

sec docket

A WEEKLY COMPILATION OF RELEASES FROM THE SECURITIES AND EXCHANGE COMMISSION

RELEASES IN THIS ISSUE

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|------------------------------------|------------|
| Securities Act | - 5515 |
| Securities Exchange Act | - 10893A |
| Securities Exchange Act | - 10922-31 |
| Public Utility Holding Company Act | - 18507-14 |
| Investment Company Act | - 8433-36 |
| Litigation | - 6443-51 |

SIGNIFICANT ITEMS

This listing does not affect the legal status of any document published in this issue.

Announcement

33-5515 Interpretation of the Division of Corporation Finance Relating to Divident Reinvestment and Similar Plans

Enforcement

LR-6448 SEC v. Koscot Interplanetary, Inc.
Fifth Circuit reversed trial court and held that Koscot's offers and sales of positions in its pyramid selling scheme constituted offers and sales of securities.

LR-6450 The Stratton Group, Limited, formerly John's Bargain Stores Corporation, et al.
Complaint was filed seeking injunctive action against antifraud and reporting violations and directing the corporate defendant to correct its annual, quarterly, and other periodic reports filed with the Commission for the years 1972 and 1973.

LR-6451 SEC v. The Senex Corporation, et al.
Municipal revenue bonds offer and sale involved in complaint seeking injunction against violation of antifraud provisions.

SECURITIES ACT

SECURITIES ACT OF 1933
Release No. 5515/July 22, 1974

INVESTMENT COMPANY ACT OF 1940
Release No. 8433/July 22, 1974

INTERPRETATION OF THE DIVISION OF CORPORATION FINANCE RELATING TO DIVIDEND REINVESTMENT AND SIMILAR PLANS

The Commission today announced a revised interpretative position of its Division of Corporation Finance concerning securities offered and sold without registration under the Securities Act of 1933 ("Act") pursuant to dividend reinvestment and similar plans. These plans generally involve the acquisition of securities of the issuer from persons other than the issuer or its affiliates, to enable its security holders to reinvest dividends or other cash amounts in the issuer's securities.

Under current interpretations it is necessary to determine whether the plan involves "an attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security, for value," as referred to in the definition of "offer for sale" in Section 2(3) of the Act, by the issuer of such security or underwriter for such issuer or an affiliate. See Securities Act Release No. 4790 (July 13, 1965) concerning employee stock purchase plans. In applying the criteria of Securities Act Release No. 4790 to dividend reinvestment plans, the Division in the past has declined to state a no-action position with respect to plans in which a subsidiary proposed to administer the plan for its parent or in which the issuer itself was to perform such functions; the basis for this interpretation is that the activities of either the issuer or its affiliate would result in the issuer's involvement in the transactions and thus may render unavailable any exemption from the registration requirements of the Act. Prior to November 1972, some issuers did receive no-action letters from the staff in which the reinvestment plan was to be operated either by the issuer itself, or by a subsidiary. Accordingly, to alleviate any inequities that may exist because of differing interpretative positions, the interpretative position of the Division, until further notice, will be that the issuer or its affiliates may perform bookkeeping and similar administrative functions in operating dividend reinvestment plans and that such activities in and of them-

selves will not, in the view of the Division, cause the participation by the issuer or its affiliates to exceed the boundaries set forth in Securities Act Release No. 4790. This revised interpretation does not alter the existing requirement reflected in Securities Act Release No. 4790 that the plan be offered through a security holders' agent not affiliated with the issuer, and that securities acquired on behalf of the plan be acquired through such agent.

The Commission also announced that its staff is preparing recommendations for the Commission's consideration for the purpose of clarifying the circumstances in which dividend and similar reinvestment plans may be operated without compliance with the registration requirements of the Act.

By the Commission.

George A. Fitzsimmons
Secretary
