

U.S. SECURITIES & EXCHANGE COMMISSION  
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# sec news digest

a daily summary from the securities and exchange commission

Issue 74-34

(SEC Docket, Vol. 3, No. 16 - Mar. 5)

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February 19, 1974

## COMMISSIONER EVANS OUTLINES SEC APPROACH TO MUNICIPAL SECURITIES REGULATION

On February 18, 1974, Commissioner John R. Evans addressed the Second Annual Bank Investments Conference in New Orleans, Louisiana concerning various controversies relating to the Glass-Steagall Act and outlined an SEC approach for regulating municipal securities activities. The Commissioner pointed out that there have been disagreements about what Congress intended when it passed the Glass-Steagall Act and "whether, in any event, the restrictions of that Act are meaningful in today's world. . . The time has come when the public interest requires the Congress, the Securities and Exchange Commission and the Federal bank regulatory agencies to thoroughly review our present laws authorizing or restricting bank securities activities and the regulatory scheme over these activities and make whatever changes are warranted to clarify the many areas of controversy, to assure the protection of investors, and to assure that bank and non-bank competitors engaging in the same activities are subject to equal rules and regulations."

With respect to a regulatory scheme for municipal securities, the Commissioner explained that the Commission had come to the conclusion that an industry Municipal Securities Rulemaking Board should be established which would be equally representative of the bank segment, the non-bank segment and the public and would establish rules and regulations to be complied with by all persons engaging in municipal securities activities as brokers or dealers. Such rules and regulations would be subject to SEC approval, and the Commission would have authority to initiate, abrogate, alter or supplement rules of the Board. The Board would have no inspection or enforcement authority nor would brokers and dealers in municipal securities be required to register with the Board, but would have to register with the SEC. The Commission would inspect and examine non-bank municipal securities brokers and dealers, and the appropriate bank regulatory agency would inspect and examine bank municipal departments or divisions. However, after notice and consultation with the appropriate bank agency, the Commission would have authority to examine bank municipal securities dealers as necessary to carry out its responsibilities under the legislation. In addition, the Commission would have authority to enforce all municipal securities rules and regulations promulgated by the Board or the Commission.

Commissioner Evans noted that this approach was consistent with the concept that the securities activities of all institutions should be subject to the authority of the SEC and that such a concept had been supported by a recent Treasury Department statement. Nevertheless, the Commissioner emphasized that the Commission was not interested in becoming involved in the non-securities activities of banks. In order to avoid such a result, the Commissioner indicated that the Commission needed and requested the assistance of the banking industry and regulatory authorities to ensure that such regulations are properly implemented without adversely affecting other banking operations.

## **COURT ENFORCEMENT ACTIONS**

J. WILLIAM OLDENBURG, MORTON K. WHITTAKER ENJOINED. The Seattle Regional Office announced that on February 8 the Federal court in Seattle permanently enjoined J. William Oldenburg and Morton K. Whittaker, both of Seattle, from violations of the registration and antifraud provisions of the securities laws in unregistered and fraudulent offers and sales of partnership interests in a Washington partnership known as W-O Associates. The defendants, without admitting or denying the allegations, consented to the court order. (LR-6248)

MATRE, INC., OTHERS, ENJOINED. The Denver Regional Office announced that on February 4 the Federal court in Denver, Colorado permanently enjoined Matre, Inc. and Joseph T. Cocomise, both of Divide, Colorado, and Suzanne B. O'Connell, of Yosemite, California, from violations of the registration and antifraud provisions of the securities laws in the offer and sale of common stock of Matre, Inc. The defendants consented to the court orders without admitting or denying the allegations of the Commission's complaint. (LR-6249)

## HOLDING COMPANY ACT RELEASES

SOUTHWESTERN ELECTRIC POWER COMPANY. A notice has been issued giving interested persons until March 29 to request a hearing on a proposal of Southwestern Electric Power Company, subsidiary of Central and South West Corporation, to increase the authorized amount of preferred stock, to sell \$20 million of preferred stock at competitive bidding and to increase the par value of the common stock. The company will use the net proceeds to pay outstanding short-term borrowings incurred to finance construction and to finance a portion of future construction expenditures. In connection therewith, the SEC has issued an order authorizing the company to solicit the consents of its common stockholders for the proposed increase in preferred stock authorization. (Rel. 35-18285)

APPALACHIAN POWER COMPANY. An order has been issued authorizing Appalachian Power Company (Appalachian), subsidiary of American Electric Power Company, Inc., to sell at competitive bidding \$50 million of first mortgage bonds and 200,000 shares of cumulative preferred stock. Appalachian will use the net proceeds for the payment of unsecured short-term indebtedness and to reimburse its treasury for money actually expended for the construction program. (Rel. 35-18286)

## INVESTMENT COMPANY ACT RELEASES

TOWER CAPITAL FUND. An order has been issued declaring that Tower Capital Fund, Inc. has ceased to be an investment company as defined in the Act. (IC-8233)

HOME LIFE SEPARATE ACCOUNT D. An order has been issued granting Home Life Separate Account D, a registered unit investment trust, and Home Life Insurance Company of New York, New York an exemption from certain provisions of the Act. The order permits the elimination of sales loads and administration charges on purchases of single payment deferred annuity contracts with amounts derived from Home Life Insurance contracts. (IC-8234)

## SECURITIES ACT REGISTRATIONS FILED

(S-6) E.F. HUTTON TAX-EXEMPT FUND, National Series 12, One Battery Park Plaza, New York, N. Y. 10004 - \$7,500,000 of units. The Fund is one of a series of unit investments trusts created under a trust indenture and agreement among E.F. Hutton & Company Inc., as sponsor, United States Trust Company of New York, as trustee and Standard & Poor's Corporation, as evaluator. The Fund consists of interest-bearing obligations of states, counties, territories and municipalities of the United States and authorities or political subdivisions thereof, the interest on which is in the opinion of bond counsel, exempt from Federal income tax under existing law. (File 2-50101 - Jan. 25)

(S-14) GENERAL INSTRUMENT CORPORATION (GI), 1775 Broadway, New York, N. Y. 10019 - 150,000 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding common stock of American Regitel Corporation at the rate of 0.173 GI share for each Regitel share, or such number of shares of GI having a market value (as defined) equal to \$3 for each outstanding share of Regitel common stock whichever is greater. A wholly-owned subsidiary of Motorola, Inc. will be entitled to receive 5,000 shares of GI in exchange for all the outstanding shares of Regitel Class A common stock. A diversified company, GI designs, manufactures and sells electronic and electromechanical components and equipment and electronic systems and services. (File 2-50205 - Feb. 14)

(S-16) GENERAL TELEPHONE & ELECTRONICS CORPORATION (GT&E), One Stamford Forum, Stamford, Conn. 06904 - 140,000 shares of common stock to be offered for sale by a selling stockholder. The offering is to be made by underwriters headed by Blyth Eastman Dillon & Co. Incorporated, One Chase Manhattan Plaza, New York, N. Y. 10005. GT&E is the parent company of more than 60 communications, manufacturing, research and service subsidiaries. (File 2-50206 - Feb. 14)

(S-14) UTAH INTERNATIONAL INC., 550 California St., San Francisco, Cal. 94104 - 115,655 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of Clarcan Petroleum Corporation (which will merge into Ladd Petroleum Corporation, a wholly owned subsidiary of Utah) at the rate of 1/8 Utah share for each Clarcan share. Utah is engaged primarily in mining and ocean shipping. (File 2-50210 - Feb. 14)

**SECURITIES ACT REGISTRATIONS.** Effective February 15: Capital First Corporation, 2-49977; ECRM, Inc., 2-49836; Kaiser Resources Ltd., 2-49545; Nuveen Tax-Exempt Bond Fund, Series 54 Check-A-Month, 2-50017; Oxford First Corp., 2-50073.

#### MISCELLANEOUS

**10K REPORTS.** The Public Reference Room has received numerous requests for Form 10K annual reports for the fiscal year ending December 31, 1973. Form 10K reports are required to be filed within 90 days after the end of the fiscal year covered by the report. Hence, reports for the year 1973 are not required to be filed until April 1, 1974.

**TRADING SUSPENSIONS.** The SEC has announced the suspension of over-the-counter trading in the securities of Patterson Corp. and Westgate California Corp. for the further ten-day period February 19-28 inclusive.

**RECENT FORM 8-K 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<br>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
AIRCO INC	14	01/74
ALASKA INTERSTATE CO	7,13	01/74
AMERICAN POLLUTION PREVENTION CO INC	NO ITEMS	12/73
AMERICAN VIDEONETICS CORP	7	01/74
ARLANS DEPARTMENT STORES INC	2,3,6,10,14	06/73
BANCSHARES OF NORTH CAROLINA INC	13	01/74
BERG ENTERPRISES INC	7	01/74
BROCK EXPLORATION CORP	11,14	09/73
CABANA COACH CORP	NO ITEMS	12/73
CHATTEM DRUG & CHEMICAL CO	13	01/74
CHERRY BURRELL CORP	8	01/74
CIRCUIT TECHNOLOGY INC	11,14	01/74
COMMERCIAL INCOME PROPERTIES FUND LTD	1,7	03/73
COMPUTER MACHINERY CORP	2,14	01/74
COOPER LABORATORIES INC	13	01/74
CORDON INTERNATIONAL CORP	14	01/74
CUMMINS ENGINE CO INC	13	01/74
DAIN KALMAN & QUAIL INC	13,14	01/74
DAYLIN INC	11,14	01/74
DEVON APPAREL INC	1,2,11	01/74
DOCKTOR PET CENTERS INC	3	05/73
DREW NATIONAL LEASING CORP	9,14	11/73
ECOLOGY INC	13	01/74
ECONO TRAVEL MOTOR HOTEL CORP	13	01/74
FIRST FIDELITY INVESTMENT TRUST	2,14	01/74
GABLE INDUSTRIES INC	1	01/74
GENERAL OHIO S & L CORP	11,14	12/73
GEORGIA BONDED FIBERS INC	12,13,14	01/74
GRAINGER M W INC	7,8	01/74
GRAYBAR BUILDING ASSOCIATES	12,14	01/74
GREAT SOUTHWEST CORP	6,14	01/74
HALLIBURTON CO	3	01/74
HAMILTON BROTHERS EXPLORATION CO	7	01/74
HI PLAINS CATTLE FUND INC	NO ITEMS	12/73
IMPERIAL MANAGEMENT CORP	11	01/74

8K REPORTS CONT.

IOWA ELECTRIC LIGHT & POWER CO	7	01/74
LADD ENTERPRISES INC	14	01/74
LCA CORP	1	01/74
LIBERTY BELL RACING ASSOCIATION	8	01/74
LOBLAW INC	14	01/74
LOUISIANA PACIFIC CORP	3,4,7,13,14	01/74
MIDLAND OIL CORP	2,4,8,12,14	01/74
MISSISSIPPI POWER & LIGHT CO	11,13	01/74
NATIONAL CASH REGISTER CO	7,8	01/74
NATIONAL PROPERTIES INC	11	01/74
NORTH SHORE GAS CO ILLINOIS	13	01/74
OIL SHALE CORP	13,14	01/74
OLIX INDUSTRIES INC	3,11,13	01/74
ON LINE SYSTEMS INC	13,14	01/74
PACIFIC ASBESTOS CORP	6	01/74
PEOPLES GAS LIGHT & COKE CO	13	01/74
PIONEER SYSTEMS INC	4,7,8,14	12/73
PLANNED MARKETING ASSOCIATES INC	1,2,4,7,8,11,14	01/74
PROCESS PLANTS CORP	3,13,14	01/74
PUBLIC SERVICE CO OF INDIANA INC	3,7,14	01/74
RAYGO INC	13,14	01/74
REMBRANDT ENTERPRISES INC	3,13	01/74
RESORT CAR RENTAL SYSTEM INC	3,14	01/74
ROSARIO RESOURCES CORP	7,14	12/73
ROSS AVIATION INC	3	01/74
SAINT JOE MINERALS CORP	2,7,14	01/74
SARGENT WELCH SCIENTIFIC CO	3	01/74
SCHULTZOW HELICOPTER CORP	13	01/74
SINCLAIR VENEZUELAN OIL CO	13,14	01/74
SMITHFIELD FOODS INC	13	01/74
SOS CONSOLIDATED INC	11,14	01/74
SPROUSE REITZ CO INC	11,13,14	01/74
SRC LABORATORIES INC	13,14	01/74
STANDARD BRANDS PAINT CO	11	01/74
STELBER INDUSTRIES INC	11,14	01/74
STV INC	7,14	12/73
SYNERCCN CORP	2	01/74
TAYLOR RENTAL CORP	7	01/74
TEN CA BRAND FROZEN FOODS INC	13,14	01/74
TEXAS PLASTICS INC	3	01/74
TI CORP OF CALIFORNIA	13	01/74
TRW INC	7,14	01/74
TWIN CITY BARGE & TOWING CO	13	01/74
UNITED TELECOMMUNICATIONS INC	11,14	01/74
UNITRODE CORP	1	01/74
VAHLSING INC	6	01/74
VIKOA INC	13	12/73
WARNER COMMUNICATIONS INC	7,8,14	01/74
WEIN AIR ALASKA INC	NO ITEMS	12/73
XTRA INC	11,13,14	01/74
AMENDMENTS TO REPORTS ON FORM 8-K		
COMPUTILITY INC	14	12/73

**IMPORTANT NOTICE**

Many requests for copies of documents referred to in the daily SEC News Digest have erroneously been directed to the Government Printing Office. They should be addressed: Public Reference Section, Securities and Exchange Commission, Washington, D. C. 20549. The reproduction cost will approximate 12¢ per page, plus postage, for mailing within four days, to 25¢ per page, plus postage, for overnight mailing. Cost estimates given on request.

Copies of registration statements may be ordered from the Commission's Public Reference Section. All other referenced material is available in the issue of the SEC Docket indicated in parentheses below the News Digest Issue No. Both the News Digest (\$35.45 a year, first class mail; \$8.90 additional for foreign mailing) and the SEC Docket (\$21.35 a year, first class mail; \$5.35 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.