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# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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## CASEY CALLS FOR EXPANDED TRANSACTIONS AND QUOTATIONS DISCLOSURE

SEC Chairman William J. Casey told a meeting of the Economic Club of New York yesterday that the Commission has issued for comment a rule which would require all exchanges and the NASD to submit plans for real time disclosure of all transactions in listed stocks in all markets, and another rule which will call for all exchanges and all over-the-counter market makers to make their bid and asked quotations publicly available. "These proposals" said Casey, "will for the first time give us truly nationwide disclosure of prices and volume in listed stocks, and provide the basis for a truly national market in which investors will know where they can get the best price."

While the disclosure rules are being implemented, Casey declared, a three way effort to develop the rules needed for a central market system will be under way. "First" he said, "the Commission has directed a staff study of the existing rules of all exchanges on trading on-and off-floor by members, on activities and responsibilities of specialists and market-makers, on unlisted trading privileges, on short sales, and on other trading practices which can result in distortion or manipulation of the market place. The study will be gathering and evaluating information while a committee made up of the heads of the various self-regulatory bodies will continue their work to develop proposals for rules required by comprehensive transaction and quotation disclosure and a central market system." "At the same time," he continued, "the Commission will be receiving directly the recommendations of an advisory committee on the rule changes needed to assure market maker responsibility, access between markets, proper interface between exchange and over-the-counter and between dealer and auction markets and other steps necessary to make competition as well as technology work for investors."

Casey said these proposals will lead to the development of a truly national securities market operated through and served by the best communication and information facilities that modern technology has to offer, thus keeping the investor in the American equity markets the most informed and the best served investor in the world.

## NEW RULES AND RULE PROPOSALS

PROPOSED RULE WOULD REQUIRE RELEASE OF QUOTATIONS OF SPECIALISTS AND O-T-C MARKET MAKERS. The Commission announced that it has under consideration a proposal to adopt Rule 17a-14 under the Securities Exchange Act of 1934 requiring every registered national securities exchange, with respect to quotations for securities traded on such exchange, to make available to vendors of market information quotations of specialists registered thereon. The rule would also require every registered national securities association, with respect to over-the-counter quotations in securities listed or traded on exchanges, to make available to vendors quotations of over-the-counter market makers. The proposed rule would require that quotations of specialists and over-the-counter market makers be released to vendors on a current and continuing basis.

Paragraph (b) of the proposed rule provides that every member of a registered national securities exchange or association shall make and promptly report to the exchange or association of which it is a member data required by such self-regulatory organization in order to fulfill its requirements under the rule.

Paragraph (c) of the proposed rule is designed to cover over-the-counter transactions in listed securities by those relatively few broker-dealers who are not members of any exchange or the NASD.

For purposes of the rule, vendors of market quotation information include any publication or electronic communication network which is used by brokers or dealers to obtain quotations on a real-time basis. Specialists are defined as members of exchanges who are registered as specialists or market makers under rules of the exchange. Over-the-counter market makers are defined in the rule as dealers who, with respect to a security which is traded on a national securities exchange, hold themselves out as willing to buy and sell for their own account on a continuous basis in the over-the-counter market.

All interested persons may submit comments on the above proposals in writing to the Securities and Exchange Commission, 500 N. Capitol St., Washington, D. C. 20549, on or before May 8, 1972. (Rel. 34-9529)

PROPOSED RULE WOULD REQUIRE REPORTING OF MARKET TRANSACTION INFORMATION. The Commission announced that it has under consideration a proposal to adopt Rule 17a-15 under the Securities Exchange Act of 1934 requiring national securities exchanges, national securities associations and broker-dealers who are not members of such organizations to make available to vendors of market transaction information current reports of prices and volume of completed transactions with respect to securities registered on exchanges. As a condition of receiving such information, the vendors must agree to make available on a current and continuing basis through a composite tape or recall system reports of prices and volume of transactions in listed securities from all reporting markets.

The proposed rule would require that every registered national securities exchange and national securities association, with respect to transactions in listed securities executed by its members, file with the Commission on or before June 15, 1972 a plan with respect to such exchange or association for the dissemination by vendors of price and volume data with respect to completed transactions in listed securities. The plans must provide that as a condition of receiving such information each such vendor must agree to make available to the public on a current and continuing basis through a composite tape or a recall system reports of prices and volume of completed transactions in any listed security from all reporting markets, including the third market. Each such

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plan must be declared effective by the Commission. It is proposed that after August 1, 1972 no national securities exchanges or national securities associations may release any information relating to completed transactions in listed securities unless such self-regulatory organization has filed an appropriate plan with the Commission and such plan has been declared to be effective.

All interested persons may submit comments on the above proposals in writing to the Securities and Exchange Commission, 500 N. Capitol Street, Washington, D. C. 20549 on or before May 8, 1972. (Rel. 34-9530)

SEC PROPOSES AMENDMENT TO INVESTMENT COMPANY ACT RULE 17d-1. The Commission today announced that it has under consideration an amendment to Rule 17d-1 under the Investment Company Act of 1940 to be designated Rule 17d-1(d)(4). The amendment would exempt from the provisions of Rule 17d-1, which prohibit a related person of a registered investment company from entering into a joint enterprise or arrangement with such investment company without an order of the Commission, the combination, of a registered investment company's order for the purchase or sale of securities with the orders of related persons, for the sole purpose of execution in order to achieve the best overall execution, provided however, that the net unit price paid for securities purchased or received for securities sold is the same for each person whose order is so combined; the securities purchased or sold are allocated among all participants in proportion to their respective orders; and the transaction is pursuant to an arrangement that is likely to produce a benefit for the registered investment company.

All interested persons are invited to submit their views and comments on proposed Rule 17d-1(d)(4) to the Securities and Exchange Commission, Washington, D. C. 20549, on or before April 14, 1972. All such communications should refer to File No. S7-430 and they will be available for public inspection. (Rel. IC-7035)

#### DECISION IN ADMINISTRATIVE PROCEEDING

HOWETT INC. REVOKED, WETTER BARRED. The SEC has revoked the broker-dealer registration of Howett, Inc., Greenview, Ill., and barred Vernon F. Wetter, its president, from association with a broker or dealer, with the proviso that after one year he may apply for permission to become so associated in a non-supervisory capacity upon an appropriate showing of adequate supervision. The sanctions were based on findings of violations of anti-fraud, net capital and recordkeeping provisions of the securities acts. According to the decision, respondents sold securities which they did not own or possess and did not intend to promptly purchase, converted to their own use monies paid by customers for the purchase of such securities, and made false and misleading statements with respect to such activities. The remedial action was taken pursuant to an offer of settlement in which respondents, without admitting or denying the charges, consented to the findings and sanctions. (Rel. 34-9514)

#### COMMISSION ANNOUNCEMENT

TRADING SUSPENDED IN CANADIAN JAVELIN. The Commission on March 7 ordered the temporary suspension under the Securities Exchange Act of both exchange and over-the-counter trading in the securities of Canadian Javelin Limited for ten days beginning at the close of business on March 7, 1972 through the close of business on March 17, 1972. Canadian Javelin Limited is a Canadian corporation with headquarters in St. John's Newfoundland, Canada. The common stock of this issuer is listed on the American Stock Exchange. The suspension was ordered because of the unavailability of adequate and accurate information concerning certain actions taken by the government of Newfoundland with respect to the company's linerboard project at Stephenville, the reasons for these actions, their implications, and their effect on the company's financial picture. The American Stock Exchange and the Commission have asked the company for clarifying information. Accordingly, the Commission finds it to be in the public interest to temporarily suspend trading in Canadian Javelin securities. (Rel. 34-9528)

#### COURT ENFORCEMENT ACTION

SIDNEY STEIN CONVICTED. The SEC New York Regional Office announced March 6 that the Federal court of Appeals had affirmed the conviction of Sidney Stein on charges of conspiracy to violate the Federal securities laws and violation of certain provisions in that he manipulated the price of the common stock of The Buckeye Corporation when that security traded on the American Stock Exchange. Stein has been sentenced to two years imprisonment. (LR-5345)

#### INVESTMENT COMPANY ACT RELEASES

CARTER GROUP. The SEC has issued a notice giving interested persons until March 29 to request a hearing upon an application of The Carter Group, Inc. and Utilities & Industries, Inc. (U & I), both of New York City, for an order declaring each to be primarily engaged in a business or businesses other than that of an investment company. Carter Group was organized in 1968 for the purpose of combining investment banking activities with the acquisition and management of operating companies. In 1969, Carter Group acquired control (25% of the outstanding voting securities) of U & I and proceeded to take over the operations and management of U & I. According to the application, Carter Group is primarily engaged in operating U & I, which it represents is not an investment company within the meaning of the Act, but is engaged in owning and operating two New York water supply systems pursuant to franchises granted by New York State and also engaged in various other operations and owns securities. (Rel. IC-7041)

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**BUTCHER & SHERRERD.** The SEC has issued an order upon an application of Butcher & Sherrerd, Philadelphia limited partnership and a prospective co-representative with Wheat First Securities, Inc. and Reinholdt & Gardner, of a group of underwriters of a proposed public offering of shares of Federated Income and Private Placement Fund, a closed-end investment company, exempting Butcher & Sherrerd, its co-representative and their co-underwriters from Section 30(f) of the Act to the extent that that section adopts Section 16(b) of the Securities Exchange Act of 1934 with respect to the proposed offering. (Rel. IC-7042)

**OMNIFUND.** The SEC has issued an order declaring that Omnifund, Inc., New York, N. Y., has ceased to be an investment company. (Rel. IC-7043)

#### HOLDING COMPANY ACT RELEASES

**PUBLIC SERVICE OF OKLA.** The SEC has issued an order authorizing Public Service Company of Oklahoma, subsidiary of Central and South West Corporation, to issue and sell \$30 million of first mortgage bonds, Series L, due 2002, at competitive bidding and to issue and sell 415,000 shares of common stock (\$12 par) to the parent for \$4,980,000. Net proceeds of the financing will be used by Public Service to finance a part of its construction expenditures, including the payment or prepayment of its borrowings from the parent for that purpose (such loans aggregating some \$8,027,000 at November 30). Construction expenditures are estimated at \$59,560,000 for 1972. (Rel. 35-17481)

**OHIO EDISON.** The SEC has issued an order authorizing Ohio Edison Company, Akron, to issue and sell 363,700 shares of preferred stock (\$100 par) at competitive bidding. Net proceeds will be used for the acquisition of property, for construction purposes, or for improvement of service, including advances in connection with the development of a new coal mine, or for repayment of unsecured short-term debt, estimated at \$25 million at the time proceeds are received. Ohio Edison also proposes to issue \$7,066,000 of its first mortgage bonds, 3-1/4% series due 1985, under the provisions of its Twelfth Supplemental Indenture dated May 1, 1955, and to surrender such bonds to the Trustee in accordance with the sinking fund provisions. (Rel. 35-17482)

**GENERAL PUBLIC UTILITIES.** The SEC has issued a notice giving interested persons until March 29 to request a hearing upon a proposal of General Public Utilities Corporation, New York holding company, to make cash capital contributions from time to time during the nine month period ending December 31, 1972, to certain of its subsidiaries of up to the following respective aggregate amounts: Jersey Central Power & Light Company, \$45 million; New Jersey Power & Light Company, \$6.5 million; and Metropolitan Edison Company, \$8.5 million. The capital contributions will be used by the subsidiaries for the purpose of financing their respective businesses as public utilities, including the construction of additional facilities and the increase of their working capital. (Rel. 35-17483)

**DELMARVA POWER.** The SEC has issued an order authorizing Delmarva Power & Light Company, Wilmington, Del. holding company, subject to approval of its common stockholders at a meeting scheduled April 18, to amend its certificate of incorporation to eliminate the preemptive rights of holders of shares of common stock upon issuance and sale of common stock for cash pursuant to (a) a public offering or (b) an offering to or through underwriters, security dealers or brokers. (Rel. 35-17485)

**PENNSYLVANIA POWER.** The SEC has issued a notice giving interested persons until March 31 to request a hearing upon an application of Pennsylvania Power Company, New Castle, subsidiary of Ohio Edison Company, to issue and sell \$12 million of first mortgage bonds, due 2002, at competitive bidding. Net proceeds will be used to construct and acquire new facilities, for the betterment of existing facilities and to pay bank loans incurred for such purposes. Construction expenditures are estimated at \$26,685,000 for 1972. (Rel. 35-17486)

#### SECURITIES ACT REGISTRATIONS

**PACIFIC GAS AND ELECTRIC COMPANY,** 77 Beale St., San Francisco, Calif. 94106, filed a registration statement on March 3 seeking registration of 2,000,000 shares of redeemable first convertible preferred stock (\$25 par), to be offered for public sale (\*at \$28 per share maximum) through underwriters headed by Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, Calif. 94106, and Blyth & Co., Inc., 14 Wall St., New York 10005. Net proceeds will be applied toward the cost of additions to the utility plant of the company. Construction expenditures are estimated at \$452 million in 1971 and \$2.7 billion for the period 1973 through 1976. (File 2-43273)

**LOOMIS CORPORATION,** 55 Battery St., Seattle, Wash. 98121, filed a registration statement on March 3 seeking registration of 180,000 shares of common stock, of which 50,000 are to be offered for public sale by the company and 130,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$27 per share maximum) through underwriters headed by Kidder, Peabody & Co. Inc., 10 Hanover Sq., New York 10005. The company is engaged through subsidiaries in providing armored car services, courier service and other security services. Net proceeds of its stock sale will be added to the company's general funds and will be available for capital expenditures in connection with the expansion of its operating facilities and vehicle fleet and to augment working capital. (File 2-43274)

NOVIA SCOTIA POWER COMMISSION, (U.S. Agent: B. I. Rankin, Canadian Consulate General, 680 Fifth Ave., New York 10019), filed a registration statement on March 3 seeking registration of \$35 million of sinking fund debentures, due 1997 (guaranteed by the Province of Nova Scotia), to be offered for public sale through underwriters headed by Halsey, Stuart & Co. Inc., 123 S. LaSalle St., Chicago, Ill. 60690, and Scotia Bond Co. Ltd., 1681 Granville St., Halifax, N. S. Net proceeds of its debenture sale will be used to repay a like amount of short-term indebtedness of the Commission to the Province (expected to approximate \$65 million at the date of the debenture sale) incurred in connection with the acquisition by the Commission of shares of Nova Scotia Light and Power Company, Limited. (File 2-43275)

BALDWIN & LYONS, INC., 3100 N. Meridian St., Indianapolis, Ind. 46208, filed a registration statement on March 3 seeking registration of 250,000 shares of common stock, of which 187,500 are to be offered for public sale by the company and 62,500 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$38.40 per share maximum) through underwriters headed by White, Weld & Co. Inc., 20 Broad St., New York 10005. The company specializes in placing and underwriting property and casualty insurance for companies in the motor carrier industry. Of the net proceeds of its stock sale, some \$4,750,000 will be invested in an insurance subsidiary to increase its capital and surplus to \$10 million and the balance for other corporate purposes. (File 2-43276)

LACLEDE GAS COMPANY, 720 Olive St., St. Louis, Mo. 63101, filed a registration statement on March 3 seeking registration of \$20 million of first mortgage bonds, due 1997, to be offered for public sale at competitive bidding. Net proceeds of its bond sale will be used to repay outstanding notes payable (estimated at \$20 million at the time of the sale). Construction expenditures are estimated at \$16,055,000 for 1972 and \$40,492,000 for the years 1972 through 1974. (File 2-43277)

GENERAL TELEPHONE COMPANY OF PENNSYLVANIA, 150 West 10th St., Erie, Pa. 16512, filed a registration statement on March 3 seeking registration of \$16 million of sinking fund debentures, due 1997, to be offered for public sale at competitive bidding. A wholly-owned subsidiary of General Telephone & Electronics Corporation, the company will apply the net proceeds (plus proceeds of the proposed sale of 120,000 common shares at \$50 per share to the parent) toward the payment of short term loans owed to the parent and banks and commercial paper expected to be about \$30,000,000. Such loans were incurred to finance the company's construction program, estimated at \$28,282,000 for 1972. (File 2-43278)

THE GLEASON WORKS, 1000 University Ave., Rochester, N. Y. 14603, filed a registration statement on March 3 seeking registration of 430,563 outstanding shares of common stock, to be offered for public sale by the holders thereof (\*at \$36.875 per share maximum) through underwriters headed by Hornblower & Weeks - Hemphill, Noyes, 8 Hanover St., New York 10004. The company is engaged in the technology, design, application and methods of production of hypoid and other bevel gears and in the manufacture of machinery for such gears. (File 2-43279)

A. H. ROBINS COMPANY, INCORPORATED, 1407 Cummings Drive, Richmond, Va. 23220, filed a registration statement on March 3 seeking registration of 750,000 outstanding shares of common stock, to be offered for public sale from time to time by the holders thereof at prices current at the time of sale (\*\$47.125 per share maximum) through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004. The company is engaged in the manufacture and sale of ethical pharmaceuticals and various brand name consumer products. (File 4-43280)

#### MISCELLANEOUS

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of exchange trading in the securities of Topper Corporation for the further ten-day period March 10-19, 1972, inclusive.

SECURITIES ACT REGISTRATIONS. Effective March 7: Beacon Resources Corp., 2-42458 (40 days); Betz Laboratories, Inc., 2-43026; Chrysler Financial Corp., 2-43097; The Columbia Gas Systems, Inc. 2-43044; Computing & Software, Inc. 2-42964; Diversified Design Disciplines, Inc., 2-41769 (90 days); Duke Power Company, 2-43122; The Duplan Corp., 2-42935; How To Get Rid Of It Co., 2-40070; NCNB Corp., 2-43077; Natural Resources Development Corp., 2-42222; Ohio Edison Co., 2-43102; Public Service Co. of Oklahoma, 2-43051; Sav-A-Stop Midwest, Inc. 2-42517; Selected Professional Agents Coordinating Enterprises, Inc., 2-42457 (90 days); Slaughter Brothers, Inc. 2-42831 (90 days); Syscomputer Corp. 2-41726; Tech-Aerofoam Products, Inc. 2-42877.

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

\*As estimated for purposes of computing the registration fee.

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