

sec news digest

Issue 86-116

U.S. SECURITIES AND EXCHANGE COMMISSION
June 17, 1986

NOTICE OF COMMISSION MEETINGS

Following is a schedule of Commission meetings which will be conducted under provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday morning. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration.

Visitors are welcome at all open meetings, insofar as space is available.

Meetings will be held in the Commission Meeting Room, Room 1C30, at the Commission's headquarters building, 450 Fifth Street, NW, Washington, DC. Persons wishing to photograph or videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

OPEN MEETING - WEDNESDAY, JULY 9, 1986 - 1:00 - 5:30 p.m.

The subject matter of the July 9 meeting will be a roundtable discussion on program trading and stock index arbitrage.

Issues to be discussed include, but will not be limited to, the effects of program trading on stock market volatility, the expiration Friday phenomenon, the potential need for modifications in market practice to reduce whatever volatility may be associated with arbitrage transactions, and costs and benefits of several techniques designed to reduce such volatility.

Roundtable participants will include representatives of several exchanges that trade index stocks or derivative products, several participants in these markets, an academic who has studied these markets, a New York Stock Exchange specialist, and a representative from the Commodity Futures Trading Commission. Those participating will be announced at a later date.

ADMINISTRATIVE PROCEEDINGS

PROCEEDINGS INSTITUTED AGAINST AMERICAN EXPRESS COMPANY

The Commission today instituted administrative proceedings against American Express Company under Section 15(c)(4) of the Securities Exchange Act of 1934 to determine whether American Express failed to comply, in material respects, with Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 with regard to certain quarterly and annual reports filed by American Express for periods in 1981 and 1982.

In the Commission's opinion, two reinsurance transactions engaged in by Fireman's Fund Insurance Company, then a wholly owned subsidiary of American Express, were not accounted for in accordance with generally accepted accounting principles and lacked economic substance. These transactions substantially increased American Express' pre-tax income in certain quarters. Simultaneous with the institution of these proceedings, the Commission determined to accept American Express' offer of settlement where American Express agreed, without admitting or denying matters set forth in the opinion, to, among other things, comply with Section 13(a) and Rules 13a-1, 13a-13 and 12b-20 in the future, and file a report on Form 8-K attaching the Commission's opinion in this matter and offering such report to shareholders of Fireman's Fund and American Express. (Rel. 34-23332)

PROCEEDINGS INSTITUTED AGAINST WESTLAKE SECURITIES, INC. AND DONALD V. RENDA

The Commission has issued an order instituting administrative proceedings, making findings, and imposing remedial sanctions against Westlake Securities, Inc., a registered broker-dealer, and its former president, Donald V. Renda. The respondents consented to the order without admitting or denying violations. The Commission found that the respondents violated Section 15(b)(4)(E) of the Securities Exchange Act of 1934 by failing to supervise personnel of a Westlake branch office to prevent registration, fraud, and broker-dealer registration violations. Westlake was censured and ordered to develop and implement new compliance procedures. The Commission also barred Renda from supervising brokerage firm back office operations (allowing reapplication after Renda passes the NASD Financial and Operations Principal examination) and barred him from supervising brokerage firm sales and compliance examination activities (allowing reapplication after one year). (Rel. 34-23293)

INVESTMENT COMPANY ACT RELEASES

THE COLORADO DOUBLE TAX EXEMPT BOND FUND, INC.

A notice has been issued giving interested persons until July 7 to request a hearing on an application for an order, under Section 8(f) of the Investment Company Act of 1940, declaring that The Colorado Double Tax Exempt Bond Fund, Inc. has ceased to be an investment company. (Rel. IC-15149, June 13)

PROVIDENT MUTUAL LIFE INSURANCE COMPANY OF PHILADELPHIA

A notice has been issued giving interested persons until July 2 to request a hearing on an application by Provident Mutual Life Insurance Company of Philadelphia, et al. (Applicants) for an order exempting Applicants from the provisions of Sections 2(a)(32), 2(a)(35), 11(a), 22(c), 26(a), 27(a)(1), 27(a)(3), 27(c)(1), 27(c)(2), 27(d) and 27(f) of the Investment Company Act and certain provisions of Rules 6e-2, 22c-1 and 27f-1. The exemption will permit certain exchanges, a contingent deferred sales and administrative expense charge, the deduction of charges for substandard extras and supplemental benefits from cash value under certain circumstances, the contract-owner to bear the risk and enjoy the benefit of separate account investment results during the "free-look" period and the deduction of charges from assets covering the cost of insurance protection based on the 1980 CSO Table. Applicants also request exemptions from the Act and from paragraph (c)(1) of Rule 6e-2 to the extent necessary to permit reliance on the rule, notwithstanding that in certain respects the Contracts may not meet the definition of "variable life insurance contract" as used in the rule. (Rel. IC-15142 - June 10)

HOLDING COMPANY ACT RELEASES

COLUMBUS AND SOUTHERN OHIO ELECTRIC COMPANY

A notice has been issued giving interested parties until July 7 to request a hearing on a proposal by Columbus and Southern Ohio Electric Company (C&SOE), subsidiary of American Electric Power Company, Inc., to issue and sell first mortgage bonds by competitive bidding or, subject to further authorization, through private placement or negotiation. Alternatively, C&SOE proposes to issue promissory notes to one or more financial institutions pursuant to a proposed term loan agreement. (Rel. 35-24126 - June 12)

ALABAMA POWER COMPANY

An order has been issued authorizing Alabama Power Company, subsidiary of The Southern Company, to issue a liquidated damages note with an initial maximum principal amount of \$113,300,000 in connection with its sale of power under a 15-year power purchase contract. The order also authorized Alabama Power Company to issue its first mortgage bonds to an escrow agent to secure its performance under the note. (Rel. 35-24127 - June 12)

AMERICAN ELECTRIC POWER COMPANY, INC., ET AL.

An order has been issued authorizing American Electric Power Services Corporation to obtain a letter of credit up to a maximum of \$35 million in favor of Insurance Company of North America. It also authorizes AEPSC's parent, American Electric Power Company, a registered holding company, to guarantee AEPSC's obligations under the letter of credit. (Rel. 35-24129, June 16)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING PRIVILEGES SOUGHT

An order has been issued granting the application of the Midwest Stock Exchange for unlisted trading privileges in the common stock of two issues which are listed and registered on one or more other national securities exchange and are reported in the consolidated transaction reporting system. (Rel. 34-23322)

TRUST INDENTURE ACT RELEASES

CITICORP

A notice has been issued giving interested persons until July 8 to request a hearing on an application by Citicorp under Section 310(b)(1)(ii) of the Trust Indenture Act of 1939. The notice declares that the trusteeship of The United States Trust Company of New York (Trust Company) under four existing indentures and two pooling and servicing agreements each dated April 1, 1986, under which certificates evidencing interests in a pool of mortgage loans have been issued, is not so likely to involve a material conflict of interest as to make it necessary to disqualify Trust Company from acting as trustee. The Trust Company currently is acting as trustee under the following four indentures: (1) an indenture dated February 15, 1972, involving the issue of floating rate notes due 1989; (2) an indenture dated March 15, 1977, involving the issue of various series of unsecured and unsubordinated notes; (3) an indenture dated August 25, 1977, involving the issue of rising-rate notes, series A; and (4) an indenture dated April 21, 1980 involving the issue of various series of unsecured and unsubordinated notes. (Rel. TI-2013)

THE WESTERN UNION TELEGRAPH COMPANY

A notice has been issued giving interested persons until July 1 to request a hearing on an application by The Western Union Telegraph Company, a New York corporation, under Section 310(b)(1)(ii) of the Trust Indenture Act of 1939. The application declares that the trusteeship of J. Henry Schroder Bank & Trust Company under 11 Western Union indentures is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Bank from acting as trustee under each such indenture. The list of relevant indentures is available at the Commission's Public Reference Room, 450 5th Street, NW, Washington, DC, File #22-14986. (Rel. TI-2012)

MISCELLANEOUS

SEARS MORTGAGE SECURITIES CORPORATION

A notice has been issued giving interested persons until July 11 to request a hearing on an application by Sears Mortgage Securities Corporation under Section 12(h) of the Securities Exchange Act of 1934 for an order exempting the applicant from certain reporting requirements under Section 13 and the operation of Section 16 of that act. (Rel. 34-23321)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC under the Securities Act of 1933. The reported information appears as follows: Form, Name, Address and Phone Number (if available) of the issuer of the security; Title and the number and/or face amount of the securities being offered; Name of the managing underwriter or depositor (if applicable); File number and date filed; Assigned Branch; and a designation if the statement is a New Issue.

S-3 ASARCO INC, 190 MAYDEN LN, NEW YORK, NY 10038 (212) 510-2000 - 3,450,000 (\$103,500,000) PREFERRED STOCK. 3,450,000 (\$82,800,000) COMMON STOCK. (FILE 33-6284 - JUN. 06) (BR. 1)

S-3 NIAGARA MOHAWK POWER CORP /NY/, 300 ERIE BLVD WEST, SYRACUSE, NY 13202 (315) 474-1511 - 2,000,000 (\$43,250,000) COMMON STOCK. (FILE 33-6285 - JUN. 06) (BR. 7)

ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission within ten days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds five percent. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G within 45 days after the end of the calendar year in which the person became subject to Section 13(d)(1). Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1.

Below is a list of recent filings of Schedules 13D and 14D, which includes the following information: Column 1 - the company purchased (top), and the name of the purchaser; Column 2 - the type of security purchased; Column 3 - the type of form filed; Column 4 - the date the transaction occurred; Column 5 - the current number of shares (in 000's) owned (top) and the current percent owned; Column 6 - the CUSIP number (top) and the prior percent owned; and Column 7 - the status of the filing, i.e., new, update or revision.

	FORM	EVENT DATE	SHRS (000) / % OWNED	CUSIP / PRIOR %	FILING STATUS
BROWN ROBERT C & CO INC VALARIAN ASSOC	COM 13D	6/ 2/86	228 8.3	11516710 0.0	NEW
CAMPBELL RES INC NEW CEMP INVT LTD ET AL	COM 13D	3/ 3/86	1 0.0	13442210 12.1	UPDATE
COMMERCIAL BANKSHARES INC NJ UNITED JERSEY BKS	COM 13D	6/ 3/86	1,650 40.5	20114010 0.0	NEW
DENNING MOBILE ROBOTICS DUCHRAINE PAUL A ET AL	COM 13D	3/31/86	28,879 17.9	24857010 15.3	UPDATE
E M F CORP B T ACQUISITION ET AL	COM 14D-1	6/12/86	0 0.0	26868810 0.0	NEW
ERLY INDS INC BURGESS WILLIAM H	COM 13D	5/29/86	119 6.2	26883910 0.0	NEW
F & M IMPORTING MARNELL ANTHONY A II ET AL	COM 13D	3/31/86	11,875 52.8	30237310 0.0	NEW
INTEGRATED RESOURCES INC ZENITH NATIONAL INSUR CORP	PFD \$3.00 13D	6/ 9/86	0 N/A	45812420 N/A	UPDATE
INTERMOUNTAIN BANKSHARES GARAY ROSARIO	COM 13D	5/20/86	32,207 51.0	45892210 0.0	NEW
JAMES RIVER CORP VA ZENITH NATIONAL INSUR CORP	PFD SERIES H 13D	6/ 9/86	0 N/A	47034930 N/A	UPDATE
MOLECULON INC FEINBERG MICHAEL	COM 13D	4/14/86	353 4.5	60855110 6.6	UPDATE
PORTS OF CALL INC FIDELITY INTL LTD	COM 13D	4/22/86	349 14.1	73702810 0.0	NEW
PORTS OF CALL INC FMR CORP	COM 13D	6/ 9/86	349 14.1	73702810 14.1	UPDATE
PUNTA GORDA ISLES INC VERNON HAROLD	COM 13D	6/ 3/86	1,057 36.4	74603010 34.3	UPDATE
REUBLIC HEALTH CORP MCDONNELL DOUGLAS CORP	COM 13D	5/31/86	3,200 18.5	76048010 11.0	UPDATE
REPUBLIC HEALTH CORP PESCH LEROY A ET AL	COM 13D	5/31/86	2,754 15.9	76048010 14.7	UPDATE