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(SEC Docket, Vol. 7, No. 12 - August 26)

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COMMISSIONER SPEAKS

DISCLOSURE THROUGH A GLASS DARKLY

LIBRARY

The philosophical differences and conflicts between the SEC and the bank agencies regarding disclosure approaches, particularly with respect to bank operations and bank regulatory actions was discussed by Commissioner John R. Evans in an address before the Administrative Law Section of the American Bar Association in Montreal Canada. The Commissioner observed that, among other things, these differences stem from the banking view that adverse publicity is harmful to a sound banking system, and the SEC view that such information is helpful to investors. In view of the repeated criticism that regulatory activities do not adequately protect the public interest and the recent White House and Congressional inquiry concerning regulatory benefits, the Commissioner asserted that it was desirable for the involved agencies to resolve its conflicts as quickly and prudently as possible.

The Commissioner discussed in some detail the Commission's involvement in the U.S. National Bank and Franklin National Bank failures and pointed out various instances where the SEC and banking approaches conflicted as the cases developed. He submitted that, if continuous, periodic disclosure of the bank's financial decline and related bank regulatory actions had been made as the problems developed so that investors would have been aware of the situation, it is possible that the banks could be alive and well today.

The Commissioner pointed out that recent bank holding company offerings seem to indicate that the additional disclosure that the Commission is requesting is not impeding bank holding companies from raising necessary capital. Furthermore, in view of the present attitude that the public be informed and the statements of some Congressional members that more disclosure should be made of bank activities, Commissioner Evans stated that he expected that, as a matter of policy, additional disclosure would be required of bank holding companies and affiliated banks than is presently the case.

The Commissioner noted that recommendations for guidelines establishing bank related disclosure standards are being developed through a bank agency and SEC coordinating group, and that the Commission should be able to publish the group's recommendation for public comment in the next few weeks. If there are strong areas of disagreement, it is likely that public comments on alternative disclosure approaches will also be solicited. The ultimate goal of this effort is to provide investors with material information concerning bank operations, and, thus, enable investors to see and understand clearly a bank's operations in order that they may judge for themselves whether a bank's securities meet investment objectives.

RULES AND RELATED MATTERS

NOTICE OF PROCEDURES FOR REGISTRATION OF MUNICIPAL SECURITIES BROKERS AND DEALERS

In order to permit the registration of municipal securities brokers and dealers with the Commission by December 1, 1975, as required by the Securities Acts Amendments of 1975, the Commission has announced certain procedures with respect to such registration and given notice of proposed Rules 15Ba2-1 and 15Ba2-2 under the Securities Exchange Act of 1934.

Municipal securities brokers and non-bank municipal securities dealers, including those whose business is exclusively intrastate, will be required to apply for registration on the Commission's Form BD. The Commission has proposed that bank municipal securities dealers be required to register on proposed Form MSD.

The Commission has invited comments on all matters relating to the registration of municipal securities brokers and dealers, including the appropriate standards for

determining when a department or division of a bank or other entity should be considered sufficiently separately identifiable for purposes of the Securities Exchange Act of 1934 to permit its separate registration. The Commission is not presently proposing procedures for such registration. Interested persons are asked to submit their comments in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549, no later than September 12, 1975. Reference should be made to File No. S7-577. (Rel. 34-11585)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES WESTINGHOUSE ELECTRIC CORPORATION

The New York Regional Office announced on August 12 the filing of an injunctive action in the U.S. District Court for the Southern District of New York against Westinghouse Electric Corporation (Westinghouse) for violations of the antifraud provisions of the securities laws.

The complaint charges Westinghouse with issuing false and misleading press releases, public announcements and statements on August 5 and 7, 1974 and failing to correct a prior press release, public announcement and statement of June 5, 1974 which became inaccurate as a result of subsequent events concerning Westinghouse's major appliance division. The complaint also charges Westinghouse with purchasing from December 13 through December 20, 1974, 100,000 shares of its common stock while such false, misleading and uncorrected press releases, public announcements and statements were outstanding and while officer in charge of supervising Westinghouse's employee stock purchase plans was in possession of and without prior disclosure of material non-public information concerning its major appliance division.

The Complaint seeks, in addition to enjoining Westinghouse from future violations of the antifraud provisions, an order directing Westinghouse to adopt procedures to assure the accuracy of all public announcements, press releases and statements and to prevent violations of the securities laws in connection with their issuance and in connection with transactions by Westinghouse in its stock. (SEC v. Westinghouse Electric Corporation, Civil Action No. 75-3972). (LR-7040)

THOMAS F. CLENDENIN INDICTED

The Washington Regional Office announced that on August 6 a federal grand jury in the District of Columbia returned a 59 count indictment against Thomas Fauntleroy Clendenin of Silver Spring, Maryland charging him with 6 counts of offering and selling unregistered securities, 5 counts of acting as an unregistered investment adviser, 1 count of making a false statement in the withdrawal of an investment adviser registration, 9 counts of interstate transportation of stolen securities, 7 counts of mail fraud, 29 counts of wire fraud, and 2 counts of uttering and publishing forged documents.

Clendenin is being held in lieu of \$500,000 bond following his arrest on June 26, 1975. (U.S. v. Thomas F. Clendenin, U.S.D.C., D.C., Criminal No. 75-543). (LR-7038)

UNITED COMMUNITIES' CORP., OTHERS ENJOINED

The SEC announced that on July 28 Judge Aubrey E. Robinson filed a final order in the U.S. District Court for the District of Columbia permanently enjoining United Communities' Corp. (United), Boca Raton, Florida, and its former chief executive officer, Alexander L. Guterma, from failing to file with the Commission timely and proper periodic and current reports in contravention of Section 13(a) of the Securities Exchange Act of 1934 (Exchange Act) and the rules thereunder.

The common stock of United is traded over-the-counter and was suspended from trading by the Commission for a 10-day period beginning April 8, 1975 due to United's failure to comply with the reporting provisions of the Exchange Act resulting in the lack of current, complete and accurate information available to the public. (SEC v. United Communities' Corp., et al., D.C., Civil Action No. 75-0865). (LR-7039)

COMMISSION ANNOUNCEMENTS

BART FRIEDMAN NAMED ASSISTANT DIRECTOR

Lee A. Pickard, Director of the Division of Market Regulation, today announced, in connection with the implementation of the Securities Acts Amendments of 1975, the appointment, effective immediately, of Bart Friedman, as Assistant Director of the Division for the Office of Market Structure and Trading Practices, which is responsible for advising the Director of the Division and the Commission on the structure of the

securities markets, trading rules and practices, and municipal securities regulation. Mr. Friedman's responsibilities will be primarily in the areas of market structure and trading practices.

Mr. Friedman graduated from Harvard Law School in 1969 and was on the research faculty of the Harvard Business School from 1968 to 1970, when he became associated with the New York law firm of Cahill, Gordon & Reindel. Mr. Friedman joined the Commission's Division of Market Regulation as Special Counsel in September of 1974.

ORDERS FOR PUBLIC PROCEEDINGS

ORDER CITES DAVID CANNARSA

Public administrative proceedings have been ordered under the Securities Exchange Act of 1934 against David Cannarsa, doing business as David Cannarsa Investments, broker-dealer, Muskogee, Oklahoma. The proceedings are based on staff allegations of violations of the financial reporting requirements of the securities laws. A hearing will be scheduled by further order on the charges against the respondent. (Rel. 34-11591)

INVESTMENT COMPANY ACT RELEASES

SCHICK INVESTMENT COMPANY

An order has been issued on an application by Schick Investment Company temporarily exempting it from certain provisions of the Act until such time as its status has been determined pursuant to its prior application under Sections 3(b)(2) and 6(c) of the Act. (Rel. IC-8885 - Aug. 12)

SECURITIES ACT REGISTRATIONS

(S-5) NML BOND FUND, INC.

720 East Wisconsin Ave., Milwaukee, Wis. 53202 - 25,000,000 shares of common stock, to be offered at net asset value to The Northwestern Mutual Life Insurance Company and its separate investment accounts. No underwriting is involved. The Fund is a diversified mutual fund investing in debt securities for income and preservation of capital. NML Equity Services, Inc. is investment adviser. (File 2-54290 - July 29)

(S-1) RAYCHEM CORPORATION

300 Constitution Dr., Menlo Park, Cal. 94025 - 125,000 shares of common stock, to be offered for sale through underwriters headed by Blyth Eastman Dillon & Co. Incorporated, 555 California St., San Francisco, Cal. 94104 and Lehman Brothers Incorporated, One William St., New York, N.Y. 10004. The company is primarily engaged in the development, manufacture and sale of plastic and elastomeric insulation products and systems, and electrically conductive heating elements. (File 2-54364 - Aug. 11)

(S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK

23 Wall St., New York, N.Y. 10015 - seeks registration of 100,000 American Depositary Receipts for shares of Bank of New South Wales, an Australian corporation. (File 2-54370 - Aug. 11)

(S-6) THE FIRST TRUST OF INSURED MUNICIPAL BONDS, SERIES 8, MONTHLY CHECK PLAN

300 West Washington St., Chicago, Ill. 60606 - \$5,000,000 of units, to be offered for sale at net asset value (\$1050 maximum). The Fund is one of a series of unit investment trusts created under a trust indenture between Van Kampen, Wauterlek & Brown, Inc. as sponsor and Bradford Trust Company, as trustee. It consists of an insured portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of bond counsel, exempt from all Federal income tax under existing law. MGIC Indemnity Corporation has insured the prompt payment when due of interest and principal on the bonds in the portfolio of the Fund. (File 2-54375 - Aug. 11)

STOCK PLANS FILED

The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Zero Manufacturing Co., Burbank, Cal. (File 2-54344 - Aug. 6) - 200,000 shares
Bergen Brunswig Corp., Los Angeles, Cal. (File 2-54345 - Aug. 6) - 354,000 shares
The Wurlitzer Co., Chicago, Ill. (File 2-54351 - Aug. 7) - 63,860 shares
On-Line Systems, Inc., Pittsburgh, Pa. (File 2-54352 - Aug. 7) - 40,000 shares
The Williams Companies, Tulsa, Okla. (File 2-54354 - Aug. 8) - 450,000 shares
General Medical Corp., Richmond, Va. (File 2-54359 - Aug. 8) - 250,000 shares
IC Industries, Inc., Chicago, Ill. (File 2-54363 - Aug. 8) - 75,000 shares
EPSCO, Inc., Westwood, Mass. (File 2-54365 - Aug. 8) - 50,000 shares
Scan-Optics, Inc., East Hartford, Conn. (File 2-54366 - Aug. 11) - 270,000 shares
Baxter Laboratories, Inc., Deerfield, Ill. (File 2-54369 - Aug. 11) - 150,000 shares
Farah Manufacturing Co. Inc., El Paso, Tex. (File 2-54372 - Aug. 11) - 426,795 shares
Patrick Petroleum Co., Jackson, Mich. (File 2-54373 - Aug. 11) - 304,750 shares
John Wiley & Sons, Inc., New York, N.Y. (File 2-54374 - Aug. 11) - 75,000 shares

REGISTRATIONS EFFECTIVE

Aug. 7: Western Financial Corp., 2-53915.
Aug. 8: American Crystal Sugar Co., 2-54225; Nuveen Tax-Exempt Bond Fund, Series 74, 2-53854; Tideway Oil Programs, Inc., 2-53201.
Aug. 11: Abercom Investments Ltd., 2-54270; Allied Artists Pictures Corp., 2-53999; American Export Industries, Inc., 2-51420; The Bankers Investment Co., 2-53694; Cramer Electronics Inc., 2-52114; Darin & Armstrong Inc., 2-53445; Data 100 Corp., 2-54120; Dial Financial Corp., 2-53846; Deelkraal Gold Mining Co. Ltd., 2-53725, 2-53740 & 2-54140; First Arkansas Bankstock Corp., 2-53776; Great Lakes Chemical Corp., 2-53909; Morrison Inc., 2-53727; Oil Search Ltd., 2-54272; Western Plastics Corp., 2-53189.

REGISTRATIONS WITHDRAWN

July 31: Consolidated Equities Partners Ltd., 2-51104.
Aug. 1: American Housing Guild Ltd. Partnership, 2-47352; Genstar Ltd., 2-52674.
Aug. 4: Pacific West Realty Trust, 2-49205.
Aug. 6: General Cigar Co., Inc., 2-53656; Union Service & Corp., 2-53460.
Aug. 7: M F L Systems, Inc., 2-48785; Southwest Bancshares Inc., 2-51808.

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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