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March 17, 1975

COMMISSIONER SPEAKS

LIBRARY

TO CREATE A FAIR FIELD OF COMPETITION

On March 14, 1975, Commissioner Evans addressed the Midwest Stock Exchange regarding recent market structure developments and the role that competition may play in this area. In developing the theme, "to create a fair field of competition," the Commissioner noted past expressions of both Congressional and Commission policy that securities markets ought to evolve according to their "natural genius" in a "fair field of competition."

In this context, Commissioner Evans discussed the recent Commission actions with respect to competitive commission rates and the availability of exchange quotations to any vendor for dissemination to any person. In each instance, particularly with respect to the contrasting approaches to a composite quote system under proposed Rule 17a-14 or under Section 19(b) of the Exchange Act, the Commissioner expressed a preference for removing barriers to competition and allowing competitive forces to operate rather than prescribing a specific result through regulation.

The Commissioner also discussed industry and legislative proposals which could, among other things, result in consolidation or centralization of the regulatory and governing authority for securities markets in a National Market System Board. In this regard, Commissioner Evans stated that it may be advisable to step back and reconsider the philosophical and practical thrust of such proposals, particularly with respect to their long-term effect upon the structure and functions of the securities markets. Furthermore, the Commissioner pointed out that the pluristic nature of the present market centers, competing with each other, may provide more incentives and better resources for innovation, creativity, and thus better securities markets. While not supporting a simple physiocrat "laissez faire" policy, the Commissioner observed that competition will allow markets to develop according to their natural genius and that these forces should determine the viability and strength of market centers to exist as economic units.

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

SHASKAN & CO., INC., FORMER OFFICER, AND SALESMAN OF ANOTHER FIRM SANCTIONED

The Commission has revoked the broker-dealer registration of Shaskan & Co., Inc., of New York, and suspended Sidney R. Buchman, former vice-president, and Sanford Trontz, of Ramsey, New York, who was a salesman for the former New York broker-dealer firm of Cohen Goren Equities, Inc., from association with any broker-dealer, investment adviser or investment company for six months effective March 24. Buchman and Trontz are barred from any such association thereafter except as a supervised employee in a non-supervisory capacity.

The sanctions were based on findings that, during the period from about May 1972 to February 1973, respondents violated antifraud and antimanipulative provisions of the securities acts in a registered public offering of the stock of Logos Development Corporation and trading in the stock thereafter. Cohen Goren was underwriter for an offering of 125,000 shares of Logos stock at \$10 per share under a registration statement effective May 24, 1972. Trontz withheld shares from public sale and placed them in nominee accounts, later selling the shares in the after-market for a substantial profit at artificially inflated prices. He also induced customers to purchase stock in the offering by representing that Logos was a "hot issue" and would open at a premium far in excess of the public offering price, and required customers to purchase stock in the after-market in order to obtain shares of the offering. In addition, Trontz arranged for customers of Cohen Goren to purchase Logos stock in the after-market from other broker-dealers in order to create the false appearance of widespread demand.

Shaskan and Buchman participated in a manipulation of the after-market for Logos stock which kept the stock at artificially inflated price levels. They entered into an arrangement with Cohen Goren under which Shaskan entered quotations for the stock both in the "pink sheets" published by the National Quotation Bureau and with NASDAQ in return for certain guarantees, thereby creating the illusion of an active independent market for the stock. And Shaskan quoted Logos stock at artificially inflated prices and purchased and sold the stock at such levels.

It was also found that, during the period April through June 1973, Shaskan improperly hypothecated customers' securities, and failed to comply with reporting and customer protection requirements.

The Commission's order was based on offers of settlement in which respondents, without admitting or denying the charges against them, consented to the above findings and the indicated sanctions. (Rel. 34-11284)

**PROCEEDINGS AGAINST SMITH BROS. & CO. DISMISSED,
REGISTRATION CANCELLED**

Proceedings under the Securities Exchange Act against Smith Bros. & Co., of Chicago, have been dismissed, and its broker-dealer registration has been cancelled. The Commission's order noted that William T. Phelan, a former partner in the firm who has been barred from the securities business (Rel. No. 34-10890), was solely responsible for the violations on which the proceedings were based. Moreover, the firm, a partnership, has been dissolved and liquidated. All customers' claims have been satisfied. (Rel. 34-11285)

TRADING SUSPENSIONS

TRADING SUSPENDED IN KMS INDUSTRIES, INC.

Over-the-counter trading has been suspended in the securities of KMS Industries, Inc., a Delaware corporation located in Ann Arbor, Michigan, for a ten-day period beginning on March 14 and terminating at midnight (EDT) on March 23, 1975.

The suspension was initiated at the request of the company pending dissemination of the news announcement made by the company this morning that its founder and chairman, Keeve M. Siegel, had died of a heart attack this morning. (Rel. 34-11294)

COMMISSION ANNOUNCEMENTS

**REGULATION B EXEMPTION OF GREATER TEXAS OIL & GAS
CORPORATION TEMPORARILY SUSPENDED**

An order has been issued temporarily suspending the Regulation B exemption from registration under the Securities Act of 1933 with respect to the public offering by Greater Texas Oil & Gas Corporation (Greater Texas) of fractional undivided working interests in the Shelly No. 1 oil and gas lease. Greater Texas offered such interests under an offering sheet filed on August 26, 1974, and refiled on November 27, 1974. According to the order, the Commission has reason to believe that no exemption is available because: (1) Greater Texas offered interests in Shelly No. 1 prior to the effective date of the offering sheet; (2) in connection with oral solicitations by means of the telephone, Greater Texas utilized so-called "pitch sheets" containing information other than that permitted by Regulation B; and (3) the offering sheet failed to disclose accurately certain required material facts, including (a) that Barry Dvorin, the president, sole stockholder and control person of Greater Texas, had no prior experience whatsoever in the oil and gas industry; (b) that the lease cost for Shelly No. 1 was \$3,200 and not \$8,000 as set forth in the offering sheet; and (c) that Greater Texas was insolvent at least as early as the effective date of its refiled offering sheet. The order also states that the Commission has reason to believe that the utilization by Greater Texas of the "pitch sheets" and the offeror's failure to disclose certain material facts in the offering sheet violated the antifraud provisions of the securities laws. (Rel. 33-5576)

GULF & WESTERN INTERNATIONAL N.V.

An order has been issued granting the application of Gulf & Western International N.V., (Gulf & Western), a Netherlands Antilles corporation, under Section 12(h) of the Securities Exchange Act of 1934, as amended, for an exemption from the provisions of Section 13 of the Exchange Act.

It appears to the Commission that the requested exemption is not inconsistent with the public interest and the protection of investors in view of the fact that trading activity in Gulf & Western's 5% guaranteed sinking fund debentures, due 1988, (the debentures), the only class of securities issued by Gulf & Western which is registered under the 1934 Act, has been very limited since they were admitted to trading on the New York Stock Exchange in 1968; the debentures are guaranteed by and convertible into common stock of Gulf & Western Industries, Inc. (G&W); G&W is required to file reports under Section 13 of the 1934 Act; and Gulf & Western has undertaken to report on Form 8-K any event occurring which would affect the rights of the debentureholders. (Rel. 34-11276)

INVESTMENT COMPANY ACT RELEASES

PUTNAM CONVERTIBLE FUND

A notice has been issued giving interested persons until April 8 to request a hearing on an application of Putnam Convertible Fund, Inc., Putnam Equities Fund, Inc., The George Putnam Fund of Boston, The Putnam Growth Fund, The Putnam Income Fund, Inc., Putnam Investors Fund, Inc., Putnam Mariner Fund, Inc., Putnam Vista Fund, Inc. and Putnam Voyager Fund, Inc. (collectively the applicants), each registered under the Investment Company Act of 1940 as open-end diversified management investment companies, for an order declaring that Mr. Avery Rockefeller, Jr., a nominee for director of each of the applicants, shall not be deemed an "interested person" of the applicants or The Putnam Management Company, investment adviser to the applicants, or Putnam Fund Distributors, or Putnam Financial Services, principal underwriters of the applicants, within the meaning of certain provisions of the Act, by reason of his being a director of The Home Insurance Company, a wholly-owned subsidiary of which, Home Capital Services, Inc., is a registered broker-dealer under the Securities Exchange Act of 1934. (Rel. IC-8716-Mar. 13)

HOLDING COMPANY ACT RELEASES

NEW ENGLAND POWER COMPANY

An order has been issued authorizing New England Power Company, subsidiary of New England Electric System, to issue and sell up to \$80 million of first mortgage bonds at competitive bidding and denying request of intervenors for imposition of conditions and for hearing thereon. (Rel. 35-18863 - Mar. 13)

SECURITIES ACT REGISTRATIONS

(S-16) THE EL PASO COMPANY

2727 Allen Parkway, Houston, Tex. 77019 - 603,750 warrants to purchase common stock and 603,750 shares of common stock initially issuable upon the exercise of warrants, to be offered for sale at \$17.14 per share. The company is a holding company principally engaged through its subsidiaries in the ownership and operation of pipeline systems for the transmission and sale of natural gas and in petrochemicals, plastics, synthetic fibers, textiles, copper wire fabrication and oil and gas production. (File 2-52912 - Feb. 27)

(S-7) CHEMICAL NEW YORK CORPORATION

20 Pine St., New York, N.Y. 10005 - \$100 million of convertible subordinated debentures, due 2000, and an indeterminate number of shares of common stock issuable upon conversion of the debentures, to be offered for sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York, N.Y. 10005 and The First Boston Corporation, 20 Exchange Place, New York, N.Y. 10005. The company is a bank holding company. (File 2-52922 - Feb. 28)

(S-7) OKLAHOMA GAS AND ELECTRIC COMPANY

321 North Harvey Ave., Oklahoma City, Okla. 73101 - 500,000 shares of cumulative preferred stock (\$100 par), to be offered for sale by underwriters represented by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. The company is an electric public utility which furnishes retail electric service and electric energy at wholesale. (File 2-52997 - Mar. 11)

REGISTRATIONS EFFECTIVE

Mar. 13: Corporate Investment Trust Fund, Ninth Month Payment Series, 2-52905.
 Mar. 14: BTA Oil Producers 7503 JV-S Sun Prospect, 2-52665; Dial Financial Corp., 2-52647; Gulf States Utilities Co., 2-52878; Invest International Inc., 2-52907; Keystone Centers, Inc., 2-52635; LGS Employees Savings and Investment Plan, 2-52784; Pacific Overtures Co., 2-52893; Valley Metallurgical Processing Co., Inc., 2-49046.

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

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| Item 1. Changes in Control of Registrant | Item 9. Options to Purchase Securities |
| Item 2. Acquisition or Disposition of Assets | Item 10. Revaluation of Assets or Restatement of Capital Share Account |
| Item 3. Legal Proceedings | Item 11. Submission of Matters to a Vote of Security Holders |
| Item 4. Changes in Securities | Item 12. Changes in Registrant's Certifying Accountant |
| Item 5. Changes in Security for Registered Securities | Item 13. Other Materially Important Events |
| Item 6. Defaults upon Senior Securities | Item 14. Financial Statements and Exhibits |
| Item 7. Increase in Amount of Securities Outstanding | |
| Item 8. Decrease in Amount of Securities Outstanding | |

The companies listed below have filed 8-K reports for the month indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	MONTH
LANE BRYANT INC	13	02/75
LEASEPAC CORP	11	02/75
LEISURE TECHNOLOGY CORP	3,14	02/75
MACHILLAN INC	4,14	02/75
MARATHON MANUFACTURING CO	8	02/75
MARLEY CO	11,14	02/75
MEAD CORP	7,8,14	02/75
MERCANTILE BANCORPORATION INC	13	02/75
METPATH INC	7,14	02/75
MICHIGAN SEAMLESS TUBE CO	4,11,13,14	02/75
MID CONTINENT TELEPHONE CORP	7,14	02/75
MIDWEST RUBBER RECLAIMING CO	4,14	02/75
MONTGOMERY WARD CREDIT CORP	7	02/75
MOUNTAIN STATES FINANCIAL CORP	13	02/75
NATIONAL COMPUTER SYSTEMS INC	3	02/75
NATIONAL CONVENIENCE STORES INC	13	02/75
NATIONAL FARMING PROGRAM 1974	13,14	02/75
NCR CORP	3,7,14	02/75

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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