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RULES AND RELATED MATTERS

COMMISSION PROPOSES REDUCTION IN 18 MONTH RESERVE REQUIREMENTS FOR CONTRACTUAL PLANS

The Commission today published for comment proposed amendments to Rule 27d-1 under the Investment Company Act of 1940 which would cut the 18 month reserve requirements for 50% front-end load periodic payment contractual plans in half. The reserve requirements, originally set by the Commission in 1971, are designed to insure that sponsors of such plans will be able to carry out their obligations to refund charges pursuant to Sections 27(d) and 27(f) of the Investment Company Act. The proposed revisions are based upon data filed with the Commission by contractual plan sponsors on the sales, persistency and refund experience for approximately 32,500 plans sold from July 1, 1971 through June 1973. A summary of this data is included as an Appendix to the release.

All interested persons are invited to submit written statements of views and comments on the proposed amendment to Rule 27d-1 in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 N. Capitol St., Washington, D. C. 20549 on or before October 15, 1975. They should refer to File No. S7-582. All such communications will be available for public inspection in the Public Reference Room, 1100 L St., N. W., Washington, D. C. (Rel. IC-8913)

PROPOSED RULE CHANGES BY PACIFIC STOCK EXCHANGE, INC.

The Pacific Stock Exchange, Inc. (PSE) submitted on August 25, 1975, a proposed rule change under Rule 19b-4 to increase the number of authorized memberships from 220 to 742, with the newly authorized memberships to be sold by the Board of Governors only in accordance with the Options Funding Plan of 1975.

Publication of the submission is expected to be made in the Federal Register during the week of September 2, 1975. Interested persons are invited to submit written data, views and arguments concerning the submission within 30 days from the date of publication in the Federal Register. Comments should refer to File No. SR-PSE-75-1. (Rel. 34-11621)

COMMISSION ANNOUNCEMENTS

ADDITIONAL BRIEFS SOLICITED IN AMERICAN ELECTRIC POWER COMPANY, INC. PROCEEDING

The Commission has solicited supplemental briefs in this proceeding commenced to determine whether it should approve the proposed acquisition of Columbus and Southern Ohio Electric Company by American Electric Power, Inc. In its order the Commission has posed certain questions of fact to the participants in the proceeding.

The Commission's order notes that the already voluminous record was concluded over 4 years ago, and that from that time to the present, the electric utility industry has encountered significant problems, including the shortage and higher cost of fuel, increased capital and operating costs and construction delays. The Commission also noted that demand for electricity has not reached the levels anticipated in 1971. Accordingly, the questions are designed to provide the Commission with up-to-date information on pertinent recent developments.

The Commission regrets the delay in this "complex and important" proceeding. But it would be most inappropriate to decide the case on information that may be obsolete. The Commission states that it must assess the situation as it now is even though this might require further time since the decision turns in large measure on its assessment of the consequences of the proposed acquisition over the long run.

The briefs of AEP, Columbus and Southern and certain participants in this matter are due on or before October 28, 1975. All persons who wish to do so may file reply briefs on or before December 29, 1975. The Commission will not be inclined to grant extensions of time, within which to file the requested briefs. (Rel. 35-19145)

REMAINING MEMBERS OF NATIONAL MARKET ADVISORY BOARD ANNOUNCED

The Commission announced on August 28 the names of the remaining members of the National Market Advisory Board:

Milton H. Cohen, partner of the firm of Schiff, Hardin & Waite,
Chicago, Ill.
Aaron R. Eshman, President and Chief Executive Officer of Stern, Frank
Meyer & Fox, Inc., Los Angeles, Calif.
John P. Guerin, Jr., sole proprietor of J. P. Guerin & Co., Los Angeles, Cal.
Donald B. Marron, President and Co-Chief Executive Officer of Mitchell,
Hutchins & Co., Inc., New York, N. Y.
John J. Scanlon has recently retired from the position of Exec. Vice President
and Chief Financial Officer of the American Telephone and Telegraph Co.,
New York, N. Y.

The names of ten of the Board's fifteen members were previously announced in
Rel. 34-11614, August 22, 1975. (Rel. 34-11623)

COURT ENFORCEMENT ACTIONS

JET TRAVEL SERVICES, INC., OTHERS ENJOINED

The Commission announced that on August 18 the Honorable George C. Young, U. S. District Court Judge for the Middle District of Florida, entered an order: (1) permanently enjoining Jet Travel Services, Inc.; Exciting Life Enterprises, Inc.; Exciting Life, Inc., a Delaware corporation; Exciting Life, Inc., a Florida corporation d/b/a Exciting Life Travel and Success Club; and James E. Tolleson from further violations of Section 5(a), 5(c), and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, in connection with the offer and sale of any security; (2) continuing the ancillary relief provisions of the order for preliminary injunction, and (3) additionally ordering James E. Tolleson to disgorge to the court appointed receiver the sum of \$50,555.90 which he received from the corporate defendants as the result of their illegal activities. (SEC v. Jet Travel Serv., Inc. et al M.D. Fla. Civ. Act. No. 74-392-Orl-Div-Y) (LR-7060)

ROBERT ALDEN RHOADS ENTERS GUILTY PLEA

The Los Angeles Regional Office announced that on August 25 Robert Alden Rhoads entered a plea of guilty in the U. S. District Court in Los Angeles, Calif., to one count of conspiracy in four separate criminal actions. Rhoads and seven other persons had been indicted on May 13, 1975, by a federal grand jury which had been investigating the demise of the Shamrock Fund, a mutual fund located in Westlake Village, Calif. Those indictments included multiple charges alleging violations of the Investment Company Act of 1940, the Securities Exchange Act of 1934 and conspiracy to commit those violations. The conspiracy counts to which Rhoads pleaded guilty included conspiracy to violate various of the federal securities laws. (U.S. v. Robert Alden Rhoads, et al., C.D. CA Criminal Action Nos. 75-737, 75-738, 75-739, 75-740). (LR-7061)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON THREE TRADING SUSPENSIONS

The SEC has announced the suspension of (a) over-the-counter trading in the securities of Royal Properties, Inc. for the further ten-day period August 31 - September 9, inclusive; (b) exchange and over-the-counter trading in the securities of BBI, Inc. for the further ten-day period September 1 - 10, inclusive; and (c) over-the-counter trading in the securities of Systematic Tax, Inc. for the further ten-day period September 3 - 12, inclusive.

HOLDING COMPANY ACT RELEASES

HARTFORD ELECTRIC LIGHT COMPANY

A notice has been issued giving interested persons until September 22, to request a hearing on a proposal of Hartford Electric Light Company, an electric utility subsidiary company of Northeast Utilities, to issue and sell at competitive bidding up to \$30 million principal amount of its first mortgage bonds and 200,000 shares of its preferred stock, par value \$50 per share. The proceeds of the sales will be used to repay short term indebtedness and to finance the company's construction program. (Rel. No. 35-19146 - Aug. 29)

GULF POWER COMPANY

A notice has been issued giving interested persons until September 23, 1975, to request a hearing on a proposal of Gulf Power Company, a subsidiary of The Southern Company, to amend its Articles of Incorporation to increase its number of authorized shares of preferred stock, to allow the Board of Directors to determine sinking fund provisions for the company's preferred stock, and to liberalize restrictions on the issuance of unsecured long-term debt. Gulf also proposes to seek shareholder approval for certain increases in its unsecured long-term debt. Proxies are to be solicited in connection with all transactions. (Rel. No. 35-19147 - Aug. 29)

LOUISIANA POWER & LIGHT COMPANY

An order has been issued approving a proposal of Louisiana Power & Light Company, a subsidiary of Middle South Utilities, Inc., to issue and sell at competitive bidding up to \$50 million principal amount of first mortgage bonds. The net proceeds of the sale will be used to finance, in part, Louisiana's construction program and to repay short-term borrowings. (Rel. No. 35-19148 - Aug. 29)

MIDDLE SOUTH UTILITIES, INC. SYSTEM FUELS, INC.

The SEC has issued a notice giving interested persons until September 23, to request a hearing on a proposal by SFI, a fuel supply subsidiary of the Middle South system operating subsidiaries, to borrow up to \$25 million through March 31, 1976 from a consortium of banks. Middle South will unconditionally guarantee SFI's obligations under the loan agreement. (Rel. No. 35-19149 - Aug. 29)

NORTHEAST UTILITIES

The SEC has issued a notice giving interested persons until September 24, to request a hearing on a proposal of Northeast Utilities, a registered holding company, to issue and sell up to 1,500,000 shares of its common stock through a dividend reinvestment plan. (Rel. No. 35-19150 - Aug. 29)

INVESTMENT COMPANY ACT RELEASES

MUTUAL BENEFIT GROWTH FUND

A notice has been issued giving interested persons until September 25, to request a hearing on an application filed by Mutual Benefit Growth Fund, a registered open-end diversified management investment company for an order of the Commission pursuant to Section 8(f) of the Act that Applicant has ceased to be an investment company and that Applicant's registration as an investment company has ceased to be in effect. (Rel. IC-8906 - Aug. 28)

THE ONE HUNDRED FUND, INC.

A notice has been issued giving interested persons until September 22, to request a hearing on an application filed by The One Hundred Fund, Inc. (One Hundred) and Fleming Berger Fund, Inc. (Fleming) for an order pursuant to Section 17(b) to permit One Hundred to acquire substantially all the assets of Fleming in exchange for shares of One Hundred common stock. (Rel. IC-8907 - Aug. 28)

LIBERTY FUND, INC.

A notice has been issued giving interested persons until September 22, to request a hearing on an application by Liberty Fund, Inc. (Liberty) and The Knickerbocker Fund (Knickerbocker), open-end investment companies which may be deemed to be under common control, for an order permitting substantially all of the assets of Knickerbocker to be sold to Liberty in exchange for shares of Liberty. (Rel. IC-8908 - Aug. 28)

CAMPBELL ADVISORS, INC., OTHERS

A notice has been issued giving interested persons until September 22 to request a hearing on an application of Douglas Campbell, Jr., Campbell Asset Management Company and Campbell Advisors, Inc. pursuant to Section 9(c) of the Investment Company Act for an order of the Commission exempting applications from the provisions of Section 9(a) of the Act insofar as any ineligibility to serve or act in the capacities enumerated in Section 9(a) of the Act arises out of an injunction entered in connection with the action entitled Securities and Exchange Commission v. Bausch & Lomb, Inc., et al. (SDNY). (Rel. IC-8909 - Aug. 28)

SCHUSTER FUND, INC.

A notice has been issued giving interested persons until September 22, to request a hearing on an application by Schuster Fund, Inc. (Schuster) and the Knickerbocker Growth Fund, Inc. (Knickerbocker), open-end investment companies which may be deemed to be under common control, for an order permitting substantially all of the assets of Knickerbocker to be sold to Schuster in exchange for shares of Schuster. (Rel. IC-8910 - Aug. 28)

PACIFIC STANDARD FUND

An order has been issued declaring that Pacific Standard Fund, Inc. has ceased to be an investment company. (Rel. IC-8911 - Aug. 28)

CROWN WESTERN INVESTMENTS

An order has been issued declaring that Crown Western Investments, Inc. has ceased to be an investment company. (Rel. IC-8912 - Aug. 28)

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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