reserves and to provide definitions and classifications of the term "reserves." The Commission also adopted an amendment to Guide 2 under the Exchange Act to make it applicable to reserves disclosed in Form 10-K. Finally, Guide 2 under the Exchange Act and Guide 28 under the Securities Act were amended to clarify the existing requirements relating to market prices of oil and gas. (Rel. 33-5707)

AMENDMENT TO THE CONSOLIDATED TAPE PLAN DECLARED EFFECTIVE

The SEC announced that it has sent to the sponsors of the joint industry plan filed pursuant to Rule 17a-15 under the Securities Exchange Act of 1934 (the Act), and declared effective as of May 17, 1974, a letter declaring an amendment to the plan effective as of May 12, 1976. The amendment describes the rules developed by the National Association of Securities Dealers, Inc., as modified on December 15, 1975, to govern the reporting of transactions in eligible securities effected over-the-counter by its members for inclusion in Network A of the consolidated transaction reporting system, as modified on December 15, 1975. (Rel. 34-12433)

AMENDMENT OF RULE 23(b) OF THE COMMISSION'S RULES OF PRACTICE

The Commission has amended Rule 23(b) of its Rules of Practice regarding service of pleadings other than moving papers. This amendment deletes from Rule 23(b) the provision requiring service of pleadings to be made by airmail on persons located more than 500 miles from the point of mailing. (Rel. 33-5705)

NOTICE OF WITHDRAWAL OF PROPOSED RULE 15c3-5

The Commission announced the withdrawal of proposed Rule 15c3-5 under the Securities Exchange Act of 1934. The rule, as set forth in Securities Exchange Act Release No. 11158 (December 31, 1974), would have established for brokers and dealers certain standards of financial responsibility for execution of transactions in gold and requirements for the custody and safekeeping of gold held for customers. (Rel. 34-12438)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

HOWARD J. BLEZNAK SANCTIONED

The Commission has suspended Howard J. Bleznak, Wyncote, Pennsylvania, from association with any broker or dealer for a period of fifteen calendar days. The sanction was based on findings that Bleznak wilfully aided and abetted violations of the anti-fraud provisions of the securities laws by Melvyn B. Mason, a former Bache vice-president. The Commission's action was taken pursuant to an offer of settlement in which Bleznak, without admitting or denying the allegations in the order for proceedings, consented to the findings and sanctions. (Rel. 34-12404)

STEARNS & CO., INC., AND ARTHUR J. PETRIE SANCTIONED

The Commission has suspended the broker-dealer registration of Stearns & Co., Inc., St. Louis Park, Minnesota, for a period of six months and has suspended Arthur J. Petrie, Mankato, Minnesota, from association with a broker-dealer, investment adviser

or investment company for a period of 45 days. Thereafter, Petrie is barred from being associated with a broker-dealer, investment adviser, or investment company in a supervisory or proprietary capacity, except that after 18 months he may apply to the Commission to become associated in a supervisory or proprietary capacity. Stearns & Co., Inc., has agreed to withdraw its broker-dealer registration on the termination of its suspension. The sanctions are to commence at the opening of business on the second Monday after the date of the Commission's order.

The sanctions are based on findings that Stearns & Co., Inc., aided and abetted by Petrie, wilfully violated the antifraud provisions of the securities laws and laws and rules relating to financial responsibility, bookkeeping and reporting. Without admitting or denying the charges alleged in the order for proceedings, Stearns & Co., Inc., and Petrie consented to the findings and sanctions. (Rel. 34-12405)

COMMISSION ANNOUNCEMENTS

DELEGATION OF AUTHORITY TO THE DIRECTOR OF THE DIVISION OF MARKET REGULATION

The Commission has announced the amendment of Section 200.30-3 of the Commission's Statement of Organization; Conduct and Ethics; and Information and Requests by adding new paragraph (a) (21) to Chapter II of Title 17 of the Code of Federal Regulations. The amendment delegates to the Director of the Division of Market Regulation authority to make findings, pursuant to paragraphs (g) of Rules 8c-1 and 15c2-1 under the Securities Exchange Act of 1934, that the agreements, safeguards, and provisions of registered clearing agencies are or continue to be adequate for the protection of investors. (Rel. 34-12429)

TRADING SUSPENSIONS

TRADING SUSPENDED IN SEVENTEEN COMPANIES

The SEC has announced the temporary suspension of exchange and over-the-counter trading for a ten-day period beginning on May 12 and terminating at midnight (EDT) on May 21, 1976 of all securities of the following companies which have failed to file with the Commission at least one recent Form 10-K annual report: American Kitchen Foods, Inc., Presque Isle, Maine; American Marine, Ltd., Newport Beach, California; Associated Food Stores, Inc., Jamaica, New York; Capital Facilities Corp., Dayton, Ohio; Computer Interactions, Inc., Roslyn Heights, New York; Diversitron, Inc., Rockville, Maryland; Encoder Research and Development Corp., Huntington Station, New York; Interconnect Resources Corp., New York City, New York; Julyyn Sportswear, Inc., New York City, New York; Larson Industries, Inc., Minneapolis, Minnesota; Marks Polarized Corp., Whitestone, New York; Micron Corp., Englewood, Colorado; Panelfab International Corp., Miami, Florida; Petrominerals Corp., Long Beach, California; Record Retrieval and Retention Co., Valley Stream, New York; Southern Scottish Inns, New Orleans, Louisiana; Sovereign Industries, Inc., Atlanta, Georgia. (Rel. 34-12436)

ADDITIONAL ACTION ON TWO TRADING SUSPENSIONS

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Presley Companies and Continental Vending Machine Corp. for the further ten-day period May 14 - 23, inclusive.

COURT ENFORCEMENT ACTIONS

EMERSONS, LTD., JOHN P. RADNAY AND ELI LEVI ENJOINED

The Commission announced that on May 11 the U.S. District Court for the District of Columbia issued judgments of permanent injunction enjoining Emersons, Ltd., John P. Radnay and Eli Levi from violations of the antifraud, proxy and filing provisions of the securities laws. The defendants also consented to certain ancillary relief ordered by the Court including the appointment of additional directors to Emersons Board of Directors, the appointment of a Special Counsel to investigate the allegations of the Commission's complaint and to report on the results of his investigation and recommendations, the appointment of a Special Committee with certain prescribed responsibilities, the placing of Radnay's stock in an independent voting trust and an accounting by Radnay and Levi of funds and assets of Emersons misused by them. In addition, Radnay and Levi agreed to restrictions on their ability to practice before the Commission. The defendants consented to the entry of the judgments of permanent injunction

without admitting or denying the allegations of the Commission's complaint. The complaint contained allegations concerning the receipt by Radnay and Emersons of substantial sums of money from suppliers for the purpose of inducing Emersons to purchase products of such suppliers, the misuse of corporate funds by Radnay and Levi and others the preparation of false financial statements by Emersons, false testimony by Radnay and the procurement of false affidavits by Radnay and Levi to support such testimony, the filing of a false registration statement and the use of false proxy soliciting materials by Emersons. (SEC v. Emersons, Ltd., John P. Radnay and Eli Levi, Civil Action No. 76-0808). (LR-7392)

INVESTMENT COMPANY ACT RELEASES

NELSON FUND

An order has been issued declaring that Nelson Fund, Inc., has ceased to be an investment company. (Rel. IC-9286 - May 12)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY

An order has been issued approving a proposal of Consolidated Natural Gas Company, and two of its wholly-owned subsidiaries, CNG Development Company, Ltd., and CNG Producing Company, whereby the companies request an extension, for the years 1976 and 1977, of the Commission's authorization to allocate the group's consolidated income tax liabilities in a manner differing in certain respects from that which is prescribed in Rule 45(b)(6). (Rel. 35-19523 - May 12)

THE POTOMAC EDISON COMPANY

A notice has been issued giving interested persons until June 4 to request a hearing on proposals of The Potomac Edison Company, subsidiary of Allegheny Power System, Inc., to issue and sell separately at competitive bidding up to 150,000 shares of its cumulative preferred stock (\$100 par), and up to \$25 million of its first mortgage bonds. (Rel. 35-19524 - May 12)

MISCELLANEOUS

UNITED AIR LINES, INC.

A notice has been issued giving interested persons until June 4 to request a hearing on an application of United Air Lines, Inc. (Applicant), a wholly-owned subsidiary of UAL, Inc. (UAL), pursuant to Section 12(h) of the Securities Exchange Act of 1934 (1934 Act) for an order exempting Applicant from the reporting requirements of Section 13 of the 1934 Act. Applicant's 5% subordinated debentures, due 1991, and 4-1/4% subordinated debentures, due 1992, (debentures) are listed on the New York Stock Exchange, where there has been limited trading activity. UAL is primarily liable for the obligations of the debentures and none of the securities of Applicant (other than the debentures) are held by any person other than UAL. (Rel. 34-12444)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by The Depository Trust Company. The rule change (SR-DTC-76-1) amends procedures relating to Depository Trust Company's Institutional Delivery System to permit participants who have been excepting entire deliveries because of segregation requirements to limit the exception to only that portion of a position actually required for segregation and attempt delivery based upon any position not so segregated. (Rel. 34-12431)

The Commission has approved proposed rule changes (SR-1; SR-NASD-75-8) filed by the National Association of Securities Dealers, Inc. The rule changes govern (1) the reporting of transactions in eligible securities in the consolidated transactions reporting system contemplated by Rule 17a-15 under the Securities Exchange Act of 1934, and (2) antimanipulative rules relating to over-the-counter transactions in such securities. (Rel. 34-12432)

SECURITIES ACT REGISTRATIONS

(S-16) TAYLOR RENTAL CORPORATION

510 Cottage St., Springfield, Mass. 01101 - 35,000 shares of common stock, to be offered for sale by certain selling stockholders at prices to be determined through negotiations with Alex. Brown & Sons, as underwriter, 135 East Baltimore St., Baltimore, Md. 21202. The company supplies and services licensed Taylor Rental Centers and also wholesales hardware merchandise and plumbing supplies. (File 2-56122 - Apr. 22)

(S-16) THE BLACK AND DECKER MANUFACTURING COMPANY

701 East Joppa Rd., Towson, Md. 21204 - 738,496 shares of common stock, which may be offered for sale from time to time by the selling stockholders at prices current at the time of sale. The company is a power tool manufacturer. (File 2-56128 - Apr. 23)

(S-1) UT CREDIT CORPORATION

United Technologies Bldg., Hartford, Conn. 06101 - \$50 million of notes, due 1986, to be offered for sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N.Y. 10004. The company is a wholly-owned subsidiary of United Technologies Corporation and is engaged in leasing, and financing commercial sales of, products manufactured by United Technologies Corporation. (File 2-56307 - May 10)

(S-14) WESTERN UNION CORPORATION

One Lake St., Upper Saddle River, N.J. 07458 - a maximum of 1,125,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common shares of Telstat Systems, Inc. on a share for share basis subject to adjustment based upon the price of Western Union common stock. Western Union, through subsidiaries, provides tariffed telecommunication, and, regulated and non-regulated, information services. Telstat is a computer service organization. (File 2-56310 - May 10)

(S-7) FORD MOTOR CREDIT COMPANY

The American Rd., Dearborn, Mich. 48121 - \$125 million aggregate principal amount of notes, due 1986, and \$125 million aggregate principal amount of debentures, due 2001, which will be offered for sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N.Y. 10004. The primary business of the company is providing wholesale financing to and purchasing retail installment sales paper from franchised Ford vehicle dealers. (File 2-56312 - May 11)

(S-7) STARRETT HOUSING CORPORATION

909 Third Avenue, New York, N.Y. 10022 - \$15 million of convertible subordinated debentures, to be offered for sale through an underwriting syndicate managed by Moseley, Hallgarten & Estabrook, Inc., One New York Plaza, New York, N.Y. 10015. Starrett is engaged primarily in developing and building high-rise residential housing and in housing rehabilitation, and in addition constructs other types of buildings. (File 2-56316 - May 11)

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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