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March 20, 1974

COMMISSION ANNOUNCEMENTS

LIBRARY

VARIABLE LIFE INSURANCE

The commencement of public hearings to be conducted with respect to proposed amendments to variable life insurance exemptive rules and the Model Regulation of the National Association of Insurance Commissioners has been changed from 10:00 a.m., March 25, 1974 to 11:00 a.m. on the same date. The hearings will be held at the Headquarters Office of the Commission, 500 North Capitol Street, N.W., Washington, D.C. 20549.

CHAIRMAN SPEAKS

DIFFERENTIAL DISCLOSURE: TO EACH HIS OWN

Commissioner A. A. Sommer, Jr. chose "differential disclosure" as his topic for the Second Emanuel Saxe Distinguished Accounting Lecture delivered at Baruch College on Tuesday, March 19, 1974.

Referring to Securities Act Release No. 5427 relating to certain proposed amendments to Regulation S-X concerning disclosure of significant accounting policies, Commissioner Sommer noted: "This was the first indication, at least officially, by the Commission that financial statements might be something other than unitary -- that is, that there might be financial statements for the sophisticated investor and professional analyst and financial statements for the average investor." . . . "I would suggest that the new direction pointed by the Commission is a step in the demythologization, if I may call it that, of the disclosure process." . . . "This effort recognizes and responds to such fundamentals, acknowledged by all, as the fact that American business has grown steadily more complex, that such complexity has been geometrically expanded by conglomerization and the expanding multinational character of American enterprise, that increasingly complex accounting rules have been necessitated by changes in the business scene. It recognizes the rather fundamental fact that investors come in not 57 varieties, but more accurately, fifty-seven thousand and more varieties."

"There are as many capacities to understand and cope with information, and willingness and desire to do so, perhaps as there are investors; consequently, it is impossible to design a single disclosure system that perfectly matches the needs and capacities of each person. Consequently, as in most things in life, we must categorize, recognizing that the fit will be crude in most cases, but better than the kind of procrustean achievement that would dictate a single set of requirements for everyone simply on the grounds, somewhat Steinian, that an investor is an investor is an investor.

"Once one concludes that a disclosure system should at least be bifurcated, if not refined more precisely, then I think the problem is much more complex than simply quantity. It is not enough to say simply, 'Now that we recognize that the skilled professional can use well more sophisticated information than the amateur, we will simply give him more information.' There is at the minimum a correlative necessity to process and prepare the information for use by the 'average' investor (to use a wholly inadequate term) in a manner that will make it useable and useful; it is a matter of presentation, as well as quantity. There is also the problem where and

how the respective disclosures are made. If that directed to the professional is so interlaced with that intended for the amateur, then it may well have the effect of causing the unsophisticated investor to back off in fear and confusion. . . . Thus there are problems of mode of presentation and dissemination as well as those of quantity and complexity of information that must be faced."

In conclusion, Commissioner Sommer noted "I would suggest that 'differential disclosure' is a new tool, with roots firmly in the past as well as in a greater present perceptiveness concerning the investment process and the nature of investors, by which the disclosure process can become more useful and more meaningful to investors and their advisors. It recognizes the capacity of many to deal with complexity and the inability of still others, who nonetheless are essential to the investment process, to match the formers' skills and expertise, but who nonetheless must be the beneficiaries of the process if we are not to abort and abandon the purposes of the Congress in enacting the scheme of federal securities laws which we have. Like any experiment, we must watch carefully its workings and assess realistically its achievements and failures. I believe it will succeed."

ORDERS FOR PUBLIC PROCEEDINGS

ROBERT F. CHAPMAN

Public proceedings under the Securities Exchange Act have been ordered against Robert F. Chapman, a registered representative, who resides in Greater Cleveland, Ohio.

The proceedings are based on allegations of the Commission's staff that from May 1 to November 1, 1972, Robert F. Chapman offered for sale and sold 12% promissory notes (three year term) of Correlated Equities Corp., in violation of the registration and antifraud provisions of the securities laws.

A hearing will be scheduled to take evidence on the staff allegations and to afford Chapman an opportunity to offer any defenses. The hearing is to determine whether the allegations are true, and if so, whether any action of a remedial nature should be ordered by the Commission. (Rel. 34-10692)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES AMERICAN EDUCATIONAL SPECIALISTS, INC.

The Fort Worth Regional Office announced the filing of a complaint in Federal District Court at Dallas, Texas on March 13, 1974 seeking to enjoin American Educational Specialists, Inc., Tronics Corporation, U. S. Environmental Systems, Inc., Erie-Niagara, Ltd., Med-Peds, Inc., Thomas W. Drake, Jr. and Nancy K. Wallace, also known as N. L. Knighten, all of Dallas, Texas; James Wallace White and Anne White, also known as Anne Kenny, also known as A. K. Peto, both of Twenty-Nine Palms, California; Edward H. Miller, Jr., Fort Erie, Ontario, Canada; Vito J. Caruso, Buffalo, New York; Helen K. Garner, also known as Helene K. Geddes, Carlsbad, California; Ivan Marra, Butler, Pennsylvania; David A. Paroline, Bridgeville, Pennsylvania; and B. F. Reames, Grand Prairie, Texas, from violations of the antimanipulation provisions, and all except Wallace, Anne White and Reaves, from violations of the securities registration provisions of the securities laws in their submission to the Commission of false and misleading filings under Regulation A for public offerings of common stock of each of the companies.

A hearing on the Commission's motion for preliminary injunction has been set by Federal District Court at Dallas for May 16, 1974. (LR-6284)

MITCHELL HAZAR ENJOINED

The Fort Worth Regional Office announced that on March 5 a Federal District Court at Phoenix, Arizona permanently enjoined Mitchell Hazar of Phoenix from violations

of the registration, antifraud and antimanipulative provisions of the securities laws in the offer, purchase or sale of securities of Continental Investment Corporation and Pan American Industries, Inc.

Previously on July 2, 1973 an order of permanent injunction was entered by consent against Vern G. Ryan of Phoenix forbidding violations of the registration, antifraud and antimanipulative provisions of the securities laws in the offer, purchase or sale of securities of Continental Investment Corporation. (LR-6285)

HOLDING COMPANY ACT RELEASES

AMERICAN NATURAL GAS COMPANY

An order has been issued extending until March 28 the time within which American Natural Gas Production Company, non-utility subsidiary of American Natural Gas Company, may complete the financing of an off-shore Texas lease acquired by the Production Company at a cost of \$11,423,393 in the bidding for Government leases on June 19, 1973. The completed financing will consist of bank borrowings of \$4,400,000, and the sale of approximately \$7 million of common stock to the parent company. (Rel. 35-18327)

METROPOLITAN EDISON COMPANY

A notice has been issued giving interested persons until April 15 to request a hearing on a proposal of Metropolitan Edison Company, subsidiary of General Public Utilities Corporation, to amend its corporate charter to increase the number of shares of authorized cumulative preferred stock from 1,400,000 shares to 2,150,000 shares and to solicit proxies in connection therewith. (Rel. 35-18328)

SYSTEM FUELS, INC.

A notice has been issued giving interested persons until April 12 to request a hearing on proposed amendment to Commission order dated December 17, 1973 (Rel. 35-18221) which would authorize System Fuels, Inc. (SFI), a non-utility subsidiary of the operating electric utility subsidiaries of Middle South Utilities, to establish a \$40 million line of bank credit. The borrowings, to be evidenced by promissory notes, will be used by SFI to finance its fuel supply program for 1974 through 1976. (Rel. 35-18329)

VGS CORPORATION

A supplemental order has been issued declaring that VGS Corporation has ceased to be a holding company and that subject to a certain reservation of jurisdiction its registration as a holding company shall cease to be in effect. (Rel. 35-18330)

TRUST INDENTURE ACT RELEASES

FIRST MORTGAGE INVESTORS

An order has been issued under the Trust Indenture Act on application of First Mortgage Investors (the Trust) that the trusteeship of Chemical Bank of New York under two indentures of the Trust is not so likely to involve a material conflict of interest as to make it necessary to disqualify Chemical Bank of New York from acting as trustee. (Rel. TI-359)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON TWO TRADING SUSPENSIONS

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of BBI, Inc. and over-the-counter trading in the securities of U. S. Financial, Inc. for the further ten-day period March 20-29, inclusive.

MISCELLANEOUS

CORRECTION RE PEPSICO CORP.

The third sentence of the article on Pepsico Overseas Corp. which appeared in the News Digest on January 28, 1974 should be corrected to read: "The company's 4-1/2% guaranteed debentures, due 1981, are listed on the New York Stock Exchange, where only limited trading has occurred. (Rel. 34-10617A)

SECURITIES ACT REGISTRATIONS

(S-6) MUNICIPAL INVESTMENT TRUST FUND, TWENTY-SECOND MONTHLY PAYMENT SERIES

\$50,000 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N. Y. 10006. The Fund, a Unit Investment Trust, was created by a trust agreement among Merrill Lynch and Bache & Co. Incorporated, as Sponsors, The Bank of New York, as Trustee, and Standard & Poor's Corporation, as Evaluator. The Fund's primary objective is providing tax exempt income through investment in a fixed portfolio of interest-bearing, long-term state, municipal and public authority bonds. (File 2-50328 - Mar 1)

(S-7) FORD MOTOR CREDIT COMPANY

The American Rd., Dearborn, Mich. 48121 - \$100 million of notes, due 1982, and \$100 million of debentures, due 1999, which will be offered for sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N. Y. 10004. Ford Motor Credit Company provides wholesale financing to and purchases retail instalment sales paper from franchised Ford vehicle dealers. (File 2-50356 - Mar. 6)

(S-14) DAI INTERIM COMPANY

7925 Center Ave., Cucamonga, Cal. 91730 - 1,742,327 shares of common stock. It is proposed to offer these shares in exchange for the business and substantially all of the assets of Digital Applications, Inc., and in payment of certain specified liabilities of Digital Applications, Inc. to be assumed by the DAI in accordance with the Amended Plan of Arrangement of Digital Applications, Inc. under Chapter XI of the Bankruptcy Act. DAI Interim Company is a recently formed corporation which intends to engage in the manufacture and sale of circuit boards following the offering. (File 2-50357 - Mar. 7)

(S-1) W. W. GRAINGER, INC.

5959 West Howard St., Chicago, Ill. 60648 - 949,426 shares of common stock, to be offered for sale by certain shareholders through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York, N. Y. 10005. The company principally distributes electrical motors and related products. (File 2-50403 - Mar 13)

(S-5) FIRST MULTIFUND OF AMERICA INC.

32 East 57th St., New York, N. Y. - 50,000 shares of common stock, to be offered for sale at net asset value. First Multifund is a no-load open-end diversified investment company, commonly known as a mutual fund, which invests in a portfolio of shares of 20 or more selected mutual funds. First Multifund Advisory Corp. is investment manager. (File 2-50404 - Mar 13)

(S-1) UMC INDUSTRIES, INC.

72 Wall St., New York, N. Y. 10005 - \$25 million of sinking fund debentures, due 1999, to be offered for sale by underwriters headed by White, Weld & Co. Incorporated, One Liberty Plaza, New York, N. Y. 10006 and Salomon Brothers, One New York Plaza, New York, N. Y. 10004. UMC Industries manufactures and sells a diversified line of products including: vending machines; coin, currency and scrip handling and validation equipment; and matchbooks, matchbook advertising and packaging. (File 2-50406 - Mar 13)

(S-1) NEWMARK AMERICAN PETROLEUM CORP. (General Partner)

1460 Bow Valley Square, Calgary, Alberta, Canada T2P2R9 - 1,400 units of participation in Newmark Oil and Gas Program - 1974, a partnership to be formed to invest in up to two Drilling Partnerships for the purpose of engaging in the acquisition, exploration and development of oil and gas properties. The offering is to be made at \$5,000 per unit (minimum subscription is two units) through officers and directors of the General Partner. (File 2-50407 - Mar 13)

(S-1) CAPITAL FINANCIAL SERVICES INC.

100 East Broad St., Columbus, Ohio 43215 - \$40 million of capital notes, Series A and Series B due 3 years and 5 years, respectively, from date of issue to be offered for sale at \$1000 per unit by the officers and employees of Capital Financial. Capital Financial, a wholly-owned subsidiary of The Continental Corporation, is engaged primarily in the consumer loan and sales finance business. (File 2-50417 - Mar 15)

(S-1) HARNISCHFEGER CORPORATION

4400 West National Ave., Milwaukee, Wis. 53246 - 500,000 shares of common stock, to be offered for sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N. Y. 10005. Harnischfeger serves domestic and foreign industries with a diversified line of construction, mining, and industrial material handling equipment. (File 2-50418 - Mar 15)

(S-7) DIAMOND SHAMROCK CORPORATION

1100 Superior Ave., Cleveland, Ohio 44114 - \$75 million of sinking fund debentures, due 1999, to be offered for sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N. Y. 10004 and Kuhn, Loeb & Co., 40 Wall St., New York, N. Y. 10005. Diamond Shamrock is a diversified chemicals and energy company with principal operations in industrial and specialty chemicals, oil and gas, plastics, agricultural chemicals, and nutrition and animal health products. (File 2-50420 - Mar 15)

(S-7) SIERRA PACIFIC POWER COMPANY

100 East Moana Lane, Reno, Nev. 89510 - \$30 million of first mortgage bonds, to be offered for sale at competitive bidding. The company is a public utility engaged principally in the production and sale of electric energy and also renders water and gas service. (File 2-50422 - Mar 15)

(S-1) BAY STATE GAS COMPANY

125 High St., Boston, Mass. 02110 - 150,000 shares of common stock, 40,000 shares of cumulative preferred stock (\$100 par), and \$8 million of notes, due 1999, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N. Y. 10006. The company is an operating public utility. (File 2-50423 - Mar. 15)

(S-14) NATIONAL INVESTORS CORPORATION

65 Broadway, New York, N. Y. 10006 - 300,000 shares of capital stock (\$1 par). The shares will be issued in the acquisition of substantially all of the assets of The Barclay Growth Fund, Inc. The shares to be issued in the acquisition will be based on the relative net asset values of National Investors Corporation and The Barclay Growth Fund, Inc. immediately prior to the acquisition. National Investors Corporation is an open-end diversified management investment company. (File 2-50427 - Mar. 15)

(S-7) UNITED TELECOMMUNICATIONS, INC.

P.O. Box 11315, Plaza Station, Kansas City, Mo. 64112 - \$50 million of debentures, due 1999, to be offered for sale through underwriters headed by Kidder Peabody & Co., Inc. United is an independent (non-Bell) telephone holding company with twenty-two telephone operating subsidiaries and various other operating subsidiaries. (File 2-50428 - Mar. 15)

(S-14) HAMILTON BANCSHARES, INC.

701 Market St., Chattanooga, Tenn. 37402 - 332,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding stock of two banks as follows: .15 share for each First American Bank of Memphis, Tennessee share and 2 shares for each Peoples Bank of Woodbury, Tennessee share. Hamilton is a bank holding company with fifteen banking subsidiaries. (File 2-50430 - Mar. 15)

REGISTRATIONS EFFECTIVE

March 19: Cambridge Computer Corporation, 2-49791; General American Transportation Corporation, 2-50271; Inexco Oil Company, 2-50075; Koger Properties, Inc., 2-50167; National Standard Company, 2-50133; Pacific Power & Light Company, 2-50221.

REGISTRATIONS WITHDRAWN

March 18: CFC Properties, LTD-1973, 2-48997; Franklin New York Corporation, 2-48777.
March 19: Communications Systems, Inc., 2-46147.

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:
The Entwistle Company, Hudson, Mass. (File 2-50340 - Mar. 5) - 20,000 shares
Holiday Resources, Inc., Los Angeles, Cal. (File 2-50346 - Mar. 4) - 25,000 shares
Analog Devices, Inc., Norwood, Mass. (File 2-50349 - Mar. 6) - 50,000 shares

RECENT 8K FILINGS

Form 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes: changes in control of the registrant; acquisition or disposition of assets; legal proceedings; changes in securities (i.e., collateral for registered securities); defaults upon senior securities; increase or decrease in the amount of securities outstanding; options to purchase securities; revaluation of assets; submission of matters to a vote of security holders.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
THOMAS & BETTS CO	13	02/74
TUCSON GAS & ELECTRIC CO	7	02/74
UNICOA CORP	14	02/74
UNION CAMP CORP	13	02/74
UNION PACIFIC CORP	3	02/74
USLIFE CORP	2,7,8,14	02/74
VAL DOR INDUSTRIES INC	13	02/74
VANCE SANDERS & CO INC	13,14	02/74
WEIGHT WATCHERS INTERNATIONAL INC	13,14	02/74
WESTERN ORBIS CO	8,13	02/74
ABBOTT LABORATORIES	13,14	02/74
ADVENTURE LANDS OF AMERICA INC	7	02/74
AIR MICHIGAN INC	13	02/74
ALL AMERICAN INDUSTRIES INC	13,14	01/74
ALLIED STORES CORP	8,13,14	02/74
AMCORD INC	13,14	02/74
AMERICAN BANCORP	13	02/74
AMERICAN EXPRESS CO	7,8	02/74
AMERICAN GIRL FASHIONS INC	6,13,14	02/74
AMERICAN UNITED INNS INC	13,14	01/74
ANDERSON TWO THOUSAND INC	12,14	02/74
ARLEN REALTY & DEVELOPMENT CORP	14	02/74
ATLANTIC RICHFIELD CO	3,13,14	02/74
AVCO FINANCIAL SERVICES INC	14	02/74
AZCON CORP	13,14	02/74
BANDAG INC	13,14	02/74
BANK OF VIRGINIA CO	4,8,14	02/74
BARTH SPENCER CORP	11	02/74
BASS FINANCIAL CORP	13	02/74
BLESSING CORP	13	02/74
BLUE CHIP STAMPS	1,2,14	02/74
BRANIFF INTERNATIONAL CORP	3	02/74
BRENTWOOD INDUSTRIES INC	2,14	02/74
BRISTOL MYERS CO	3,14	02/74
BROADWAY HALE STORES INC	13	02/74
BT MORTGAGE INVESTORS	11,14	02/74
CANDEUB FLEISSIG & ASSOCIATES	2,11,14	02/74
CARLSBERG MOBILE HOME PROPERTIES LTD 72	2,5,6	01/74
CHRYSLER FINANCIAL CORP	7	02/74
CLEVELAND CLIFFS IRON CO	3	02/74
CLEVELAND ELECTRIC ILLUMINATING CO	3	02/74
COHERENT RADIATION	11	02/74
COLECO INDUSTRIES INC	2,10,14	02/74
COLORADO INTERSTATE CORP	3	02/74
COMMUNITY PUBLIC SERVICE CO	7,14	02/74
CONVENIENT INDUSTRIES OF AMERICA INC	9	02/74
COOK TREADWELL & HARRY INC	3	02/74
DANIEL INTERNATIONAL CORP	11,14	02/74
DAYLIN INC	3,14	02/74
DELTA AIR LINES INC	7	02/74
DELTOMA CORP	7,13	02/74
DIBRELL BROTHERS INC	7	02/74

RECENT 8K FILINGS CONT.

EASTERN AIR DEVICES INC	7	02/74
ELECTRO NUCLEONICS INC	13,14	02/74
ELGIN NATIONAL INDUSTRIES INC	2,14	02/74
ESSEX INTERNATIONAL INC	1,2,4,7,8,12,14	02/74
FILMWAYS INC	3	02/74
FIRST COMMERCIAL BANKS INC	7	02/74
FIRST LINCOLN FINANCIAL CORP	7	02/74
FIRST MELVILLE BANCORP INC	13	02/74
FIRST UNION REAL ESTATE EQUITY & MORT	11,14	02/74
FIRST VIRGINIA BANKSHARES CORP	12,14	02/74
FIRST VIRGINIA MORTGAGE & REAL ESTATE IN	12,14	02/74
FISCO INC	3,6	01/74
FISCO INC	3	02/74
FLAVORLAND INDUSTRIES INC	13	02/74
FLORIDA TELEPHONE CORP	1,2,14	02/74
FORUM RESTAURANTS INC	13	02/74
FPA CORP	7,13,14	01/74
FRANKLIN NATIONAL INVESTMENT CORP	2,14	02/74
GAMBLE SKOGMO INC	8	02/74
GLOBE SECURITY SYSTEMS INC	10,14	02/74
GOULD INVESTORS TRUST	11	02/74
HAZELTINE CORP	13	02/74
HERSHEY FOODS CORP	8,13	02/74
HOUSTON COMPLEX INC	13	02/74
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ILLINOIS BELL TELEPHONE CO	14	02/74
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INTERNATIONAL BUSINESS MACHINES CORP	13,14	02/74
INTERWAY CORP	8,13	02/74
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IOWA ELECTRIC LIGHT & POWER CO	7	02/74
JOHNSON PRODUCTS CO INC	7	02/74
KENTUCKY CENTRAL LIFE INSURANCE CO	10	03/74
KEYSTONE CUSTODIAN FUNDS INC	2,10,11,14	02/74
KUSTOM ELECTRONICS INC	11,14	02/74
LE GRAN CORP	11	02/74
LEISURE TECHNOLOGY CORP	3,14	02/74
LEVINGSTON SHIPBUILDING CO	14	02/74
LIONEL CORP	8,13	02/74
LIQUID TRANSPORTERS INC	13	02/74
LONGS DRUG STORES INC	3,13	02/74
MADISON SQUARE GARDEN CORP	13,14	02/74
MAREMONT CORP	10,13,14	02/74
MASSACHUSETTS ELECTRIC CO	3	02/74
MCDONNELL DOUGLAS CORP	13,14	02/74
MESON ELECTRONICS CO INC	1,2,6,8,14	02/74
MOBIL OIL CORP	3	02/74
MOBILAND INC	11	02/74
NATURAL GAS PIPELINE CO OF AMERICA	13,14	02/74
NEW BEDFORD GAS & EDISON LIGHT CO	11	02/74
PACIFIC AMERICAN INDUSTRIES INC	7,8,14	01/74
PACIFIC HOLDING CORP	13	02/74
PARKER PEN CO	13,14	02/74
PEABODY GALION CORP	11,14	02/74

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 12¢ per page plus postage for mailing within four days (\$2 minimum) and 25¢ per page plus postage for over-night mailing (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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