

# sec news digest

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U.S. SECURITIES & EXCHANGE COMMISSION  
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## LIBRARY COMMISSION ANNOUNCEMENTS

IRVING POLLACK SWORN IN AS COMMISSIONER. Irving M. Pollack, former Director of the Division of Enforcement, took the oath of office on February 13, 1974 as a member of the Securities and Exchange Commission. He was sworn in by his brother, Harry Pollack, former Director of Personnel who retired from the Commission in 1973 after a career spanning 37 years. Mr. Pollack succeeds to the vacancy created by the resignation of Hugh F. Owens, who became Chairman of the Securities Investor Protection Corporation in December, 1973. He becomes the third member of the present Commission to have previously served on the staff of the SEC. Both Chairman Ray Garrett, Jr., and Philip A. Loomis, Jr. have held staff positions.

A career employee, Mr. Pollack became Director of the Division of Enforcement in August, 1972 when the SEC's divisions were reorganized. He had been Director of the Division of Trading and Markets since August, 1965, and previously served as Associate Director since October, 1961. In 1967 Mr. Pollack was awarded the SEC Distinguished Service Award for Outstanding Career Service and in 1968 he was a co-recipient of the Rockefeller Public Service Award in the field of law, legislation and regulation.

Mr. Pollack joined the staff of the Commission's General Counsel in October 1946. He was promoted from time to time to progressively more responsible positions in that office and in 1956 became an Assistant General Counsel. Mr. Pollack received a B.A. degree cum laude from Brooklyn College in 1938 and an LL.B. degree magna cum laude from Brooklyn Law School in 1942. Prior to joining the Commission's staff he engaged in the practice of law in New York City after serving nearly four years in the United States Army, where he gained the rank of Captain. He was born in Brooklyn, New York, on April 8, 1918. He is married to the former Shirley Margoshes and has two daughters.

TEMPORARY SUSPENSION OF THE REGULATION A EXEMPTION OF BROKERS DIVERSIFIED SERVICES CORP. An order has been issued suspending the Regulation A exemption with respect to a public offering of securities of Brokers Diversified Services Corporation (Services) of Worcester, Massachusetts. Under a notification filed on June 14, 1972, Services offered 100,000 shares of common stock at \$5 per share, for an aggregate of \$500,000. According to the order, the Commission has reason to believe that: (a) the offering circular of Services contains untrue statements of material facts and omits to state material facts necessary to make the statements made not misleading, particularly with respect to the failure to disclose an obligation to pay interest on outstanding securities, the failure to disclose an offer to present shareholders to exchange their shares in Services for shares of an affiliate, and the failure to disclose a stockholder's suit; and (b) the offering, if made, would be in violation of the antifraud provision of the securities laws. (Rel. 33-5457)

## RULE PROPOSALS AND ADOPTIONS

REGULATION S-X AND FORMS 10 AND 10-K RE FINANCIAL STATEMENTS OF LIFE INSURANCE COMPANIES AMENDED. The Commission today adopted a general revision of Article 7A of Regulation S-X concerning the form and content of life insurance company financial statements, and has amended Forms 10 and 10-K to remove the exemption from certification of the financial statements of such companies which has been contained in those forms.

The most significant change is the requirement that financial statements be prepared in accordance with generally accepted accounting principles (GAAP) rather than following statutory accounting requirements as previously permitted. A reconciliation of material differences between statutory accounting requirements and GAAP is also required.

The requirement to use generally accepted accounting principles is not applicable to statements of mutual life insurance companies or wholly owned stock company subsidiaries of mutual companies. (ASR 152)

## COURT ENFORCEMENT ACTIONS

WHITTAKER CORPORATION ENJOINED. The SEC announced that on February 8 the Federal court for California permanently enjoined Whittaker Corporation, a California corporation, from violating the proxy provisions of the securities laws. The complaint charges that Whittaker failed to provide a full and accurate description of its relationship with its independent auditors in the proxy material for its annual meeting of shareholders held March 20, 1973. The proxy material asked Whittaker's shareholders to ratify the appointment of such auditors for the forthcoming year. The defendant consented to the court's order without admitting or denying the allegations in the Commission's complaint. (LR-6245)

MORTON WEIMAN SENTENCED. The Washington Regional Office announced that on February 7 the U. S. District Court Judge for the District of Maryland, sentenced Morton Weiman of Philadelphia, Pennsylvania to pay a \$1,000 fine. On October 24, 1973, Weiman pleaded nolo contendere to a criminal information charging him in a single count with violating the antifraud provisions of the securities laws in the sale of unregistered stock of American Continental Industries, Inc. (LR-6246)

## INVESTMENT COMPANY ACT RELEASES

GOLDMAN, SACHS & CO. An order has been issued on an application of Goldman, Sachs & Co. exempting it, its co-representatives and co-underwriters from a certain provision of the Act with respect to transactions incident to the proposed distribution of shares of common stock of American General Option Investors, Inc., a registered closed-end investment company. (IC-8228)

MUTUAL BENEFIT GROWTH FUND. A notice has been issued giving interested persons until March 11 to request a hearing on an application of Mutual Benefit Growth Fund and Mutual Benefit Fund, both mutual funds, and Mutual Benefit Financial Service Company, the Funds' principal distributor and investment adviser, for an exemption from certain provisions of the Act to permit the sale of shares of the Funds at net asset value without a sales load under a proposed one-time privilege accorded to shareholders of the Funds to reinvest proceeds from redeemed shares within 15 days of redemption. (IC-8230)

## HOLDING COMPANY ACT RELEASES

THE COLUMBIA GAS SYSTEM. An order has been issued authorizing a plan of The Columbia Gas System, Inc. (Columbia), and Columbia Gas Development Corporation (Development), a non-utility subsidiary whereby Development will sell 3,666,667 shares of common stock to Columbia for \$55,000,005. Development will apply the proceeds to discharge emergency advances made by Columbia to Development in the latter's acquisition, with others, of leases for exploration and development. (Rel. 35-18282)

CONSOLIDATED NATURAL GAS COMPANY. A notice has been issued giving interested persons until March 13 to request a hearing on a proposal of Consolidated Natural Gas Company to sell \$50 million of debentures, due 1999, at competitive bidding. (Rel. 35-18283)

## SECURITIES ACT REGISTRATIONS FILED

(S-14) THE HANCOCK GROUP, INCORPORATED, 1495 Hancock St., Quincy, Mass. 02169 - 279,948 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of common stock of Hancock Bank and Trust Company, Quincy, Mass., on a share for share basis. The Hancock Group, Incorporated will become a one-bank holding company. (File 2-50195 - Feb. 12)

(S-1) COMMODITY TREND FUND, (the Partnership), Suite 206, 660 Kenilworth Dr., Towson, Md. 21204 - \$1,500,000 of partnership interest, to be offered for sale at \$100 per unit through its general partner, Mr. D. Keith Campbell. The Partnership trades commodity futures contracts. (File 2-50189 - Feb. 11)

(S-16) BECTON, DICKINSON AND COMPANY, Rutherford, N. J. 07070 - 300,000 shares of common stock, to be offered for sale by a shareholder through underwriters headed by F. Eberstadt & Co., Inc., 61 Broadway, New York, N. Y. 10006. The company manufactures and sells a wide range of health care products. (File 2-50190 - Feb. 11)

(S-11) CAPITAL RESOURCES REAL ESTATE INCOME PARTNERSHIP, 307 North Michigan Ave., Chicago, Ill. 60601 - \$10 million of partnership interests, to be offered for sale at \$1,000 per interest by First Nation Securities Incorporated, 307 North Michigan Ave., Chicago, Ill. The Partnership intends to invest in commercial, industrial and residential properties. CRC Properties, Inc., Robert W. Forloine and John P. Higgins are the general partners. (File 2-50191 - Feb. 11)

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Orion Research Incorporated, Cambridge, Mass. (File 2-50188 - Feb. 4) - 100,000 shares  
Vickers Energy Corporation, Wichita, Kan. (File 2-50192 - Feb. 11) - 25,000 shares  
Distribuco, Inc., Denver, Colo. (File 2-50193 - Feb. 11) - 50,000 shares

SECURITIES ACT REGISTRATIONS. Effective February 13: Broadway-Hale Credit Corp., 2-50086 (May 14); Texas Power & Light Company, 2-50087.

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.

#### MISCELLANEOUS

TRADING SUSPENSIONS. The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Stratton Group, Ltd., and over-the-counter trading in the securities of Home-Stake Production Co. and Continental Vending Machines, Inc. for the further ten-day period February 14-23, inclusive.

# — sec publications —

Companies registered with the Securities and Exchange Commission under the various Acts are sent copies of individual releases pertaining to rule proposals and rule changes under the Acts for which they are registered. Complete texts of all releases, as well as reports on other aspects of Commission business, are available through a series of publications designed to keep interested firms and members of the public informed about the work of the Commission. The following publications can be ordered from the Superintendent of Documents using the coupon below.

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