RULES AND RELATED MATTERS

ADOPTION OF AMENDMENTS OF RULE 17a-7 AND FORM N-1R

The SEC today announced the amendment of Rule 17a-7 under the Investment Company Act of 1940 and related amendments of Item 2.07 of Form N-1R and its EDP Attachment. The amendment of Rule 17a-7, effective November 1, 1974, will expand its relief from Section 17(a) of the Act for purchases and sales of securities traded on a national securities exchange between registered investment companies to similar transactions in securities traded in the over-the-counter market if such securities are included in an inter-dealer quotation system sponsored and governed by the rules of a national securities association provided certain other conditions are met. The amendments of the Form N-1R and its EDP Attachment, effective for all fiscal years ending on or after December 31, 1974, are designed to obtain better information concerning Rule 17a-7 transactions. (Rel. IC-8484)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

WILLIAM J. CLANCY, JR. BARRED

The Commission has barred William J. Clancy, Jr., of Philadelphia, who was a salesman for a broker-dealer firm, from association with any broker-dealer, investment adviser or investment company. The sanction was based on findings that during the period February 1971 to November 1972, Clancy made material misstatements in the offer and sale of common stock of Lomna International, Inc. The misstatements related to the company's businesses and assets, the market for its products, the dividends it would pay, the future trading market for its stock, the stock's listing on the American Stock Exchange, prospective increases in its price, and the speculative nature of an investment in the stock.

Clancy, without admitting or denying the allegations against him, consented to the above findings and the indicated sanction. (Rel. 34-10999)

FRANK D. BELLUCCI SUSPENDED

The Commission instituted administrative proceedings under the Securities Exchange Act with respect to Frank D. Bellucci, III, of Bloomfield, New Jersey, who was a registered representative of M. Bernstein Securities, Inc., formerly a Jersey City broker-dealer. At the same time, the Commission accepted an offer of settlement from Bellucci under which it suspended him from association with any broker-dealer for 60 days effective September 16.

The sanction was based on findings that, during July and August 1971, Bellucci, while in possession of material non-public information concerning a proposed merger of Computron Corporation, recommended the purchase of Computron stock to customers and purchased it for their accounts.

Without admitting or denying any violations, Bellucci consented to the above findings and the indicated sanction. (Rel. 34-11001)

REMEMBER SEC 40TH ANNIVERSARY

The SEC 40th Anniversary Celebration will be held on October 24, 1974, at the Statler Hilton, 16th and K Sts., N.W., Washington, D.C. For additional information and registration form see page 3 of the Digest.
ORDERS FOR PUBLIC PROCEEDINGS

SCOTT, GORMAN, O’DONNELL & CO., INC., OTHERS

Public administrative proceedings have been ordered against Scott, Gorman, O’Donnell & Co., Inc. (registrant), of New York, N. Y., James O’Donnell, its president, Richard Curotto, its vice president and Howard Dulman formerly a registered representative.

The order alleges that the registrant, O’Donnell, and Dulman violated the registration, antifraud, bookkeeping, and broker-dealer application amendment provisions of the securities laws. Curotto is charged with violations of the bookkeeping and amendment provisions only. The registrant and O’Donnell are also charged with failure to supervise Dulman with a view toward preventing the above-mentioned violations. A hearing will be scheduled by further order on the charges against the respondents. (Rel. 34-11011)

INVESTMENT COMPANY ACT RELEASES

FOURTH EMPIRE FUND

A notice has been issued giving interested persons until October 8 to request a hearing on an application of Fourth Empire Fund, Inc. (Fourth), Fifth Empire Fund, Inc. (Fifth), Sixth Empire Fund, Inc. (Sixth) and Federated Regional Research Investments, Inc. (Regional Research), mutual funds, for an order exempting from certain provisions of the Act the proposed merger of Fifth, Sixth and Regional Research into Fourth. (Rel. IC-8495 - Sept. 13)

HOLDING COMPANY ACT RELEASES

MIDDLE SOUTH UTILITIES, INC.

An order has been issued authorizing System Fuels, Inc., a non-utility subsidiary of Middle South Utilities, Inc., to enter into a sale and leaseback arrangement with respect to three tow boats and sixteen barges (currently under construction) to be used by SFI to transport fuel oil for the Middle South System. (Rel. 35-18560 - Sept. 11)

MONONGAHELA POWER COMPANY

A supplemental order has been issued correcting an error in the order authorizing The Potomac Edison Company (PE), subsidiary of Allegheny Power System, Inc., to sell up to $55 million of short-term notes to banks. (Rel. 35-18562 - Sept. 12)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON FOUR TRADING SUSPENSIONS

The SEC has announced the suspension of (a) exchange and over-the-counter trading in the securities of Savoy Industries, Inc. for the further ten-day period September 13-22, inclusive; and (b) exchange and over-the-counter trading in the securities of Canadian Javelin Ltd., and over-the-counter trading in the securities of Winner Industries, Inc. and Royal Properties, Inc. for the further ten-day period September 15-24, inclusive.

SECURITIES ACT REGISTRATIONS

(S-14) NORTHWESTERN FINANCIAL CORPORATION

924 B St., North Wilkesboro, N.C. 28674 - 725,000 shares of common stock, to be offered for the proposed merger between Northwestern Financial Corp. and Northwestern Finance Company of North Wilkesboro, N.C. The stockholders of Northwestern Finance Co. will receive .725 Northwestern Financial Corp. share for each Northwestern Finance Co. share. Northwestern Financial Corp. is a one-bank holding company. (File 2-51774 - Aug. 8)

MATERIAL CONTINUED ON PAGE 4

NEWS DIGEST, September 13, 1974
The SEC wishes to invite all past employees to attend its 40th Anniversary Celebration to be held on October 24, 1974, at the Statler Hilton in Washington. The price will be $25 per person for all former employees. The dress is optional.

Many past staff members may wish to sit together as a group, or even reserve an entire table for 12. Priority will be given to requests for such special arrangements whenever possible. To avoid confusion, however, only one of such group should request the special seating arrangement—but each person in a group should be identified and in the manner in which his or her name should appear in the Anniversary Program. You may use the registration form on this page. We cannot finalize our plans with the Hotel until we have rather definite information as to the number expected to attend, so we request that you make your reservation as soon as possible. Tickets will be mailed to the purchasers.

Please notify any past SEC friends, get together a group, and come help us celebrate!

DINNER RESERVATION & REGISTRATION FORM

To The SEC Anniversary Committee:

Herewith is my check or money order in the amount of $______ for which please issue ____ tickets to the SEC 40th Anniversary Celebration for the following persons (please PRINT names as they should appear in the Anniversary Program, listing married couples as "Mr. and Mrs."):___________________________  __________________________

___________________________  __________________________

___________________________  __________________________

Please send the tickets to:

(Name)  __________________________

(Address)  __________________________

Please seat the persons listed above with the following additional persons (please PRINT names):

___________________________  __________________________

___________________________  __________________________

Make checks or money orders payable to "SEC Anniversary Committee," and mail to

SEC Anniversary Committee, Room 856
Securities and Exchange Commission
Washington, D. C. 20549

Present staff members and employees may make payment to Lawrence A. Friend, Treasurer, in Room 502.
(S-16) AMERICAN FINANCIAL CORPORATION

One East Fourth St., Cincinnati, Ohio 45202 - 1,000 shares of common stock. These shares were gifts to employees of American Financial by Carl H. Lindner and Robert D. Lindner. AFC is a diversified, financial holding company with interests in property and casualty insurance, residential construction, mortgage insurance, life insurance, leasing, data processing, savings and loan operations, banking and publishing. (File 2-51810 - Aug. 23)

(S-1) GRAYBAR ELECTRIC COMPANY, INC.

420 Lexington Ave., New York, N.Y. 10017 - up to 400,000 shares of common stock, to be offered directly by the company to eligible employees at $20.00 per share pursuant to a Common Stock Purchase Plan. The company is in the business of wholesale distribution on a national basis of electrical equipment, supplies and appliances. (File 2-51832 - Aug. 27)

(S-1) THE STONE OIL CORPORATION

3100 Fountain Square Plaza, Cincinnati, Ohio 45202 - $3,605,000 units of participating interest in The Stone Oil Corporation 1975 Participating Program, to be offered for sale at $515 each. There will be no underwriting involved. All sales will be made by James H. Stone, President of The Stone Oil Corporation. Stone Oil is engaged in the oil and gas exploration business. The 1975 Program will explore and drill for oil and gas, and acquire interests in producing oil and gas properties. (File 2-51836 - Aug. 27)

(S-2) MIDWEST COMMODITIES, INC.

703 West Towers, 1200 35th St., West Des Moines, Iowa 50265 - 400,000 shares of common stock, to be offered for sale at $5.00 per share through TMI Securities, Inc., 800 West Towers, 1200 35th St., West Des Moines, Iowa 50265. The company will invest in commodity futures contracts. (File 2-51844 - Aug. 29)

(S-14) FIRST UNION REAL ESTATE EQUITY AND MORTGAGE INVESTMENTS

Suite 1650, 55 Public Square Bldg., Cleveland, Ohio 44113 - up to 192,500 shares of beneficial interest, to be offered in connection with the proposed acquisition of substantially all of the assets, properties and business of Tower Realty Company, Inc., 620 Guaranty Bldg., Indianapolis, Ind. First Union is a real estate investment trust which has as its principal investment policy the purchase of interests in real estate equities. (File 2-51860 - Aug. 30)

REGISTRATIONS EFFECTIVE

September 12: Ampal American Israel Corp., 2-50615; Baltimore Gas and Electric Co., 2-51821; Free State Development and Investment Corporation Ltd., 2-51886; General Telephone Company of the Northwest, Inc., 2-51686; Teachers Service Organization, Inc., 2-51375 (90 days).

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown in parentheses after the name of the issuer.

REGISTRATIONS WITHDRAWN


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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