

sec news digest

U.S. SECURITIES & EXCHANGE COMMISSION

Issue 76-22
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February 2, 1976

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RULES AND RELATED MATTERS

PROPOSED AMENDMENTS TO FORM
U5S AND RULE 48(b)

LIBRARY

A notice has been issued inviting public comment no later than March 2, 1976, on a proposal to amend Item 9(a) of Form U5S by substituting \$40,000 or more per year in place of \$15,000 and to limit the reporting requirement of Item 9(b) to an annual summary of aggregate loans or guarantees. It is further proposed to amend Rule 48(b) so as to limit the extent of the exempted transactions and to provide for specific disclosures under the rule in lieu of the itemization now required. (Rel. 35-19362)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

CHARLES PLOHN & CO. REVOKED

The Commission has revoked the broker-dealer registration of Charles Plohn & Co. The revocation was based on findings of violations of the antifraud and hypothecation provisions of the securities laws. Plohn & Co. consented to the revocation of its broker-dealer registration without admitting or denying the allegations in the order for proceedings, dated March 27, 1973. Since August 27, 1970, when a receiver was appointed for the assets and property of the company, Plohn & Co. has not transacted any business and is in the final stages of liquidation. (Rel. 34-12033)

COMMISSION ANNOUNCEMENTS

ANNOUNCEMENT OF SEC ADVISORY
COMMITTEE ON CORPORATE DISCLOSURE

Roderick M. Hills, Chairman of the SEC, with the concurrence of the other members of the Commission, announced the establishment of the SEC Advisory Committee on Corporate Disclosure. Commissioner A. A. Sommer, Jr., was designated Chairman of the Committee.

The Advisory Committee is established to assist the Commission in conducting an extensive reexamination of the entire system of corporate disclosure. The Committee will seek to define the purposes and objectives of a system of corporate disclosure, to assess the present system in light of those objectives, and to recommend to the Commission any changes it may consider necessary or appropriate better to equate the operation of the disclosure system administered by the Commission with those objectives.

In addition to Commissioner Sommer, the other members of the Committee are the following:

1. William H. Beaver
Professor of Economics
Stanford University
Palo Alto, California
2. Victor H. Brown
Controller
Standard Oil of Ind.
Chicago, Illinois
3. Arthur Fleischer, Jr.
Partner
Fried, Frank, Harris,
Schriver & Jacobson
New York, New York
4. Ray J. Groves
Partner
Ernst & Ernst
Cleveland, Ohio
5. Deborah E. Kelly
Director of Investment Research
The Lowe's Companies, Inc.
Wikesboro, North Carolina
6. Homer Kripke
Professor of Law
New York University
New York, New York

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| <p>7. Martin Lipton
Partner
Wachtell, Lipton, Rosen & Katz
New York, New York</p> <p>8. Robert A. Malin
Senior Vice President and
Director
First Boston Corporation
New York, New York</p> <p>9. Roger F. Murray
S. Sloan Colt Professor of
Banking and Finance
Graduate School of Business
Columbia University
New York, New York</p> | <p>10. David M. Norr
Partner
First Manhattan Co.
New York, New York</p> <p>11. Elliot J. Weiss
Executive Director
Investor Responsibility Research
Center
Washington, D.C.</p> <p>12. Frank T. Weston
Former Partner
Arthur Young & Co.
San Diego, California</p> |
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The Committee will be assisted by four to seven persons, drawn predominantly from the Commission's present staff, who will devote full-time to the study. Mary E. T. Beach of the Division of Corporation Finance has been selected to serve as staff director. Additional staff members chosen to serve on the study are Hugh R. Haworth, Office of Economic Research; Michael Rogan, Division of Corporation Finance; John C. Richards, Office of the Chief Accountant; and Charles R. Wenner, Division of Corporation Finance.

The Committee is expected to complete its work by July 1, 1977.

**REGULATION B EXEMPTIONS
TEMPORARILY SUSPENDED**

The SEC has issued an order temporarily suspending the Regulation B exemption from registration under the Securities Act of 1933 with regard to the public offerings of fractional undivided interests in oil and gas leases in the following companies offerings:

La Prade Oil & Gas Co. (Rel. 33-5674)
Texas Coal & Energy Co. (Rel. 33-5675)
Energy Marketing Consultants (Rel. 33-5676)
Cavallier Oil & Gas Company, Inc. (Rel. 33-5677)
Oklahoma Coal & Oil Co. (Rel. 33-5678)
Southwest Coal & Energy Co. (Rel. 33-5679)
Enntex Oil & Gas Co. (Rel. 33-5680)

ORDERS FOR PUBLIC PROCEEDINGS

J. W. WELLER & CO. INC., OTHERS

Public administrative proceedings have been instituted against J. W. Weller & Co. Inc., a registered broker-dealer of Bloomfield, New Jersey, and J. W. Weller, Jr., its president and majority shareholder.

The Commission's order is based upon alleged violations of the margin, books and records, customer protection and visitation and examination provisions of the Securities Exchange Act of 1934.

A hearing will be scheduled to take evidence on the staff's allegations and to afford the respondents an opportunity to offer any defenses. The purpose of the hearing is to determine whether the allegations are true and if any action of a remedial nature should be ordered by the Commission. (Rel. 34-12066)

COURT ENFORCEMENT ACTIONS

CALVIN B. FREEMAN APPOINTED FISCAL AGENT

The Washington Regional Office announced that on January 13 the federal court in Newport News, Virginia entered an order appointing Calvin B. Freeman of High Point, North Carolina to act as the Temporary Special Fiscal Agent in connection with the accounting previously ordered by the court in SEC v. Virginia Oil and Gas Company, et al., (U.S.D.C. for ED of Va., Civil Action No. 74-108NN). (LR-7257)

INVESTMENT COMPANY ACT RELEASES

MILWAUKEE EQUITY FUND

A notice has been issued giving persons until February 24 to request a hearing on an application of Milwaukee Equity Fund, Inc. for an order that it has ceased to be an investment company. (Rel. IC-9139 - Jan. 29)

COLONIAL VENTURES, INC.

A notice has been issued giving interested persons until February 25 to request a hearing on an application for an order declaring that Colonial Ventures, Inc. has ceased to be an investment company. (Rel. IC-9140 - Jan. 30)

COLONIAL EQUITIES, INC.

A notice has been issued giving interested persons until February 25 to request a hearing on an application for an order declaring that Colonial Equities, Inc. has ceased to be an investment company. (Rel. IC-9141 - Jan. 30)

FINANCIERA BANCOMER, S.A.

A notice has been issued giving interested persons until February 25 to request a hearing on an application of Financiera Bancomer, S.A., for an order exempting the company from all provisions of the Act. (Rel. IC-9142 - Jan. 30)

HOLDING COMPANY ACT RELEASES

CENTRAL AND SOUTH WEST CORPORATION

In 1945 the Commission found that the electric utility properties of Central and South West Corporation (CSW) were an integrated electric utility system. The Commission has ordered a hearing pursuant to Section 11(b)(1) of the Public Utility Holding Company Act of 1935 to explore what has occurred since then and whether under CSW's proposed changes in operations it will be in compliance with Section 11(b)(1) of the Act and the Commission's 1945 order. Any answers to the allegations set forth in the notice and order for hearing must be filed on or before March 2, 1976. (Rel. 35-19361 - Jan. 30)

CONNECTICUT YANKEE ATOMIC POWER COMPANY

A notice has been issued giving interested persons until February 26 to request a hearing on a proposal of Connecticut Yankee Atomic Power Company, subsidiary of Northeast Utilities and of New England Electric System, both of which are registered holding companies, to issue and sell short-term notes to banks and/or commercial paper to a dealer in commercial paper in an aggregate amount not to exceed \$35 million outstanding at any one time. (Rel. 35-19363 - Jan. 30)

MONONGAHELA POWER COMPANY

An order has been issued authorizing Monongahela Power Company, subsidiary of Allegheny Power System, Inc., to finance construction of certain pollution control equipment through arrangements with a West Virginia County Commission. (Rel. 35-19364 - Jan. 30)

GEORGIA POWER COMPANY

A supplemental order has been issued extending through May 1, 1976, the time for consummation of the proposed sale by Georgia Power Company of an undivided interest in electric generating units, together with transmission facilities associated therewith. See Rel. 35-18750, December 31, 1974. (Rel. 35-19365 - Jan. 30)

A notice has been issued giving interested persons until February 24 to request a hearing on a proposal of Northeast Utilities, a registered holding company, to issue and sell at competitive bidding up to 6,000,000 shares of common stock, par value \$5 per share. The proceeds of the sale will be used to make capital contributions to a subsidiary and to retire, in part, Northeast's short-term indebtedness. (Rel. 35-19366 - Jan. 30)

SELF-REGULATORY ORGANIZATIONS

TIME PERIOD EXTENDED ON PROPOSED RULE CHANGE

The Commission has issued an order extending to March 2 the time period within which the Commission is required to act on proposed NYSE Rule 389 (SR-NYSE-75-13), proposed NYSE Rules 305, 306 and 307 (SR-NYSE-75-15) and proposed NYSE Rule 335 and proposed amendments to NYSE Rules 311 and 2 and to various sections of Articles I and IX of the NYSE Constitution (SR-NYSE-76-3). The Commission is also extending the time period for comments on the proposed rule changes and invites written submissions from all interested persons by February 20, 1976. (Rel. 34-12062)

APPROVAL OF PROPOSED RULE CHANGE

The Midwest Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-MSE-76-3) to amend its interpretation of Midwest Stock Exchange Rule 1 to no longer require the imposition of odd-lot differentials upon odd-lot orders received before the opening of trading. The Securities Exchange Commission has ordered the proposed rule change effective February 2, 1976, pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934. Publication of the proposal is expected to be made in the Federal Register during the week of February 2. (Rel. 34-12063)

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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