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U.S. SECURITIES & EXCHANGE COMMISSION

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CHAIRMAN SPEAKS

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MUTUAL FUNDS: FIFTY YEARS AND BEYOND

Looking to the future of the mutual fund industry, Chairman Ray Garrett, Jr. said "What we see before us are two major developments that force us to reexamine certain aspects of our law and regulations." Those developments, Mr. Garrett told the Investment Company Institute in Washington yesterday are: (1) the move toward price competition in the securities industry generally, specifically with respect to commission rates and what this will mean for portfolio transactions and marketing of funds and (2) the advent of new institutional competition for the marketing and management of collective investment vehicles and what the SEC's attitude should be toward apparent regulatory inequalities and toward efforts of the mutual fund industry to achieve legal protection from competition.

Regarding price competition, Mr. Garrett noted that this form of competition on commission rates should begin for the securities industry May 1, 1975 and that a learning period for smaller orders is now in progress, but that the question is not resolved on the distribution of mutual fund shares. "Our staff is still analyzing the information and arguments provided at the hearings on mutual fund distribution and trying to fashion a proposal," he explained. "I understand that the staff's proposal is likely to be some middle ground between retention of all of the present practices intact, on the one hand, the virtual repeal of Section 22(d) on the other." In addition, Mr. Garrett noted that the SEC is being asked to reexamine its policy against the use of fund portfolio brokerage business to award sales of fund shares. "Stated simply," he said, "it is urged that fund brokerage should be used to promote fund sales and that so long as the (NASD's) anti-reciprocal rule prohibits specific agreements and undertakings which encourage churning, the purposes of the rule would be served." "Our staff has already presented us with a comprehensive view of this area," Mr. Garrett said. "We will be announcing, shortly, the commencement of a public hearing to facilitate our study of these issues."

On the question of new forms of competition for mutual funds, Mr. Garrett turned to the matter of competition from banks. In this area, he noted that the SEC is expected before the year is out to be asked to express its views before subcommittees of the House and Senate on what it thinks the banking laws should provide relative to banks engaging in aspects of the securities industry. The express exemption for banks from the Securities Exchange Act and the Investment Advisers Act, except for the antifraud provisions, has led the SEC into consideration of whether the automated investment programs, the dividend reinvestment programs, and the various so-called mini-account programs should require some sort of registration with the SEC, Mr. Garrett said. The Division of Investment Management Regulation has been considering this problem with the benefit of the recommendations of the Advisory Committee set up about a year ago. Mr. Garrett said, "In the near future, we will announce the direction in which we intend to move, and will solicit comments from the public on certain of our proposed positions."

Noting the Commission's recent request for comments on the application of federal securities laws to bank activities, Mr. Garrett urged investment company members, individually and through the Institute, to respond. In addition, he said the SEC would welcome submissions to other areas in which investment company members think they are at an unfair competitive disadvantage because of legal restrictions or obligations imposed by the federal government. "We need and want facts and concrete proposals."

COMMISSION ANNOUNCEMENTS

FIRST MEETING OF ADVISORY COMMITTEE ON THE CENTRAL MARKET SYSTEM ANNOUNCED

The SEC Advisory Committee on the Implementation of a Central Market System will conduct open meetings on May 31, 1974 at 500 North Capitol Street, Washington, D. C. 20549 in Room 776, beginning at 9:00 a.m. Members of the Committee were announced on May 10, 1974 in Securities Exchange Act Release No. 10790.

The summarized agenda for the meeting is as follows:

- (1) Outline the mandate from the Commission
- (2) Establish a series of questions to be addressed
- (3) Identify data needed for analysis
- (4) Arrange future meeting plans
- (5) Establish Committee procedures
- (6) Arrange for staff support

Further information may be obtained by writing to Andrew P. Staffan, Director, Office of Policy Planning, U. S. Securities and Exchange Commission, 500 North Capitol Street, Washington, D. C. 20549.

MEMBERSHIP AND FIRST MEETING OF SEC REPORT COORDINATING GROUP (ADVISORY) ANNOUNCED

The Commission on May 15 announced the names of persons appointed to membership on the Report Coordinating Group (Advisory), the formation of which was first announced on January 24, 1974 (Release 34-10612). The Group's first meeting will be held on June 3, 1974 at Commission headquarters in Washington, D. C. The purpose of the meeting is to formulate the initial steps to be taken in pursuing the advisory committee's goals, and will be open to the public.

The Report Coordinating Group was established to advise 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 requirements, promoting uniformity in reporting, reducing reporting requirements where feasible, and developing a uniform key regulatory report.

The members of the advisory committee are: John Cunningham (Chairman of the Committee), Arthur Young & Company; Daniel J. Piliero II (Secretary of the Committee), Assistant Director, SEC Division of Market Regulation; David J. Barry, Senior Vice President, Manufacturers Hanover Trust Company; Kenneth J. Bialkin, Esq., Willkie, Farr & Gallagher; Thomas R. Cassella, Manager of Operations, Securities Investor Protection Corporation; Bryan P. Coughlin, Jr., Vice President, Midwest Stock Exchange, Inc.; Paul Fitzgerald, Vice President, New York Stock Exchange, Inc.; Edward Gilleran, Vice President - Regulation, National Association of Securities Dealers, Inc.; Robert E. Googins, Counsel and Secretary, Connecticut Mutual Life Insurance Company; Nelson S. Kibler, Assistant Director, SEC Division of Market Regulation; Philip J. Lo Bue, Vice President, Pacific Stock Exchange, Inc.; Hugh H. Makens, Director, Dept. of Commerce, Corporation & Securities Bureau; Joseph Neil, Vice President, Merrill Lynch, Pierce, Fenner & Smith, Inc.; Frank H. Spearman III, Haskins & Sells; Eli Weinberg, Coopers & Lybrand; Bernard Weissman, Gold, Weissman & Frankel, Inc. (Rel. 34-10808)

MAX REGENSTEINER NAMED ADMINISTRATIVE LAW JUDGE

The SEC today announced the appointment of Max O. Regensteiner as Administrative Law Judge, effective May 26, 1974. Mr. Regensteiner is presently Associate Director of the Commission's Office of Opinions and Review. He has been on the staff of the Commission since 1956 when he joined that office as an attorney.

Before joining the Commission's staff, Mr. Regensteiner was employed as a law editor by the Lawyers Cooperative Publishing Company in Rochester, N. Y. He graduated from Brown University in 1948 and Harvard Law School in 1951, and he is a member of the Rhode Island and New York Bars.

ORDERS FOR PUBLIC PROCEEDINGS

FIRST WESTERN SECURITIES

Public administrative proceedings have been ordered under the Securities Exchange Act of 1934 against First Western Securities, Spokane broker-dealer, William Lasswell, Jr. of Spokane, the managing general partner of First Western, and Joseph Warren Desmond, former general partner and manager of First Western's Seattle branch office.

The proceedings are based on staff allegations of violations of the registration and antifraud provisions of the securities laws. A hearing will be scheduled by further order on the charges against the defendants. (Rel. 34-10806)

GREGERSEN & CO., OTHERS

Public administrative proceedings under the Securities Exchange Act of 1934 have been ordered against Gregersen & Co., Inc., formerly registered as a broker-dealer in Salt Lake City. Others named are Roald George Gregersen, Richard Lee Chatham, Stewart Ensign Campbell, John R. Gaskill, Robert G. Johnson, Dennis R. Stettler and Jasper Newton Erskine.

The proceedings are based upon staff allegations of violations of the registration, antifraud, broker-dealer registration, records and reporting provisions of the securities laws.

Information leading to the institution of these proceedings was developed by the joint SEC-NASD Task Force inquiry into abuses in the over-the-counter market. A hearing will be scheduled to take evidence on the charges against the defendants. (Rel. 34-10807)

SECURITIES ACT REGISTRATIONS

(S-14) THE RATH PACKING COMPANY

Elm and Sycamore Sts., Waterloo, Iowa 50704 - 250,879 shares of common stock. It is proposed to offer these shares by means of a wholly-owned Rath subsidiary which would merge into Stark, Wetzel Foods Inc., Indianapolis, Ind., at the rate of three-fourths Rath share for each share of Stark Wetzel common stock. Rath is a national meat packing company. (File 2-51037 - May 10)

(S-16) BAUSCH & LOMB INCORPORATED

One Lincoln First Square, Rochester, N. Y. 14601 - 75,000 shares of common stock, which may be offered for sale from time to time by a selling shareholder at prices current at the time of sale. The company manufactures ophthalmic, scientific instrument, and consumer products. (File 2-51040 - May 10)

(S-1) TERRA CHEMICALS INTERNATIONAL, INC.

507 Sixth St., Sioux City, Iowa 51101 - 1,976,990 shares of common stock, of which 329,671 are to be offered for sale by the company and 1,647,329 by selling stockholders. The offering is to be made through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N. Y. and Piper, Jaffray & Hopwood Incorporated, 115 South Seventh St., Minneapolis, Minn. 55402. Terra sells chemical fertilizers, other crop production chemicals and feed ingredients, and manufactures nitrogen-based fertilizers and nitrogen feed ingredients. (File 2-51042 - May 10)

(S-1) ST. AUGUSTINE RANCHES - I LIMITED PARTNERSHIP

c/o The General Partner, St. Augustine Ranches, Inc., 8282 Western Way Circle, Suite 202, Jacksonville, Fla. 32216 - \$5 million of partnership interests, to be offered for sale at \$1,000 per interest (minimum investment, five interests) by selected NASD members. The Partnership intends to engage in cattle breeding and cattle feeding operations. (File 2-51044 - May 10)

(S-1) ZOECON CORPORATION

975 California Ave., Palo Alto, Cal. 94304 - 19,432 shares of common stock, which may be offered for sale by six shareholders at prices current at the time of sale. No underwriting is involved. The company is engaged in research and development in insect biology and chemistry and markets insect and other pest control products. (File 2-51045 - May 10)

(S-16) STATE STREET BOSTON FINANCIAL CORPORATION

225 Franklin St., Boston, Mass. 02101 - 50,000 shares of common stock, which may be offered for sale from time to time by certain stockholders at prices current at the time of sale. State Street is a bank holding company which controls two banks. (File 2-51048 - May 10)

(S-14) and (S-16) WELLS FARGO & COMPANY

420 Montgomery St., San Francisco, Cal. 94104 - seeks registration of (a) S-14 - 290,156 shares of common stock. It is proposed to issue these shares in connection with the acquisition of Commercial National Bank of Buena Park, California. (File 2-51049 - May 13)

(b) S-16 - 400,000 shares of common stock, issuable upon exercise of warrants attached to DM 50,000,000 - 6-1/2% debentures of 1973/1988 of Wells Fargo International Investment Corporation, a wholly-owned subsidiary of the company, at \$24.625 per share. (File 2-51049 - May 13)

Wells Fargo & Company is a bank holding company with one bank subsidiary.

(S-14) QUAKER STATE OIL REFINING CORPORATION

11 Center St., Oil City, Pa. 16301 - A maximum of 197,241 shares of Quaker State capital stock. It is proposed to offer these shares in exchange for the common stock of Corn Brothers Inc., at the rate of .4587 Quaker State share for each Corn Brothers share. Upon consummation of the exchange offer, Corn Brothers would merge into a wholly-owned subsidiary of Quaker State. Quaker State produces and refines Pennsylvania Grade crude oil and manufactures a wide variety of petroleum products. (File 2-51058 - May 13)

(S-14) NB CORPORATION

123 East Main St., Charlottesville, Va. 22901 - 154,908 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common shares of The Peoples Bank and Trust Company of Henrico, Henrico County, Virginia, at the rate of 0.6 NB share for each Bank share. NB is a bank holding company which controls two banks. (File 2-51052 - May 13)

(S-1) CANADIAN MERRILL LTD. (General Partner)

Suite 3108, Toronto Dominion Bank Tower, Toronto, Ontario M5K 1E7, Canada, \$10 million of preformation partnership interests to be offered for sale at \$50,000 per interest in Hunter Oil and Gas Drilling Program 1974 - a partnership to be formed to explore for and develop oil and gas properties. (File 2-51060 - May 13)

(S-6) THE MUNICIPAL BOND FUND, SERIES 12

c/o Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N. Y. 10005 - \$15 million of units. The Fund will be created under a trust indenture among Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N. Y. 10005 and Dean Witter & Co. Incorporated, 45 Montgomery St., San Francisco, Cal. 94106, as sponsors, United States Trust Company of New York, as trustee, and Standard & Poor's Corporation as evaluator. The Fund will consist of interest bearing obligations issued by or on behalf of states, counties, municipalities and territorial possessions of the United States and authorities, agencies and other political subdivisions thereof, the interest on which is, in the opinion of counsel to the issuers thereof, exempt from Federal income tax. (File 2-51062 - May 13)

REGISTRATIONS EFFECTIVE

May 15: Arvin Industries, Inc., 2-50720; Comtech Venture Fund, Inc., 2-50156; E.F. Hutton & Company Inc., 2-50653; Florida Power & Light Company, 2-50712; Indian Head, 2-51073; John Nuveen & Co., 2-50287; Molycorp, Inc., 2-50580; National Steel Corp., 2-50701; Pic N Save Corp., 2-50462; Rosario Resources Corp., 2-50886; Storage Technology Corp., 2-50867.

CORRECTION RE COLUMBIA GAS SYSTEM, INC.

The post-effective amendment to the registration statement (File 2-17949) of The Columbia Gas System, Inc. has been withdrawn, not the registration statement itself as reported in the May 13 News Digest.

TRADING SUSPENSIONS

The SEC has announced the suspension of over-the-counter trading in the securities of Continental Vending Machines, Inc., for the further ten-day period May 15-24, inclusive.

ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission on Schedule 13D the acquisition of more than 5% of the equity securities of another company within 10 days of the acquisition. The following companies or individuals filed Schedule 13D's regarding the acquisition of stock of other companies during the period May 3-9, 1974.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
Robert H. Kieckhefer	Intercraft Industries Corp. (Chicago, ILL.) Common Stock - 61,700 shs.	5- 3-74
Ampco-Pittsburgh Corp.	Pittsburgh Forgings Co. (Pittsburgh, Pa.) Common Stock - 429,268 shs.	5- 3-74

ACQUISITION REPORTS CONT.

D-Z Investment Co.	NJB Prime Investors (Clifton, N.J.) Shares of Beneficial Interest- 71,200 shs.	5- 3-74
* Japan International Technology Corp.	IMC Magnetics Corp. (Westbury, N.Y.) Common Stock - 60,600 shs.	5- 6-74
Gulf Life Holding Co.	Interstate Corp. (Chattanooga, Tenn.) Common Stock - 318,100 shs. are held by three wholly-owned subsidiaries	5- 6-74
* Berkshire Hathaway Inc.	California Water Service Co. (San Jose, Calif.) Common Stock - 117,287 shs.	5- 6-74
Midland Capital Corp.	Optics Technology, Inc. (Redwood City, Calif) Common Stock - 44,500 shs. Common Stock - 720,000 shs. on exercise of Warrants	5- 6-74
Argent Corp.	Recreation Corp. (Las Vegas, Nev.) Common Stock - 421,844 shs. (31%) on exercise of its right to purchase under the terms of a contract	5- 6-74
* Wheeler, Munger & Co.	New America Fund, Inc. (Los Angeles, Calif.) Common Stock*- 389,320 shs. (22%)	5- 6-74
* David Jones Ltd.	Buffums' (Long Beach, Calif.) Common Stock - 949,700 shs. 5-1/2 Debentures- \$317,000 6% Debentures - 3,272,000 (Above securities were purchased pursuant to a Tender Offer)	5- 6-74
Donald E. & Willy Werby	Chock Full O'Nuts Corp. (New York City) Common Stock - 235,399 shs.	5- 6-74
* Fasco A. G.	Seaport Corp. (Pittsburgh, Pa.) Common Stock - 765,570 shs. Common Stock 200,000 shs. on exercise of Warrants	5- 6-74
* Berkshire Hathaway Inc.	Munsingwear, Inc. (Minneapolis, Minn.) Common Stock - 167,000 shs.	5- 6-74
* Berkshire Hathaway Inc.	Vornado, Inc. (Garfield, N.J.) Common Stock - 377,062 shs.	5- 6-74
* Fasco A.C. Fasco, Inc.	Argus Inc. (Ann Arbor, Mich.) Common Stock - 895,178 shs. Common Stock - 480,000 shs. on conversion of Preferred	5- 6-74
Cosmo J. Caterino	Parker-Levitt Corp. (Southboro, Mass.) Common Stock - 813,350 shs.	5- 7-74
* Charles G. Bluhdorn	Bohack Corp. (Brooklyn, N.Y.) Common Stock - 256,393 shs. Common Stock - 16,030 shs. on conversion of Debentures	5- 8-74
Alex Egyed	Bosco, Inc. (Cherry Hill, N.J.) Common Stock - 2,430 shs. Common Stock - 73,375 shs. on exercise of Option and Warrant	5- 8-74

ACQUISITION REPORTS CONT.

Supervised Investors Growth Fund, Inc.	Witek, Inc. (Norwalk, Conn.) Common Stock - 76,985 shs. on conversion of Notes	5- 8-74
Technology Fund, Inc.	Witek, Inc. (Norwalk, Conn.) Common Stock - 76,985 shs. on conversion of Notes	5- 8-74
* United Fund	Empire Financial Corp. (Ven Nuys, Calif.) Common Stock - 75,000 shs.	5- 9-74
* United Fund Inc.	General Instrument Corp. (Newark, N.J.) Common Stock - 130,362 shs.	5- 9-74
* United Fund Inc.	Reading & Bates Offshore Drilling Co. (Tulsa, Okla.) Common Stock - 291,100 shs.	5- 9-74
Fiesta Theatres, Inc.	DeAnza Land & Leisure Corp. (Los Angeles, Calif.) Common Stock - 107,000 shs.	5- 9-74
* Glen-Gery Corp.	Keystone Portland Cement Co. (Allentown, Pa.) Common Stock - 32,700 shs.	5- 9-74
Trafalgar Capital Corp. (Overseas) Ltd.	Aetna Properties Inc. (Chetek, Wisc.) Common Stock - 786,666 shs. Common Stock - 10,000 shs. on exercise of Option (Neal R. Bruckman is the sole shareholder of Overseas)	5- 9-74
* Goodrich Realty & Development Group, Inc.	Midwest Rubber Reclaiming Co. (East St. Louis, Ill.) Common Stock - 195,093 shs. (43%)	5- 9-74
* First International Reinsurance Co.	Standard Security Life Insurance Co. of New York (New York City) Common Stock - 97,000 shs.	5- 9-74
* Amended Acquisition Report		

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 for mailing within four days (\$2 minimum) and 30¢ per page plus postage for over-night mailing (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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