

sec news digest

Issue 75-187

(SEC Docket, Vol. 7, No. 18 - October 7)

S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

September 25, 1975

RULES AND RELATED MATTERS

SEP 26 1975

COMMENTS ASKED ON WHETHER THE COMMISSION SHOULD REGISTER NON-EXCLUSIVE SECURITIES INFORMATION PROCESSORS AND ADOPTION OF WITHDRAWAL OF RELATED RULES

LIBRARY

The Commission announced the adoption of Rule 11Ab2-1 and related Form SIP effective immediately. Rule 11Ab2-1, as adopted, provides that each exclusive securities information processor required to register pursuant to Section 11A(b)(1) of the Securities Exchange Act of 1934 must file an application for registration on Form SIP. Applicants are requested to file Form SIP on October 20, 1975. In addition, the Commission announced it has under consideration a proposal to adopt related Rules 11Ab2-2, 11Ab2-3 and 11Ab5-1, and gives notice of the withdrawal of proposed Rule 15c2-10.

All interested persons are invited to submit their views and comments, in triplicate, on the Rule and Form as adopted and on the rules as proposed to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 by November 1, 1975. All comments should refer to File No. S7-585 and will be available for public inspection. (Rel. 34-11673)

Section 11A(b)(1) of the Act requires the Commission to register all exclusive securities information processors by December 1, 1975, but permits the Commission discretion concerning whether non-exclusive securities information processors should be registered. The Commission invited interested persons to submit their views and comments, in triplicate, on whether non-exclusive securities information processors should be required to register to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 by December 1, 1975. All such comments should refer to File No. S7-586 and will be available for public inspection. (Rel. 34-11673)

NOTICE OF FILING OF PROPOSED RULE CHANGES BY CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED

The Chicago Board Options Exchange, Incorporated (CBOE) submitted on September 10 a proposed rule change under Rule 19b-4 to amend the CBOE's policy pertaining to the selection of underlying securities for options transactions on the CBOE.

The foregoing rule change has become effective, pursuant to Section 19(b)(3) of the Securities Exchange Act of 1934. At any time within sixty days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Securities Exchange Act of 1934.

Publication of the submission is expected to be made in the Federal Register during the week of September 29, 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. Persons desiring to make written submissions should file six copies thereof with the Secretary of the Commission, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549. Reference should be made to File No. SR-CBOE-1975-2. (Rel. 34-11674)

NOTICE OF FILING OF PROPOSED RULE CHANGE BY CHICAGO BOARD OPTIONS EXCHANGE, INCORPORATED

The Chicago Board Options Exchange, Incorporated (CBOE) submitted on September 19 a proposed rule change under Rule 19b-4 to increase the number of directors on the CBOE Board of Directors from fifteen to twenty-one and to specify the composition of the Board.

Publication of the submission is expected to be made in the Federal Register during the week of September 29, 1975. In order to assist the Commission to determine whether to approve the proposed rule change or institute proceedings to determine whether the proposed rule change should be disapproved, 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. Persons desiring to make written submissions should file six copies thereof with the Secretary of the Commission, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549. Reference should be made to File No. SR-CBOE-1975-3. (Rel. 34-11675)

NYSE FILES PROPOSED CHANGES IN THE RULES OF THE DEPOSITORY TRUST COMPANY

The New York Stock Exchange, Inc. (the NYSE) has submitted, pursuant to Rule 19b-4 under the Securities Exchange Act of 1934, a proposed change in the by-laws of the NYSE's wholly-owned subsidiary, The Depository Trust Company (DTC). The change would increase the number of directors on DTC's board from fourteen to fifteen.

Publication of the submission is expected to be made in the Federal Register during the week of September 29, 1975. Interested persons are invited to submit comments within three weeks from the date of publication in the Federal Register. Comments should refer to File No. SR-NYSE-75-2. (Rel. 34-11676)

TRADING SUSPENSIONS

TRADING SUSPENDED IN TWO COMPANIES

The SEC has announced the temporary suspension of exchange and over-the-counter trading for a single ten-day period beginning on September 24 and terminating at midnight (EDT) on October 3, 1975 of all securities of the following issuers which have failed to file with the Commission at least the indicated reports:

HALLCRAFT HOMES, INC., located in Phoenix, Arizona (Form 10-K annual report for the fiscal year ended April 30, 1975) listed for trading and currently halted on the American Stock Exchange and on the Pacific Stock Exchange; traded over-the-counter.

ROYAL PALM BEACH COLONY, INC., located in Miami, Florida (Form 10-K annual report for the fiscal year ended April 30, 1975) listed for trading on the American Stock Exchange.

The Commission initiated the subject suspensions because the subject issuers failed to comply with the reporting provisions of the Exchange Act resulting in the lack of current and accurate information available to the public. (Rel. 34-11678)

COURT ENFORCEMENT ACTIONS

PENN CENTRAL TRANSPORTATION COMPANY ENJOINED

On September 19 a final judgment of permanent injunction was entered against Penn Central Transportation Company (Transportation Company), a defendant in SEC v. Penn Central Co., based on certain pre-organization activities of Transportation Company and others. The Commission had alleged in its action that prior to the filing of a petition for reorganization under the Bankruptcy laws in June, 1970 and, accordingly, prior to the Court appointment of Transportation Company Trustees (Trustees), the Transportation Company, its principal officers, and others engaged in misrepresentations, including the concealment of the deterioration of the Transportation Company, and other fraudulent conduct.

The Transportation Company consented to the injunction without admitting or denying the allegations contained in the Commission's complaint except that it denied the allegations of the complaint insofar as they might have pertained in the period of the stewardship of the Trustees subsequent to the filing of the petition for reorganization. The judgment enjoins Transportation Company from violations of the antifraud provisions of the securities laws. (SEC v. Penn Central Co., et al., Civil Action No. 74-1125 E.D. Pa.). (LR-7097)

INVESTMENT COMPANY ACT RELEASES

CONNECTICUT MUTUAL LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until October 20 to request a hearing on an application of Connecticut Mutual Insurance Company, a Connecticut mutual life insurance company, and CML Accumulation Annuity Account E, an open-end management investment company, for an order of exemption from Sections 14(a), 17(f) and 27(c)(2). (Rel. IC-8952 - Sept. 24)

HOLDING COMPANY ACT RELEASES

MISSISSIPPI POWER COMPANY

A notice has been issued giving interested persons until October 17 to request a hearing on proposals of Mississippi Power Company, subsidiary of The Southern Company, to issue and sell 150,000 shares of preferred stock, \$100 par value, at competitive bidding and to amend its Articles of Incorporation to increase its authorized preferred stock by 150,000 shares. (Rel. 35-19185 - Sept. 23)

EASTERN UTILITIES ASSOCIATES

An order has been issued authorizing Brockton Edison Company, subsidiary of Eastern Utilities Associates, to accept a bid for preferred stock. Brockton had invited competitive bids for the stock but only one bid was received. (Rel. 35-19187 - Sept. 23)

MIDDLE SOUTH UTILITIES

An order has been issued authorizing SFI, 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. 35-19188 - Sept. 24)

NATIONAL FUEL GAS COMPANY

A notice has been issued giving interested persons until October 20 to request a hearing on a proposal of National Fuel Gas Company, a registered holding company, to increase the amount of short-term unsecured notes to banks from \$30 million to \$38 million and to apply the additional proceeds therefrom to the purchase of a like amount of short-term notes to be issued by its subsidiary, National Fuel Gas Supply Corporation. (Rel. 35-19189 - Sept. 24)

GULF POWER COMPANY

An order has been issued approving 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. 35-19190 - Sept. 24)

SECURITIES ACT REGISTRATIONS

(S-16) THE PILLSBURY COMPANY

608 Second Ave., Minneapolis, Minn. 55402 - 110,200 shares of common stock, to be offered for sale by one selling stockholder from time to time at prices current at time of sale. The company is a broadly based and diversified international company participating primarily in three major aspects of the food business -- consumer products, agri-products and restaurants. (File 2-54176 - July 10)

(S-14) H. J. HEINZ COMPANY

1062 Progress St., Pittsburgh, Pa. 15212 - 1,800,000 shares of third cumulative preferred stock, \$1.70 First Series (Heinz Preferred), and 900,000 shares of common stock of H. J. Heinz Company (Heinz Common) issuable upon conversion of the Heinz Preferred. Upon the consummation of the proposed merger of The Hubinger Company into a wholly-owned subsidiary of H. J. Heinz Company, not more than 1,800,000 shares of

Heinz Preferred will be issued to the shareholders of The Hubinger Company in exchange for all the outstanding common shares of The Hubinger Company (Hubinger Common) at the rate of two Heinz Preferred shares for each Hubinger Common share. The Heinz Preferred will be convertible into shares of Heinz Common at the rate of one-half share of Heinz Common for each share of Heinz Preferred. The company and its subsidiaries are engaged in the manufacture and marketing of an extensive line of reciped, convenience food products. (File 2-54643 - Sept. 23)

(S-7) NEW YORK STATE ELECTRIC & GAS CORPORATION

4500 Vestal Parkway East, Binghamton, N.Y. 13902 - 1,200,000 shares of common stock, to be offered for sale by Salomon Brothers, Lehman Brothers Incorporated and Merrill Lynch, Pierce, Fenner & Smith Incorporated. The company is a public utility supplying electric and gas service. (File 2-54645 - Sept. 23)

(S-7) PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

1000 Elm St., Manchester, N.H. 03105 - \$15 million of first mortgage bonds, Series U, due 1985, and 600,000 shares of preferred stock to be offered for sale through underwriters managed by Kidder, Peabody & Co. Incorporated, 10 Hanover Sq., New York, N.Y. 10005. The company is an electric utility. (File 2-54646 - Sept. 23)

RECENT 8K FILINGS

Form 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes: changes in control of the registrant; acquisition or disposition of assets; legal proceedings; changes in securities (i.e., collateral for registered securities); defaults upon senior securities; increase or decrease in the amount of securities outstanding; options to purchase securities; revaluation of assets; submission of matters to a vote of security holders.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the items of the form was included in Monday's News Digest.

| COMPANY | ITEM NO. | MONTH |
|--------------------------------|------------|-------|
| FT INDUSTRIES INC | 13 | 08/75 |
| GETTY OIL CO | 3 | 08/75 |
| GREY ADVERTISING INC | 13,14 | 08/75 |
| GULF RESOURCES & CHEMICAL CORP | 3 | 09/75 |
| HMW INDUSTRIES INC | 13 | 08/75 |
| HOMESTEAD FINANCIAL CORP | 2,12,14 | 08/75 |
| HOPE BAY MINES LTD | 13 | 08/75 |
| IC INDUSTRIES INC | 3 | 08/75 |
| IC PRODUCTS CO | 3 | 08/75 |
| JEWELCOR INC | 7,14 | 08/75 |
| LADD ENTERPRISES INC | 7,9 | 08/75 |
| LAFAYETTE FUNDS INC | 7 | 08/75 |
| LEVITT INDUSTRIES INC | 11,14 | 08/75 |
| LIBCO CORP | 9,10,13,14 | 08/75 |

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.

SEC NEWS DIGEST is published daily. Subscription rates: \$64.45/yr in U.S. first class mail; \$80.60 elsewhere.

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.