

# sec news digest

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## RULES AND RELATED MATTERS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

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### AMENDMENTS AND PROPOSED CHANGES TO THE COMMISSION'S FINANCIAL RESPONSIBILITY RULES

The Commission announced a number of significant changes in its financial responsibility rules for brokers and dealers, Rules 15c3-1 and Rule 15c3-3. These changes are expected to reduce by hundreds of millions of dollars the net capital "cushion" brokers and dealers are required to maintain.

More specifically, the Commission issued four separate releases adopting, or in some cases proposing for comment, amendments to its financial responsibility rules which would (1) substantially alter the present net capital rule by, among other things, lowering the ratio of required net capital for brokers and dealers electing the alternative method of computing net capital; (2) propose for comment new treatment of fail to deliver contracts; (3) propose new schedules of percentage deductions for certain debt securities that are used by brokers and dealers in computing capital requirements to account more accurately for current market conditions; (4) propose for comment new provisions concerning the computation of capital requirements that would reduce those requirements by recognizing certain hedging strategies; (5) propose for comment amendments prescribing net capital treatment for repurchase, reverse-repurchase and matched repurchase agreements; (6) adopt an interpretation of the customer protection rule that would reduce capital requirements by changing the treatment of securities borrowed from persons other than brokers, dealers and municipal securities dealers; and (7) propose for comment changes in the current treatment of securities borrowing under the financial responsibility rules.

All comments should be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, DC 20549 on or before March 15 and should refer to File Nos. SR-856, 922 and 923. All comments will be available for public inspection. (Rel. 34-18417, 34-18418, 34-18419 and 34-18420)

FOR FURTHER INFORMATION CONTACT: Michael A. Macchiaroli at (202) 272-2372

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## CIVIL PROCEEDINGS

### ALLEN S. MANUS, OTHERS ENJOINED ON SUMMARY JUDGMENT

The New York Regional Office announced that on October 7, 1981, the Honorable Charles E. Stewart, Jr., U.S. District Judge for the Southern District of New York, issued a memorandum decision granting the Commission's motion for summary judgment against Allen S. Manus, Jack Summers, International South African, N.V. and Arc Limited.

The Court found that these defendants had violated the registration and antifraud provisions of the securities laws. The Court found that the defendants made (a) "knowingly false" misrepresentations concerning claims to real estate purportedly owned by the corporate defendants in Namibia (South West Africa); and (b) assertions that the investments involved "no risks", would double in price, would be traded on a national stock exchange, and would return specified dividends. The Court further found that Manus had failed to disclose to investors that he had been permanently enjoined, upon consent, in a prior unrelated civil injunctive action brought by the Commission.

On December 16, 1981, Judge Stewart issued a judgment of permanent injunction, enjoining the defendants from future violations of the registration and antifraud provisions of the securities laws. The judgment also directs Manus to give (a) a copy of the judgment to any prospective investor to whom he may offer or sell any security in the future, and to any attorney or accountant with whom he communicates in connection with any securities transaction, and (b) the New York Regional Office written notice of the name, address and telephone number of any person to whom he is required to give a copy of the judgment. (SEC v. Allen S. Manus, et al., 80 Civil 724, SDNY). (LR-9549)

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## INVESTMENT COMPANY ACT RELEASES

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### THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES

An order has been issued on an application filed on November 9, 1981, by The Equitable Life Assurance Society of the United States (Equitable) and Separate Account Nos. 301, 302, 303 and 304 of Equitable granting, pursuant to Section 6(c) of the Investment Company Act of 1940, exemptions to the extent requested from Sections 15(a), 16(a), 17(f), 27(c)(2) and 32(a)(2) of the Act and Rule 17f-2 thereunder. Separate Account Nos. 301, 302, 303 and 304 are registered separately under the Act as open-end, diversified, management investment companies. (Rel. IC-12161 - Jan. 15)

### BANCOMER, S.A.

A notice has been issued giving interested persons until February 9 to request a hearing on an application of Bancomer, S.A. (Applicant), for an order, pursuant to Section 6(c) of the Investment Company Act of 1940, exempting Applicant from all provisions of the Act. (Rel. IC-12162 - Jan. 15)

### PRINCIPAL WORLD FUND, INC.

A notice has been issued giving interested persons until February 9 to request a hearing on an application filed by Principal World Fund, Inc., Principal Equity Fund, Inc., Principal Cash Management Fund, Inc. (hereinafter collectively referred to as "the Funds"), open-end, management investment companies registered under the Investment Company Act of 1940, and Principal Investors Corporation, principal underwriter for each of the Funds, requesting an order, pursuant to Section 6(c) of the Act, exempting the Applicants and the described transactions from the provisions of Section 22(d) of the Act and Rule 22d-1 thereunder, and approving, pursuant to Section 11(a) of the Act, the offers of exchange described herein. (Rel. IC-12163 - Jan. 15)

### CONNECTICUT MUTUAL LIFE INSURANCE COMPANY

An order has been issued on an application filed by the Connecticut Mutual Life Insurance Company and Panorama Separate Account, a separate account of Connecticut Mutual registered as a unit investment trust under the Investment Company Act of 1940, pursuant to Section 6(c) of the Act, exempting certain transactions from the provisions of Sections 2(a)(32), 2(a)(35), 22(c), 22(e), 26(a)(2)(C), 26(a)(2)(D), 27(c)(1), 27(c)(2), and 27(d) of the Act and Rule 22c-1 promulgated thereunder, and approving certain offers of exchange pursuant to Sections 11(a) and 11(c) of the Act. (Rel. IC-12164 - Jan. 15)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### WITHDRAWAL GRANTED

An order has been issued granting the application of Gerber Scientific, Inc. to withdraw its common stock (\$1 par value) from listing and registration on the American Stock Exchange, Inc. (Rel. 34-18416)

## 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; File number and date filed; Assigned Branch; and whether the registration statement is a New Issue.

- (S-16) CARTER HAWLEY HALE STORES, INC., 550 South Flower St., Los Angeles, CA 90071 (213) 620-0150 - 600,000 shares of common stock. Underwriter: Morgan Stanley & Co. Incorporated. The company is a retailer of merchandise through department stores, high fashion speciality stores and specialized merchandising operations. (File 2-75685 - Jan. 15) (Br. 1)
- (S-1) METROPOLITAN MORTGAGE & SECURITIES CO., INC., West 929 Sprague Ave., Spokane, WA 99204 (509) 838-3111 - \$43 million of investment debentures, Series II. The company and its subsidiaries are engaged in real estate financing and development, among other things. (File 2-75686 - Jan. 15) (Br. 5)
- (S-16) OAK INDUSTRIES INC., 16935 West Bernardo Dr., Rancho Bernardo, CA 92127 (714) 485-9300 - \$100 million of % convertible subordinated debentures, due January 15, 2002. Underwriters: Drexel Burnham Lambert Incorporated and Smith Barney, Harris Upham & Co. Incorporated. The company, through its subsidiaries and affiliated entities, provides over-the-air subscription television services. (File 2-75687 - Jan. 15) (Br. 8)
- (S-1) BARTON VALVE COMPANY, INC., 3500 N. Harrison, Shawnee, OK 74801 (405) 273-7660 - 750,000 shares of common stock. Underwriters: Blyth Eastman Paine Webber Incorporated and Institutional Equity Corporation. The company is engaged in the manufacture of valves for multiple uses by the oil and gas industry. (File 2-75688 - Jan. 15) (Br. 6)
- (S-16) DANIEL INDUSTRIES, INC., One Riverway, Houston, TX 77056 (713) 960-1300 - 158,577 shares of common stock. The company is engaged in providing products and systems used to measure rates of flow and accumulated volumes of fluids, primarily oil and natural gas. (File 2-75689 - Jan. 15) (Br. 8)
- (S-6) THE FIRST TRUST OF INSURED MUNICIPAL BONDS, SERIES 76 - 15,000 units. Depositor: Clayton Brown & Associates, Inc. (File 2-75693 - Jan. 15) (Br. 18 - New Issue)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, TWO HUNDRED THIRTEENTH MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, NY 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, NY 10080, Dean Witter Reynolds Inc., Bache Halsey Stuart Shields Incorporated and Shearson/American Express Inc. (File 2-75694 - Jan. 15) (Br. 17 - New Issue)
- (S-14) UNITED CITIES GAS COMPANY, 1200 Parkway Towers, Nashville, TN 37219 (615) 244-3766 - 57,107 shares of 11-1/2% convertible preference stock, \$100 par value, \$2,360,000 promissory notes, and 8,750 shares of cumulative preferred stock, \$100 par value. (File 2-75695 - Jan. 15) (Br. 8)
- (S-16) HOSPITAL CORPORATION OF AMERICA, One Park Plaza, Nashville, TN 37203 (615) 327-9551 - \$100 million of % debentures, due 2007. Underwriters: Salomon Brothers Inc. and Bache Halsey Stuart Shields Incorporated. The company is engaged in the operation of hospitals both in the United States and in foreign countries. (File 2-75696 - Jan. 15) (Br. 6)
- (S-1) SOUTHERN COOPERATIVE DEVELOPMENT FUND, INC., 1006 Surrey St., Lafayette, LA 70501 - 554 shares of Class A common stock, and 5,000 shares of Class C common stock. The company is a financial institution seeking long-term funds in the form of grants, gifts, loans and capital investments in order to loan such monies to low-income cooperative and community-controlled organizations. (File 2-75699 - Jan. 15) (Br. 2)

- (S-1) GREATWEST HOSPITALS INC., 1626 East Fourth St., Santa Ana, CA 92701 (714) 633-5429  
- 1,627,500 shares of common stock. Underwriters: Smith Barney, Harris Upham & Co.  
Incorporated, Bateman Eichler, Hill Richards Incorporated and Robertson, Colman,  
Stephens & Woodman. The company is an integrated health services company. (File  
2-75700 - Jan. 15) (Br. 6)
- (S-16) ALLIED TELEPHONE COMPANY, Allied Telephone Bldg., Little Rock, AR 72203 (501)  
664-4484 - 100,000 shares of common stock. (File 2-75702 - Jan. 13) (Br. 7)
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## **RULE 12g3-2(b) EXEMPTIONS**

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The following is a list of foreign private issuers that have made submissions that appear to qualify for the exemption provided in Rule 12g3-2(b) during the week of January 4 - 8, 1982: (82-235) Pan Canadian Petroleum Ltd.; (82-162) Bankeno Mines Ltd.; (82-202) Brinco Ltd.; (82-622) Petro-American Energy Ltd.; (82-623) Cape Range Oil N.L.; (82-624) Canadian Longhorn Petroleum Corp.; (82-625) Consolidated Professor Mines Ltd.; (82-626) Irwin Toy Ltd.; and (82-627) Dentonia Resources Ltd.