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U.S. SECURITIES AND EXCHANGE COMMISSION

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

LAW FIRM AND SEVERAL PARTNERS SANCTIONED

The Commission has issued its findings and order imposing sanctions in proceedings under Rule 2(e) of its Rules of Practice, involving the Michigan law firm partnership of Plotkin, Yolles, Siegel & Turner (PYST) and partners Marcus Plotkin, Murray Yolles and Robert W. Siegel. The respondents submitted an offer of settlement in which they consented to the issuance of the findings and order without admitting or denying any of the allegations in the order for proceeding or any of the findings or conclusions in the Commission's findings and order.

In this case, the respondents had been retained by an issuer of securities to advise prospective investors as to the tax consequences and aspects of investing in oil and gas leases. Respondents did counsel and advise client-investors about investments in certain oil and gas interests, and in some cases favorably recommended the investments, and distributed to some clients documents concerning such investments. The Commission found that the respondents do not possess the requisite qualifications to represent others before the Commission in that during the period from about June 1, 1971 through about April 20, 1972, respondents received from the issuers of such securities payments based, at least in part, on the fact of, or on the amount of, monies invested by clients of PYST; which payments may not have been disclosed to some of the client-investors. In addition, respondents failed to reveal to client-investors that two of the partners of PYST owned common stock in one of the issuers of such securities.

The Commission's order censures the law firm of PYST. In addition, the Commission has accepted the resignations of Marcus Plotkin, Murray Yolles and Robert W. Siegel from appearing or practicing before the Commission, provided that, after eighteen months they may apply to the Commission for reinstatement; the application to be granted if they have not engaged in any activity which would be the basis for adverse action against them pursuant to Rule 2(e) of the Rules of Practice.

In addition, the three partners named above have undertaken to consult with securities counsel in connection with preparation of any documents that may reasonably be expected to be delivered to public investors, until such time as they demonstrate to the satisfaction of the Commission that they are familiar with the disclosure provisions of the securities laws. (Rel. 33-5841)

RICHARD DOUGLAS AVERY BARRED

The Commission announced that it had barred Richard Douglas Avery of Anaheim, California from being associated with any broker-dealer, investment adviser or investment company. Avery had been charged with violating Section 17(e)(1) of the Investment Company Act of 1940, as amended, based on allegations that he accepted compensation from a brokerage company in connection with the purchase and sale of the property of certain mutual funds managed by Financial Programs, Inc. of Denver, Colorado. Without admitting or denying the allegations contained in the Commission's order for proceedings, Avery consented to imposition of the sanction. (Rel. IC-9833)

COMMISSION ANNOUNCEMENTS

COMMISSION COMMENTS ON GAO REPORT CONCERNING HOLDING COMPANY ACT ENFORCEMENT

The Commission has transmitted to Congress its comments on the Report of the Comptroller General of the United States entitled "The Force of the Public Utility Holding Company Act has been greatly reduced by changes in the Securities of Exchange Commission's enforcement policies." The Commission's comments, which are critical of the report, are available by writing to Publications, SEC, 500 North Capitol Street, Washington, D.C. 20549.

COMMISSION APPROVES PROGRAM TO IMPROVE INVESTMENT
ADVISER REGULATION

The Commission approved on Wednesday the Division of Investment Management's recommendation that a program for improved regulation of investment advisers be developed. The first step is to increase the amount of information available to the public and the Commission about advisers to help the public in making informed decisions and to put the Commission in a position to make informed judgments about the type of regulatory program that may be needed. In this connection, the Commission is proposing a revised registration form for advisers (Form ADV), an annual supplement to that form (Form ADV-S) and a "brochure rule" that will require advisers to provide certain information to their prospective clients and clients. The comment period on the proposals will end in September 1977. If the proposals are adopted, it is anticipated that all currently registered advisers would be required to file a new Form ADV. The Commission staff would then review the forms filed, both to extract information needed for program development and to assure individual compliance. The information provided would be the foundation for the development of recommendations for improved regulation, through legislation, rule making or enforcement.

Official releases regarding specific rule proposals will be available next week and will be announced in the News Digest.

ANNOUNCEMENT IN RESPONSE TO QUESTION
ARISING FROM NEW YORK CITY BLACKOUT

In response to questions arising from the New York City blackout, the Commission today advised the exchanges and the NASD that if they believe they are capable of operating an orderly market in any securities other than options, they are free to do so. The Commission further pointed out that it is the responsibility of the exchanges and the NASD to bring to the Commission's attention any unusual problems which are encountered. In addition, they should communicate to their broker members, that the brokers have a responsibility to bring to the attention to their customers the unusual nature of the markets. The Commission has requested that option trading not take place today in the absence of further advice from the Commission.

COURT ENFORCEMENT ACTIONS

GENERAL DYNAMICS CORP., LESTER CROWN ENJOINED

The Chicago Regional Office announced that on July 8 a complaint was filed in the U.S. District Court for the Northern District of Illinois alleging that General Dynamics Corporation and Lester Crown violated the proxy provisions of the securities laws by filing and soliciting proxies by use of false and misleading proxy materials. In its complaint, which requests a permanent injunction, the Commission alleged that the 1974 proxy materials of General Dynamics in which Crown was nominated as a director failed to disclose the following facts: (a) In May, 1972, Crown provided \$8,000 of his personal funds to others so that they might make payments intended to influence members of the General Assembly of the State of Illinois in connection with proposed ready mix concrete truck legislation; (b) When the aforementioned legislation was vetoed in August, 1972, the \$8,000 payment was returned to Crown, however, in October, 1972, he provided an additional \$15,000 of his personal funds to others so they might make payments to members of the General Assembly of the State of Illinois; (c) During 1972 and 1973, certain officers and employees of Material Service Corporation, a 100% owned subsidiary of General Dynamics, at the direction of Crown, submitted and received payment on expense accounts which included false expenses. This was done pursuant to a plan to reimburse Crown for all the aforementioned payments made from his personal funds; and (d) The cash received by those individuals on account of the fictitious expenses, aggregating \$7,600 by June, 1973 was given to Crown.

The Commission also announced that on the same day the complaint was filed, General Dynamics and Crown, without admitting or denying the allegations of the complaint, consented to the entry of a permanent injunction enjoining them from violations of the proxy provisions of the securities laws. In addition, General Dynamics and Crown agreed to cause General Dynamics and its subsidiaries to issue intra-corporate guidelines for the proper use and disbursements of corporate funds. (SEC v. General Dynamics Corp. and Lester Crown, N.D. Ill., Civil Action No. 77-C-2454). (LR-8026)

INVESTMENT COMPANY ACT RELEASES

PETROLEUM CORPORATION OF AMERICA

A notice has been issued giving interested persons until August 8 to request a hearing on an application of Petroleum Corporation of America, for an order declaring that it has ceased to be an investment company. (Rel. IC-9846 - July 13)

STANDARD SHARES

An order has been issued pursuant to Sections 6(c) and 17(b) of the Act exempting the proposed exchange by Standard Shares, Inc., a registered closed-end company, of a \$1 million promissory note issued by Brand Insulations, Inc., a controlled operating affiliate of Standard, which note came due on May 1, 1977, for a new \$1 million note of Brand, the initial payment upon which will not be due until 1979. (Rel. IC-9847 - July 13)

HOLDING COMPANY ACT RELEASES

ALLEGHENY POWER SYSTEM

A notice has been issued giving interested persons until August 2 to request a hearing on the proposal of Allegheny Power System, Inc., a registered holding company, to issue additional common stock pursuant to a proposed Dividend Reinvestment and Stock Purchase Plan and pursuant to a proposed Tax Reduction Act Stock Ownership Plan. (Rel. 35-20107 - July 8)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING GRANTED

An order has been issued granting the application of the Philadelphia Stock Exchange, Inc. for unlisted trading privileges in the common stock, \$1.00 par value, of Tandy Corporation. (Rel. 34-13745)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Midwest Securities Trust Company (MSTC) has filed a proposed rule change pursuant to Rule 19b-4 (SR-MSTC-77-9) to establish, and to set fees for, an automatic communications link between MSTC and its participants. Publication of the proposal is expected to be made in the Federal Register during the week of July 11. (Rel. 34-13741)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved proposed rule changes filed by the Midwest Clearing Corporation and the Midwest Securities Trust Company under Rule 19b-4 (SR-MCC-77-2 and SR-MSTC-77-6) to extend clearance and settlement and depository services to debt securities. (Rel. 34-13740)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC pursuant to the Securities Act of 1933. The information noted below has been taken from the cover page and the facing sheet of the prospectus and registration statement and will appear as follows: Form; Name, address and phone number (if available) of the issuer of the security; Title and the number or face amount of the securities being offered; Name of the managing underwriter (if applicable); Whether the offering is a rights offering; and File number and date filed.

(S-8) UNION OIL COMPANY OF CALIFORNIA, Union Oil Center, Los Angeles, Cal. 90017 (213) 486-7600 - 68,107 shares of common stock (File 2-59474 - July 12)

- (S-8) HONEYWELL INC., Honeywell Plaza, Minneapolis, Minn. 55408 (612-870-2786) - 500,000 shares of common stock (File 2-59483 - July 12) and 200,000 shares of common stock (File 2-59484 - July 12)
- (S-14) EG&G, INC., 45 William St., Wellesley, Mass. 02181 (617-237-5100) - 144,000 shares of common stock (File 2-59487 - July 12)
- (S-1) SOLAR ENERGY SYSTEMS, INC., One Olney Ave., Cherry Hill, N.J. 08003 - 550,000 units consisting of 550,000 shares of common stock and 550,000 common stock purchase warrants. Underwriters: Bond, Richman & Co., Inc. and L.C. Wegard & Co., Inc. (File 2-59488 - July 13)
- (S-1) TRI-AMERICAN CORP., 1101 Euclid Ave., Cleveland, Ohio 44115 (216-241-2494) - 400,000 shares of common stock. Underwriter: John Muir & Co. (File 2-59489 - July 13)
- (S-8) TIMBERLAND INDUSTRIES INC., 3725 Seattle-First National Bank Bldg., Seattle, Wash. 98154 - 93,000 shares of common stock (File 2-59490 - July 13)
- (S-8) WAVECOM INDUSTRIES, 955 Benicia Ave., Sunnyvale, Cal. 94086 - 230,000 shares of common stock (File 2-59491 - July 14)
- (S-16) GIDDINGS & LEWIS, INC., 142 Doty St., Fond du Lac, Wis. 54935 (414-921-9400) - 467,000 shares of common stock (File 2-59492 - July 13)
- (S-8) ENERGY RESERVES GROUP, INC., 217 North Water, Wichita, Kan. 67202 - 2,725,000 shares of common stock (File 2-59493 - July 13)
- (S-7) DUKE POWER CO., 422 South Church St., Charlotte, N.C. 28242 (704-373-4579) - \$125 million of first and refunding mortgage bonds, due 2007 (File 2-59494 - July 13)

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 10¢ per page plus postage (7 days) (\$3.50 minimum); 20¢ per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30¢ per page plus postage for priority service overnight (\$5.00 minimum). Cost estimates are given on request. All other reference material is available in the SEC Docket.

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SEC DOCKET is published weekly. Subscription rates: \$43.70/yr in U.S. first class mail, \$54.65 elsewhere. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.