

sec news digest

*Issue 78-125

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June 28, 1978

NOTICE OF COMMISSION MEETINGS

U.S. SECURITIES AND EXCHANGE COMMISSION

Following is a schedule of Commission meetings which will be conducted pursuant to provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday mornings. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration. The Commission will not normally meet on Mondays or Fridays.

Visitors are welcome at all open meetings, insofar as seating is available.

Meetings will be held in the Commission Meeting Room on the eighth floor of the Commission's headquarters building at 500 North Capitol Street, Washington, D.C. All visitors are required to sign in and obtain passes at the Reception Desk in the lobby. Persons wishing to photograph or obtain a tape recording of Commission meetings must obtain permission in advance from the Secretary of the Commission.

CLOSED MEETING - WEDNESDAY, JULY 5, 1978 - 10 A.M.

The subject matter of the July 5 closed meeting will be: Referral of investigative files to Federal, State or Self-Regulatory authorities; Formal orders of investigation; Authorization of staff member to testify; Institution of injunctive actions; Settlement of injunctive actions; Freedom of Information Act appeal; Subpoena enforcement action; Institution of administrative proceedings of an enforcement nature; Dismissal of administrative proceeding of an enforcement nature; Settlement of administrative proceedings of an enforcement nature; Report on investigative matter; Other litigation matters.

OPEN MEETING - THURSDAY, JULY 6, 1978 - 10 A.M.

The subject matter of the July 6 open meeting will be:

(1) Proposed transmittal of comments to the Federal Trade Commission (FTC) on the Securities and Exchange Commission's policy concerning the relationship of filing requirements for FTC quarterly financial reports and the federal securities laws.

(2) Consideration of a waiver from some provisions of the Commission's Conduct Regulations for a temporary employee.

(3) Consideration of a Notice of Application pursuant to Section 9(c) of the Investment Company Act of 1940 for an exemptive order from certain provisions of the Act in the matter of John Nuveen & Co., Inc. and Peter A. Leonard.

(4) Consideration of proposed release concerning the re-examination of rules relating to shareholder communications and shareholder participation in corporate governance generally.

CLOSED MEETING - THURSDAY, JULY 6, 1978 - IMMEDIATELY FOLLOWING THE OPEN MEETING

The subject matter of the July 6 closed meeting will be: Consideration of an administrative proceeding of an enforcement nature.

FOR FURTHER INFORMATION CONTACT: Kenneth Daniels at (202) 755-1133

* In the News Digest of June 27 the Issue number was erroneously stated. The correct number should have been Issue 78-124.

ADMINISTRATIVE PROCEEDINGS

RONALD J. STONE BARRED

The Commission has entered an order barring Ronald J. Stone of Troy, Michigan, from association with any broker or dealer. The sanction was based on findings, after the default of the respondent, that Stone wilfully violated Section 10(b) of the Securities Exchange Act and Rule 10b-5 thereunder.

The order instituting the proceedings had alleged that Stone, while employed as a salesman by a broker-dealer, had effected unauthorized transactions in customers' accounts; sold customer-owned and fully-paid for securities without the knowledge or consent of such customers, and obtained the proceeds for his own use; converted to his own use customer funds intended for the purchase of securities; and obtained the proceeds of checks payable to customers by affixing customers' signatures thereon without authority. (Rel. 34-14864)

COURT ENFORCEMENT ACTIONS

AMERICAN GUARANTY CORPORATION AND HOWARD N. FEIST, JR. ENJOINED

The Boston Regional Office announced that on June 16 the Honorable Walter J. Skinner, U.S. District Judge for the District of Massachusetts, entered an order permanently enjoining American Guaranty Corporation, of Providence, Rhode Island and Howard N. Feist, Jr., of Weston, Massachusetts, from violating certain reporting and proxy provisions of the securities laws. In addition, the Court ordered, among other things, (1) that Feist forfeit \$1,514,000 of preferences on his 57% interest in the preferred stock of American Guaranty; (2) that a trustee be appointed to vote Feist's 57% interest in the preferred stock and 80% interest in the common stock for three years subject to certain conditions; and (3) that for a period of three years Feist may not serve as an officer or director of any public company, except American Guaranty if duly appointed by it.

In its complaint, the Commission alleged that American Guaranty, aided and abetted by Feist, filed and/or used periodic reports and a proxy which failed to disclose material facts concerning certain sale-leasebacks which the company entered into with Feist affiliates and on which the company lost approximately \$1,481,000. Among other things, no disclosure was made concerning the poor financial condition of the Feist-controlled seller-lessees, the misleading nature of related equipment appraisals, the large profits the affiliated seller-lessees made on the sale of the subject equipment, and the complex circle of illusory transactions surrounding one particular sale-leaseback with a major department store in Worcester, Massachusetts.

American Guaranty and Feist consented to the entry of the judgments without admitting or denying the Commission's allegations. (SEC v. American Guaranty Corporation and Howard N. Feist, Jr., D. Mass., Civil Action No. 78-1368-S). (LR-8443)

ROBERT REID AND JOSEPH MELTZER SENTENCED

The Atlanta Regional Office and Miami Branch Office announced that on May 19 and 22, respectively, U.S. District Judge Charles B. Fulton sentenced Robert Reid to five years imprisonment, and Joseph Meltzer to thirty months imprisonment, after jury trials in which they were found guilty of interstate transportation of stolen securities, the receipt and sale of stolen securities, and the conspiracy statutes. (U.S. v. Robert Reid and Joseph Meltzer, S.D. Fla., Criminal Action No. 77-8068-CR-CF). (LR-8444)

INVESTMENT COMPANY ACT RELEASES

CALIFORNIA MUTUAL FUND

A notice has been issued giving interested persons until July 21 to request a hearing on an application of California Mutual Fund for an order declaring that it has ceased to be an investment company. (Rel. IC-10292 - June 27)

INTERNATIONAL LIQUID ASSETS

A notice has been issued giving interested persons until July 21 to request a hearing on an application of International Liquid Assets, Inc. for an order declaring that it has ceased to be an investment company. (Rel. IC-10293 - June 27)

HOLDING COMPANY ACT RELEASES

NORTHEAST UTILITIES

An order has been issued authorizing a proposal of Northeast Utilities, a registered holding company, and four of its subsidiaries, Western Massachusetts Electric Company, The Connecticut Light and Power Company, The Hartford Electric Light Company, and Holyoke Water Power Company, whereby each company will issue notes to banks or a dealer in commercial paper. The maximum amounts, at any one time outstanding, of such notes are as follows: Northeast, \$15 million; Connecticut Light and Power, \$150 million; Hartford Electric, \$35 million; Western Massachusetts Electric, \$40 million; and Holyoke, \$6 million. Northeast will use the proceeds of the sales to make capital contributions and open account advances to certain subsidiaries. The subsidiaries will use the proceeds of their sales to finance their respective construction program. (Rel. 35-20601 - June 26)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Depository Trust Company (DTC) has filed a proposed rule change pursuant to Rule 19b-4 (SR-DTC-78-9) to expand the existing interface between DTC and New England Securities Depository Trust Company (NESDTC) by authorizing DTC to become a participant in NESDTC. DTC has requested that the Commission approve the proposed rule change prior to the thirtieth day after publication in the Federal Register. Publication of the proposal is expected to be made in the Federal Register during the week of June 26. (Rel. 34-14889)

NOTICE OF EFFECTIVENESS OF A RULE CHANGE

A rule change filed by Bradford Securities Processing Services, Inc. (BSPS) pursuant to Rule 19b-4 (SR-BSPS-78-2) has become effective in accordance with Section 19(b)(3)(A) of the Securities Exchange Act of 1934. The proposed rule change provides for the conversion of BSPS's facility in Birmingham, Alabama from a correspondent facility to a branch office. The Birmingham branch office's operating procedures will be similar to those for other BSPS branch offices previously approved by the Commission. Publication of the proposal is expected to be made in the Federal Register during the week of June 26. (Rel. 34-14888)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved proposed rule changes filed by the following stock exchanges: Boston Stock Exchange Clearing Corporation (SR-BSECC-78-1) which would change the time period during which BSECC participants deliver securities to BSECC. (Rel. 34-14890); National Association of Securities Dealers, Inc. (SR-NASD-78-2) which would provide investors with a simple and inexpensive procedure for the arbitration of small claims against member firms. (Rel. 34-14892) and the Philadelphia Stock Exchange, Inc. (SR-PHLX-78-4) providing investors with a simple and inexpensive procedure for the arbitration of small claims against member firms. (Rel. 34-14896)

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-1) GENERAL HYDROCARBONS, INC., 301 North 27th St., P.O. Box 1821, Billings, Mon. 59103 (406) 252-4111 - 4,000,000 shares of common stock. Underwriter: Engler & Budd Co., 324 Republic Bldg., Denver, Colo. 80202. The company is engaged in acquiring leasehold interests in oil and gas properties for exploration and development. (File 2-61968 - June 26)
- (S-8) ITEL CORPORATION, One Embarcadero Center, San Francisco, Cal. 94111 - 1,000,000 shares of common stock. (File 2-61979 - June 27)
- (S-8) WAVETEK, 9045 Balboa Ave., San Diego, Cal. 92123 (714) 279-2200 - 110,000 shares of common stock. (File 2-61980 - June 27)

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 10c per page plus postage (7 days) (\$3.50 minimum); 20c per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30c 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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