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DECISIONS IN ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND
EXCHANGE COMMISSION

BAY STATE SECURITIES, INC. REVOKED;
LAURENCE T. HOWELL, OTHERS SANCTIONED

Public administrative proceedings have been instituted pursuant to Section 15(b) of the Securities Exchange Act against Bay State Securities, Inc. (Bay State), a Boston, Massachusetts broker-dealer, Laurence T. Howell, its president, Donald M. Patten, its vice-president and Stanley H. Sichel, a former salesman, alleging violations of the registration and antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 (the 1934 Act) and various broker-dealer reporting and customer protection provisions of the 1934 Act and the rules and regulations thereunder. Simultaneously, the Commission has accepted offers of settlement submitted by Bay State, Howell, Patten, and Sichel. The Commission revoked the registration of Bay State and barred Howell and Patten from association with any broker or dealer provided that they have a right to apply for re-association after one and two years respectively. The Commission accepted Sichel's offer and barred him from association with any broker or dealer, investment adviser or investment company. Patten and Sichel had formerly been associated with An-Car Oil Co., Inc. and were permanently enjoined from violating the registration and antifraud provisions of the securities laws in SEC v. An-Car Oil Co., Inc., et al., CA-76-2039-T by the U.S. District Court at Boston. Respondents submitted their offers of settlement without admitting or denying the allegations in the Commission's order for proceedings. (Rel. 34-13653)

FIRST WESTERN SECURITIES COMPANY REVOKED;
WILLIAM C. LASSWELL, JR. BARRED

First Western and Lasswell failed to answer the order for proceedings against them and are in default. The Commission found, on the basis of its order for proceeding that First Western violated and Lasswell aided and abetted violations of the financial reporting, net capital and customer protection provisions of the Exchange Act. The broker-dealer registration of First Western Securities Company is revoked and William C. Lasswell Jr. is barred from association with any broker or dealer. (Rel. 34-13654)

COMMISSION ANNOUNCEMENTS

REPORT ON BANK SECURITIES ACTIVITIES

The Commission announced that today it transmitted its Final Report on Bank Securities Activities to Congress. The Final Report is the third report submitted to Congress pursuant to Section 11A(e) of the Securities Exchange Act, which authorizes and directs the Commission to conduct a study of the extent to which banks maintain accounts on behalf of public customers for buying and selling publicly-traded securities and whether the exclusions of banks from the Exchange Act definitions of "broker" and "dealer" are consistent with the protection of investors and the other purposes of that Act.

The Final Report examines the corporate financing services and trust department securities trading activities of banks. It also includes the Commission's conclusions and recommendations for legislation regarding these activities and bank brokerage-type activities, which were examined in the Initial and Second Reports.

The Report states that on the basis of its review, the Commission does not recommend that the exclusions of banks in the definitions of "broker" and "dealer" be eliminated. Imposition of broker-dealer regulation by the Commission would result in duplicative and unduly burdensome regulation in some respects. However, the Report states that some changes should be made in the regulatory structure to assure adequate investor protection and recommends that legislation be enacted to deal with certain needs of investors and to prevent regulatory disparities from recurring with the passage of time.

Copies of the 250-page Final Report are being printed and will be available to the public the last week of July.

**INITIAL DECISION GRANTS EXEMPTIONS TO INVESTMENT
COMPANY CREATED FOR UNITED PARCEL SERVICE EMPLOYEES**

Administrative Law Judge Max O. Regensteiner has issued an initial decision granting conditional exemptions from various provisions of the Investment Company Act to Parco Managers Corp., an investment company created by United Parcel Service of America, Inc. (UPS) for key UPS managerial employees. The decision is subject to Commission review on petition of a party or on the Commission's own initiative.

Parco's portfolio consists of UPS stock. Ownership of such stock is restricted essentially to present and former UPS managerial and supervisory employees, and UPS itself provides the only market for it. Parco has a highly leveraged capital structure, designed to give the high-level UPS employees to whom Parco common stock is offered an opportunity to achieve gains disproportionate to their investments as long as UPS continues to prosper. There are now 78 common stockholders; if approval of the exemption application becomes final, Parco will register common stock under the Securities Act and offer it to about 60 additional persons. UPS supplies the bulk of Parco's capital through purchases of preferred stock, which it donates to charitable institutions. Parco also has a Class A stock, issued only as dividends on the common stock.

The Commission's Division of Investment Management, opposing most of the exemption requests, objected most strongly to the method by which the UPS stock, and indirectly the Parco stock, is priced and to Parco's capital structure. The initial decision concludes, however, that under all the circumstances, it is consistent with the protection of investors to grant the application in its major aspects.

COURT ENFORCEMENT ACTIONS

HALCO SALES CO. AND MAURICE HALPERIN ENJOINED

The SEC announced that on June 24 the U.S. District Court for the District of Columbia entered a judgment of permanent injunction against Halco Sales Company (Halco), a Massachusetts corporation and Maurice A. Halperin, formerly president of Halco, restraining and enjoining Halco and Halperin from violations of the antifraud provisions of the securities laws. Halco and Halperin consented to the entry of the judgment of permanent injunction without admitting or denying the allegations of the Commission's complaint. The Court further enjoined Halco and Halperin from issuing false confirmations to auditors of Giant Stores Corp. or any other issuer. (SEC v. Giant Stores Corp., et al., U.S.D.C. D.C., Civil Action No. 76-1641). (LR-7996)

NEW YORK COMMODITIES BROKER ENJOINED

The SEC announced that on June 24 the U.S. District Court for the District of Columbia entered a judgment of permanent injunction against Czarnikow-Rionda Company, Inc. (Rionda), a New York Commodities sugar broker, restraining and enjoining Rionda from violations of the antifraud and reporting provisions of the Securities Exchange Act of 1934 (Exchange Act). Rionda has consented to the entry of the judgment of permanent injunction without admitting or denying the allegations of the Commission's complaint. The judgment of permanent injunction was entered in connection with a civil injunctive action filed by the Commission against SuCrest Corporation, et al. on June 1. In addition to entering the judgment of permanent injunction against Rionda, the Court also entered an order restraining and enjoining Rionda from making, or causing to be made, materially false or misleading statements to an accountant or auditor in any examination, audit or review of SuCrest. (SEC v. SuCrest Corp., et al., U.S.D.C. D.C., Civil Action No. 77-0915). (LR-7997)

MAX WILSON, INC., OTHERS ENJOINED

The Denver Regional Office announced that on June 15 the Federal District Court in Albuquerque, New Mexico issued an order of permanent injunction against Max Wilson, Inc., a New Mexico corporation, Max M. Wilson and Robert M. Wilson of Roswell, New Mexico enjoining them from violating the registration and antifraud provisions of the securities laws in the offer and sale of investment contracts involving the U.S. Department of the Interior Bureau of Land Management Simultaneous Oil and Gas Lease Filing System or any other security whatsoever of any issuer. (SEC v. Max Wilson, Inc., et al., USDC, New Mexico, Civil Action No. 77-133-M). (LR-7998)

FOREST P. WHITLOW, OTHERS FOUND GUILTY

The Chicago Regional Office announced that on May 25 in Rock Island County Circuit Court, in Rock Island, Illinois, Judge Jay M. Hanson presiding, a jury found Forest P. Whitlow, John L. Brewer, Joseph P. Delfino and Truman K. Gibson, Jr. guilty of conspiracy, making false representations in the offer and sale of securities of Royal National Investment & Mortgage Corporation and theft by deception, all in violation of the Illinois Criminal Code. On May 22, 1975, the Honorable Prentice H. Marshall,

U.S. District Judge for the Northern District of Illinois, Eastern Division, entered a final judgment of permanent injunction against Royal National Investment & Mortgage Corporation and the aforementioned individuals prohibiting them from violating the registration and antifraud provisions of the securities laws. (State of Illinois v. Forest P. Whitlow, et al., Fourteenth Judicial Circuit Court, Rock Island County, Ill., 76-CF-180). (LR-7999)

C. D. SHIELDS ENJOINED

The Atlanta Regional Office announced that on June 13 the Federal Court in Jackson, Mississippi, issued an order permanently enjoining C. D. Shields, of Meridian, Mississippi, from violations of the antifraud provisions of the securities laws. Shields consented to the entry of the order of permanent injunction. (SEC v. Charles A. Carter, et al., S.D. Miss., J77-0166(R)). (LR-8000)

FINAL ORDERS ENTERED AGAINST PETROFUNDS, INC., OTHERS

The SEC announced that on June 28 Judge Edward Weinfeld, U.S. District Judge for the Southern District of New York, after having denied the Commission's application for a temporary restraining order and motion for a preliminary injunction in June, 1976, signed final orders prohibiting Petrofunds, Inc., McRae Oil Corporation, McRae Consolidated Oil and Gas, Inc., James A. McRae, David Kelley, J. Frank Bensen, Bronley DeMerritt, Jr., Sunny South Oil and Gas, Inc., Edward C. Dorroh, Louisiana Gas Purchasing Corporation, Louisiana Gas Intrastate, Inc., of Shreveport, Osias Biller, Thomas Leger, and Thomas Leger & Company from engaging in conduct violative of certain of the antifraud provisions of the securities laws, and requiring certain of these defendants to take affirmative steps to ensure future compliance with those laws. Final orders were also issued respecting Sidney O. Raphael, Edmund D'Elia and Raphael, Searles, Vischi, Scher, Glover & D'Elia requiring them to take reasonable steps to insure that full and fair disclosure of material facts is made in offering documents for which they act as counsel and with respect to Raphael for companies in which he is an officer or director. A final order respecting Bennett J. Roberts, Jr., was entered requiring Roberts to take reasonable steps to ensure that full and fair disclosure is made in connection with any securities of any company of which he is an officer, director or counsel or any partnership of which he is a general partner or counsel of any issuer controlled by such company or partnership. Previously, a final order with respect to Henry Becton was entered requiring Becton to take reasonable steps to ensure full and fair disclosure made in connection with the issuance of a certain tax incentive investments. These defendants agreed to the entry of such final orders without admitting or denying the allegations in the Commission's complaint. The Commission terminated its action against Judge Edward D. Coulson, based on Judge Coulson's commitment never to represent Petrofunds, Inc., or its affiliated companies as an attorney or practice before the Commission. (SEC v. Petrofunds, et al.). (LR-8001)

INVESTMENT COMPANY ACT RELEASES

INVESTORS SYNDICATE OF AMERICA

An order has been issued on an application of Investors Syndicate of America, Inc. (Investors), a registered face-amount certificate company and a subsidiary of Investors Diversified Services, Inc. (IDS), and IDS Properties, Inc. (Properties), also a subsidiary of IDS, permitting Investors to consent to the sale of certain real estate by Properties and the assumption of certain mortgage and notes by the buyer. (Rel. IC-9829 - June 28)

HOLDING COMPANY ACT RELEASES

INDIANA & MICHIGAN ELECTRIC COMPANY

A notice has been issued giving interested persons until July 21 to request a hearing on a proposal of Indiana & Michigan Electric Company, subsidiary of American Electric Power Company, Inc., that it sell certain substation facilities and real property associated therewith to Radio Corporation of America. (Rel. 35-20093 - June 28)

NORTHEAST UTILITIES

A supplemental order has been issued regarding Northeast Utilities, a registered holding company, and its subsidiary, authorizing a \$500,000 increase in the system service company's long-term bank notes. (Rel. 35-20094 - June 28)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The National Association of Securities Dealers, Inc. has filed a proposed rule change under Rule 19b-4 (SR-NASD-77-2) to amend its proposal which would allow standardized option transactions in the over-the-counter market. Publication of the proposal is expected to be made in the Federal Register during the week of June 27. (Rel. 34-13687)

The Philadelphia Stock Exchange, Inc. (PHLX) has filed a proposed rule change under Rule 19b-4 (SR-PHLX-77-6) to remove the physical barrier which separates the PHLX option trading floor from the equity floor. Publication of the proposal is expected to be made in the Federal Register during the week of July 4. (Rel. 34-13689)

MISCELLANEOUS

CHANNEL COMPANIES, INC.

An order has been issued granting the application of Channel Companies, Inc., a Delaware corporation, pursuant to Section 12(h) of the Securities Exchange Act of 1934, as amended, for an exemption from the reporting requirements of Section 13 and 15(d) of the Act. It appeared to the Commission that the granting of the requested exemption would not be inconsistent with the public interest or the protection of investors. (Rel. 34-13703)

SECURITIES ACT REGISTRATIONS

(S-16) THE PILLSBURY COMPANY

608 Second Avenue South, Minneapolis, Minn. 55402 - 44,950 shares of common stock, to be offered for sale from time to time by certain selling stockholders on the New York Stock Exchange or the Midwest Stock Exchange, in negotiated transactions or otherwise at prices current at the time of sale. The company is a diversified international company participating in three major segments of the food business -- consumer products, agri-products and restaurants. (File 2-59374 - June 27)

(S-7) THE MAY DEPARTMENT STORES COMPANY

Sixth and Olive Sts., St. Louis, Mo. 36101 - \$50 million of sinking fund debentures, due 2002, to be sold by the company through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N.Y. 10004 and E. F. Hutton & Company Inc., One Battery Park Plaza, New York, N.Y. 10004. (File 2-59375 - June 28)

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:

Sears, Roebuck and Co., Chicago, Ill. (File 2-59319 - June 21) - 5,000,000 shares
North-West Telephone Co., Tomah, Wis. (File 2-59321 - June 20) - 45,000 shares
Fabri-Centers of America, Inc., Beachwood, Ohio (File 2-59322 - June 21) - 312,120 shares
First Union Corp., Charlotte, N.C. (File 2-59325 - June 21) - 175,000 shares
Atlanta/LaSalle Corp., Niles, Ill. (File 2-59327 - June 21) - 160,000 shares
Becton, Dickinson and Co., East Rutherford, N.J. (File 2-59330 - June 22) - 500,000 shares, and (File 2-59332 - June 22) - 146,850 shares

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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