

sec news digest

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COMMISSION ANNOUNCEMENTS

U.S. SECURITIES AND EXCHANGE COMMISSION

COMMISSIONER KARMEI SPEAKS BEFORE THE FINANCIAL WOMEN'S ASSOCIATION OF NEW YORK

Commissioner Karmel spoke before the Financial Women's Association of New York, in New York, N.Y., on Friday, May 19, 1978. The title of her address was "Self-Regulation in the Securities Industry."

THE SECURITIES INDUSTRY IN 1977: A STAFF REPORT

Pre-tax income of NYSE member firms doing a public business was \$416 million in 1977, according to a staff report released by the Commission. This represents a 42 percent decline from the record profits of 1976, principally due to higher expenses, since revenue fell only 2 percent. Equity capital rose less than 1 percent last year. Institutional commission rates per share fell 16.3 percent and rates for individuals fell nearly as much -- 14.3 percent -- last year.

The staff report contains empirical evidence that a firm's size does not significantly affect its profitability. The largest firms, in terms of equity capital, do not earn a noticeably higher return on capital than smaller firms. The number of NYSE firms declined by 31 over the 32 months of negotiated commissions through the end of 1977. Ninety-three firms left and 62 joined in this period. Of the 93, 24 simply dropped their membership and remained in business. Thirty-six of the 93 merged and the rest were liquidated. The net loss in equity capital as a result of these changes was \$41 million, or 1.3 percent of NYSE member firms' total equity capital at the end of 1977.

The pre-tax income of the registered exchanges and the NASD declined 24 percent in 1977 to \$12.7 million. The Midwest Stock Exchange and the Chicago Board Options Exchange reported losses last year.

Copies of the full report can be obtained by writing Le Manh Tri, Assistant Director, Directorate of Economic and Policy Research.

TEMPORARY STAY EXTENDED

An order has been issued which extended the Commission's temporary stay for 120 days of Options Price Reporting Authority's proposed termination of the retransmission service to Bunker Ramo and GTE. The Commission also gave notice that it was initiating a review of whether an exclusive processor may charge an access fee. Further, the Commission gave notice of an oral hearing to be held on June 20, 1978. Publication of the order is expected to be made in the Federal Register during the week of May 22. (Rel. 34-14784)

INVESTMENT COMPANY ACT RELEASES

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

An order has been issued on an application of Northwestern Mutual Life Insurance Company, a Wisconsin mutual life insurance company, NML Variable Annuity Account B and NML Variable Annuity Account 2, separate accounts of Northwestern Mutual registered under the Investment Company Act of 1940 as unit investment trusts, (hereinafter collectively referred to as Applicants), pursuant to Section 11 of the Act approving an offer of exchange and pursuant to Section 6(c) of the Act granting exemption from Sections 26(a), 27(a)(3) and 27(c)(2) and from Sections 22(e), 27(c)(1) and 27(d) to the extent necessary to permit compliance by Applicants with certain provisions of the Education Code of the State of Texas as it would apply to payments made on variable annuity contracts subsequent to the date of the requested order. (Rel. IC-10246 - May 18)

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

An order has been issued on an application of Massachusetts Mutual Life Insurance Company (Mass Mutual), a Massachusetts mutual life insurance company, and Mass Mutual Variable Annuity Fund 1, a separate account of Mass Mutual registered under the Investment Company Act of 1940 as a unit investment trust, (hereinafter collectively referred to as Applicants), pursuant to Section 6(c) of the Act granting exemption from Sections 22(e), 27(c)(1) and 27(d) to the extent necessary to permit compliance by Applicants with certain provisions of the Education Code of the State of Texas as it would apply to variable annuity contracts issued subsequent to the date of this order and pursuant to Section 11 of the Act approving an offer of exchange. (Rel. IC-10247 - May 18)

BUILDERS RESOURCES CORPORATION

A notice has been issued giving interested persons until June 12 to request a hearing on amendments to an application of Builders Resources Corporation, a Delaware corporation, requesting an order rescinding an earlier order which, pursuant to Section 6(c) of the Investment Company Act of 1940, conditionally exempted Applicant from all provisions of the Act. (Rel. IC-10248 - May 18)

FARM BUREAU MUTUAL FUND

A notice has been issued giving interested persons until June 12 to request a hearing on an application of Farm Bureau Mutual Fund, Inc., a registered open-end diversified management investment company, for an order declaring that it has ceased to be an investment company. (Rel. IC-10249 - May 19)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY

A notice has been issued giving interested persons until June 13 to request a hearing on a proposal of Consolidated Natural Gas Company, a registered holding company, and its subsidiaries, whereby said companies will acquire installment promissory notes from residential gas space heating customers pursuant to a residential insulation financing program to enable customers to finance the installation of insulation in one-or-two-family residences. (Rel. 35-20548 - May 18)

GULF POWER COMPANY

A notice has been issued giving interested persons until June 13 to request a hearing on a proposal of Gulf Power Company, subsidiary of The Southern Company, to acquire utility assets. (Rel. 35-20549 - May 18)

GENERAL PUBLIC UTILITIES CORPORATION

An order has been issued authorizing a proposal of General Public Utilities Corporation (GPU), a registered holding company, and its subsidiary, GPU Service Corporation, that Service Company borrow up to \$13 million from banks and that GPU guarantee the payment of such indebtedness. (Rel. 35-20550 - May 19)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The following stock exchanges have filed proposed rule changes under Rule 19b-4: The Chicago Board Options Exchange, Inc. (SR-CBOE-78-13) to incorporate into CBOE rules the industry-wide shorthand of "fill-or-kill" (FOK) for immediate all-or-none orders. (Rel. 34-14778) and The Philadelphia Stock Exchange, Inc. (SR-PHLX-78-4) to provide investors with a simple and inexpensive procedure for the arbitration of small claims against member firms. (Rel. 34-14770)

Publication of the above proposals are expected to be made in the Federal Register during the week of May 22.

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved proposed rule changes filed by the following stock exchanges: The New York Stock Exchange, Inc. (SR-NYSE-78-19) which limits the term of service of public representatives on the NYSE Board of Directors to three consecutive terms of two years each. (Rel. 34-14780) and The Municipal Securities Rulemaking

Board (SR-MSRB-78-7) which makes the examination requirement for financial and operations principals effective on January 1, 1979 rather than July 1, 1978. (Rel. 34-14781)

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-8) CORROON & BLACK CORPORATION, 150 William St., New York, N.Y. 10038 - 200,000 shares of common stock. (File 2-61652 - May 17)
- (S-16) SOUTH CAROLINA ELECTRIC & GAS COMPANY, 328 Main St., Columbia, S.C. 29218 (803) 799-1234 - \$40 million of first and refunding mortgage bonds, due June 1, 1981. Underwriter: Kidder, Peabody & Co. Inc. The company is an electric and gas utility. (File 2-61653 - May 17)
- (S-8) NARCO SCIENTIFIC, INC., Fort Washington Industrial Park, Fort Washington, Pa. 19034 - 80,000 shares of common stock. (File 2-61654 - May 17)
- (S-16) GREEN MOUNTAIN POWER CORPORATION, 1 Main St., Burlington, Vermont 05401 (802) 864-5731 - 33,000 shares of common stock. (File 2-61655 - May 17)
- (S-8) WEATHERFORD INTERNATIONAL INCORPORATED, 4605 Post Oak Pl., Houston, Tex. 77027 (713) 621-8500 - 250,000 shares of common stock. (File 2-61664 - May 18)
- (S-8) ALLIED CHEMICAL CORPORATION, P.O. Box 3000-R, Morristown, N.J. 07960 - 450,000 shares of common stock. (File 2-61665 - May 18)
- (S-8) HOBART CORPORATION, World Headquarters Bldg., Troy, Ohio 45374 - 200,000 shares of common stock. The company is engaged in the manufacture and sale of commercial food equipment and home appliances. (File 2-61666 - May 18)
- (S-8) TOTAL PETROLEUM (NORTH AMERICA) LTD., 639 5 Avenue Southwest, Calgary, Alberta, Canada T2P 0M9 (403) 265-9080 - 100,000 common shares. (File 2-61667 - May 18)
- (S-8) PEPSICO, INC., Purchase, N.Y. 10577 - 48,620 shares of capital stock. (File 2-61668 - May 19)
- (S-1) PORTA SYSTEMS CORP., 6901 Jericho Turnpike, Syosset, N.Y. 11791 (516) 364-9300 - 414,000 shares of common stock. Underwriter: Salomon Brothers. The company designs and manufactures proprietary telecommunications equipment for sale to telephone operating companies. (File 2-61669 - May 19)
- (S-16) UNITED JERSEY BANKS, 90 Nassau St., P.O. Box 2066, Princeton, N.J. 08540 (609) 924-8000 - 80,000 shares of common stock. (File 2-61670 - May 16)

REGISTRATIONS EFFECTIVE

Mar. 13: The Quaker Oats Co., 2-60836.
May 2: First Pennsylvania Corp., 2-61061.
May 3: Avon Products, Inc., 2-61285; Continental Illinois Corp., 2-61217; TRW Inc., 2-61157.
May 4: Colt Industries, Inc., 2-61322; Genuine Parts Co., 2-61100; Georgia Power Co., 2-61116; Matnard Oil Co., 2-61067; Sun Co. Inc., 2-60868; Tucson Gas & Electric Co., 2-61268.

NOTE TO DEALERS. When applicable the 90-day period of time dealers are required to use the prospectus is noted above in parentheses after the name of the issuer. As to the other issuers, there may be no such requirement to use a prospectus, or the requirement may be for a period of only 40 days; see Section 4(3) of the Securities Act of 1933 and Rule 174 (17 CFR 230.174) thereunder.

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 (\$5.80) minimum. Cost estimates are given or request. All other reference material is available in the SEC Docket.

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