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Issue 77-92
(SEC Docket, Vol. 12, No. 1 - May 24)

May 12, 1977

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RULES AND RELATED MATTERS

U.S. SECURITIES AND

PROPOSED AMENDMENTS RELATING TO INDUSTRY AND HOMOGENEOUS GEOGRAPHIC SEGMENT REPORTING EXCHANGE COMMISSION

The Commission has published for comment proposed amendments to certain registration and reporting disclosure forms and rules. In addition, the Commission has published for comment a proposal to take the first step in developing an integrated disclosure form, Form S-K, whose first two items would be the items affected by the proposed amendments.

The proposed amendments would, if adopted, coordinate certain Commission business disclosure requirements with the segment disclosure requirements called for by Statement of Financial Accounting Standards No. 14 which was issued by the Financial Accounting Standards Board in December, 1976. The amendments would require the presentation of financial information relating to industry segments, domestic and foreign operations and export sales in lieu of the line of business information presently required. The existing forms and reports affected by this amendment would be registration statements on Forms S-1, S-7, S-8 and 10, annual reports on Form 10-K, annual reports to shareholders, and certain proxy and information statements.

Other proposed amendments would augment segment disclosure by requiring registrants to discuss separately, within their business and property discussion, each industry segment into which their business is classified. Registration statements on Forms S-1, S-7 and 10 and annual reports on Form 10-K would be affected by these proposed amendments.

Interested persons are invited to submit their views and comments to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549, no later than August 10, 1977. Reference should be made to File No. S7-695. All comments received will be available for public inspection. (Rel. 33-5826)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

MIDLAND RESOURCES SECURITIES DELISTED

The Commission has granted the application of the American Stock Exchange to strike from listing and registration both the common stock and the 6% convertible debentures of Midland Resources, Inc., of Fort Lee, New Jersey. Trading in those securities has been suspended since September 12, 1975.

According to the Commission's decision, Midland failed to meet the exchange's guidelines for continued listing. At the time of the exchange's determination to delist, the company had net tangible assets of less than \$4 million, and had sustained net losses totaling more than \$25 million in its three most recent fiscal years.

The Commission rejected Midland's argument that the exchange should have awaited the outcome of Midland's proposed exchange offers of common stock to holders of its publicly held debt. The Commission stated: "The exchange was dealing with a company that had suffered continuous losses totaling more than \$42,000,000 over a period of almost four years from March 1972 through November 1975. And that company showed no indication of a return to profitability in the near future. Thus the exchange's refusal to stay its hand pending the company's proposed exchange offers was clearly within its discretion. The proposed offers, even if successful, did not neutralize the other negative factors and uncertainties in Midland's situation." (Rel. 34-13491)

ABRAHAM GOLDBERG SANCTIONED

The Commission has barred Abraham Goldberg of Denver, Colorado from association with any broker or dealer. Goldberg was formerly a principal officer and director of Institutional Securities of Colorado, Inc., a registered broker-dealer located in Denver, Colorado. The sanction is based upon findings that Goldberg wilfully violated the

registration and antifraud provisions of the securities laws in the purchase and sale of shares of common stock of Chemex Corporation, a Wyoming company. Goldberg was found to be in default by the Commission pursuant to its Rules of Practice and the proceedings were therefore determined against him upon a consideration of the order for public proceedings, the allegations of which were deemed to be true. (Rel. 34-13493)

NOTICE OF COMMISSION MEETINGS

NOTICE OF OPEN MEETING

The Commission at 5:00 p.m. on Wednesday, May 11, held an open meeting to consider a response to a congressional inquiry respecting H.R. 3815, the Unlawful Corporate Payments Act of 1977.

COURT ENFORCEMENT ACTIONS

AMENDED ORDER OF ANCILLARY RELIEF ENTERED AGAINST READEx ELECTRONICS, INC.

The New York Regional Office announced that on April 25 the Honorable Harold P. Burke of the U.S. District Court for the Western District of New York signed an Amended Order of Ancillary Relief by Consent (Amended Order) against Readex Electronics, Inc. (Readex). The Amended Order requires, among other things, that a shareholders meeting be held within 60 days of the entry of the subject order and that a summary report of Readex's operations be disseminated to shareholders within 50 days of entry of the order. Further, the Amended Order requires annual shareholders meetings and periodic disclosure reports.

The action was originally commenced on November 4, 1974 by the filing of a complaint against Readex and its principals alleging a violation of the registration provisions of the Securities Act of 1933 in the issuance and sale of Readex securities. The defendants consented to the entry of permanent injunctions and in addition, Readex consented to the entry of an Order of Ancillary Relief (Order). On February 15, the New York Regional Office brought a motion seeking a citation of civil contempt against Readex as a result of its failure to comply with the Order. In the alternative, the motion sought a modification of the Order in a manner which would provide commensurate protection of the public interest and Readex shareholders. See LR-6582 and LR-7836. (SEC v. Readex Electronics, Inc., et al., 74 Civil 515, W.D.N.Y.). (LR-7916)

INVESTMENT COMPANY ACT RELEASES

AXE-HOUGHTON INCOME FUND

An order has been issued on an application of Axe-Houghton Income Fund, Inc. (Fund), a registered open-end management investment company, and Axe Securities Corporation, the Fund's principal underwriter, permitting the Planholders of Canadian Investment Trust, a registered unit investment trust, to purchase Fund shares at reduced sales charges in amounts equivalent to the unpaid portion of their Plans, and to permit continuance of the withdrawal and reinvestment privilege in the Plans for a period up to the twentieth anniversary of the issuance of the Plans. (Rel. IC-9762 - May 10)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY

A notice has been issued giving interested persons until June 3 to request a hearing on proposals of Consolidated Natural Gas Company and ten of its subsidiaries to engage in intrasystem financing, and the issuance of commercial paper and notes to banks by the holding company. (Rel. 35-20024 - May 10)

SELF-REGULATORY ORGANIZATIONS

NATIONAL SECURITIES CLEARING CORPORATION

The National Securities Clearing Corporation has filed with the Commission a plan for the consolidation of its three operating divisions. Publication of the plan is expected to be made in the Federal Register during the week of May 16. (Rel. 34-13526)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Midwest Stock Exchange, Inc. (MSE). The rule change (SR-MSE-76-20) amended MSE Rule 4 to adopt certain provisions of amended Rule 17a-5. (Rel. 34-13527)

The Commission has granted accelerated approval of a proposed rule change filed by the NASD. The rule change (SR-NASD-77-5) amends Section 30 of Article III of the Association's Rules of Fair Practice to conform the options margin provisions thereof to uniform standards prevalent among other self-regulatory organizations. (Rel. 34-13528)

SECURITIES ACT REGISTRATIONS

(S-14) CALIFORNIA LIFE CORPORATION

3255 Wilshire Blvd., Los Angeles, Cal. 90010 - proposal to modify the terms of 550,000 shares of convertible cumulative preferred stock, Series A (the Series A Shares) to increase the dividend rate to \$.925 and remove the right of the holders of Series A Shares to approve by a majority vote the creation of other series or classes of preferred stock ranking on a parity with the Series A Shares. The company is an insurance holding company. (File 2-58737 - Apr. 19)

(S-1) EPIDYNE, INC.

12525 Chadron Ave., Hawthorne, Cal. 90250 - 900,000 common shares, to be offered for sale at \$1.6667 per share without underwriting to Oil Resources, Inc. for distribution to its shareholders pro rata. Sale is conditional upon sale by Oil Resources, Inc. of certain of its operating assets to W. R. Grace and Co. Epidyne, Inc. manufactures semi-conductor materials and devices, including light-emitting diodes. (File 2-58798 - Apr. 25)

(S-7) BANKAMERICA CORPORATION

Bank of America Center, 555 California St., San Francisco, Cal. 94104 - \$200 million of debentures, due 2007, to be offered for sale through underwriters headed by Blyth Eastman Dillon & Co. Inc., One Chase Manhattan Plaza, New York, N.Y. 10005, Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006, Salomon Brothers, One New York Plaza, New York, N.Y. 10004, and Dean Witter & Co. Inc., 14 Wall St., New York, N.Y. 10005. The corporation is a one bank holding company. (File 2-58809 - Apr. 26)

(S-7) CONSUMERS POWER COMPANY

212 West Michigan Ave., Jackson, Mich. 49201 - 3,500,000 shares of common stock, to be offered for sale through underwriters headed by Morgan Stanley & Co. Inc., 1251 Avenue of the Americas, New York, N.Y. 10020. The company is an electric and gas utility. (File 2-58815 - Apr. 26)

In a separate statement the company seeks registration of \$85 million of first mortgage bonds, due 2007, to be sold at competitive bidding. (File 2-58816 - Apr. 26)

(S-7) NORTHERN INDIANA PUBLIC SERVICE COMPANY (NIPSCO)

5265 Hohman Ave., Hammond, Ind. 46320 - 600,000 shares of authorized but unissued cumulative preference stock, to be offered for sale through underwriters managed by Dean Witter & Co. Inc., 130 Liberty St., New York, N.Y. 10006 and Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. NIPSCO is a public utility operating company engaged in supplying electrical energy and natural gas. (File 2-58828 - Apr. 27)

(S-1) HAVERFORD HOSPITAL ASSOCIATION

Western Savings Bank Bldg., Philadelphia, Pa. 19107 - \$5,700,000 of first mortgage bonds, to be offered for sale by B. C. Ziegler and Company, West Bank, Wis. 53095. The Association operates Haverford General Hospital, Havertown, Pennsylvania. (File 2-58889 - May 2)

(S-1) NEEDHAM, HARPER & STEERS, INC.

909 Third Ave., New York, N.Y. 10022 - 380,000 shares of common stock, to be issued upon the merger of N H S Inc. (NHS) into the registrant. Upon the effective date of the merger, each share of NHS stock will be converted into a share of the registrant's stock. The NHS stock involved will be issued immediately prior to the merger in exchange for shares of Needham common stock contributed to NHS by Needham employees and one other Needham stockholder. The Stock to be issued by NHS (numbering 380,000 shares) are also being registered. The purpose of the transaction is to reorganize Needham as an enterprise largely owned by its employees. Needham is an advertising agency. (File 2-58949 - May 6)

(S-14) NAPCO INDUSTRIES, INC.

1600 South Second St., Hopkins, Minn. 55343 - 141,862 shares of common stock, to be offered for sale by Registrant's wholly-owned subsidiary, Electro-Craft Corporation, an Indiana corporation. The shares will be issued to fulfill a merger with Electro-Craft Corporation, a Minnesota corporation. Registrant is engaged in the business primarily of marketing a wide variety of products to foreign governments and their procurement agencies. (File 2-58954 - May 9)

(S-14) ERIE PROPERTIES

5011 Washington, Ave., Evansville, Ind. 47715 - 4,900 limited partnership interests. It is proposed to offer the interests in exchange for shares of common stock of Erie Corporation, Evansville, Indiana, at the rate of one interest for each fifty shares. Erie Properties is a limited partnership which was recently organized to act as the vehicle for conversion of Erie Corporation into a limited partnership. (File 2-58955 - May 9)

REGISTRATIONS EFFECTIVE

May 3: American Income Trust, Series 2, 2-58097; Bally Manufacturing Corp., 2-58721; Buckingham Motor Imports Ltd., 2-57207; Celanese Corp., 2-58573 & 2-58572; Central Vermont Public Service Corp., 2-58621; Coca-Cola Co., 2-58584; The Connecticut Light and Power Co., 2-58469; Crum & Foster, 2-58728; General Telephone Co. of the Southwest, 2-58650; Honeywell Inc., 2-58811; Jersey Central Power & Light Co., 2-58433; Liberty National Corp., 2-58686; McDonald's Corp., 2-58743; Philadelphia Electric Co., 2-58622; Quasar Microsystems, Inc., 2-58208; Southeastern Michigan Gas Enterprises, Inc., 2-58480; Texas Gas Transmission Corp., 2-58710; Texas Utilities Co., 2-58600.

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 10¢ per page plus postage (7 days) (\$3.50 minimum); 20¢ per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30¢ per page plus postage for priority service overnight (\$5.00 minimum). Cost estimates are given on request. All other reference material is available in the SEC Docket.

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