

sec news digest

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July 19, 1974

RULES AND RELATED MATTERS

JUL 22 1974

TEMPORARY SUSPENSION OF RULE 50 COMPETITIVE BIDDING REQUIREMENTS PROPOSED

LIBRARY

A proposed temporary suspension with respect to the issuance and sale of common stock of registered holding companies of the competitive bidding requirements of Rule 50 has been published for comment. Written comments, in triplicate, may be submitted on or before August 23, 1974, to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 N. Capital St., Washington, D.C. 20549, and should refer to File S7-529. All comments will be available for public inspection. (Rel. 35-18504)

COMMISSION ANNOUNCEMENTS

REGULATION A EXEMPTION OF SCIENTRONIC CORPORATION PERMANENTLY SUSPENDED

Administrative Law Judge Ralph Hunter Tracy has filed an Initial Decision ordering that the exemption of Scientronic Corporation be permanently suspended. The decision is subject to appeal to the Commission.

The administrative law judge found, among other things, that the Notification and Offering Circular filed by Scientronic Corporation for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, under the provisions of Regulation A, contained untrue statements of material facts and omitted to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; that the terms and conditions of Regulation A were not complied with; that Scientronic did not follow generally accepted accounting practices in the preparation of its balance sheet; and that the offering, if made, would have been in violation of Section 17 of the Securities Act of 1933.

ANDREW A. PILATO REVOKED AS BROKER-DEALER AND BARRED FROM ASSOCIATION WITH ANY BROKER-DEALER

Administrative Law Judge Ralph Hunter Tracy has filed an initial decision revoking the registration as a broker-dealer of Andrew A. Pilato, a sole proprietorship, and barring Andrew A. Pilato from association with any broker-dealer. The decision is subject to appeal to the Commission.

The Administrative Law Judge found that registrant and Pilato willfully violated the registration requirements of the securities laws in the sale of unregistered securities and the antifraud provisions of the securities laws in the fraudulent sale of securities of shell corporations. In addition registrant and Pilato were found to have willfully violated the broker-dealer filing requirements and the net capital provisions of the securities laws. Pilato was also found to have failed reasonably to supervise persons subject to his supervision with a view to preventing the violations committed by them.

COURT ENFORCEMENT ACTIONS

FINANCIAL FUND, INC. ENJOINED, RECEIVER APPOINTED

The Seattle Regional Office announced that on July 10 the Federal Court in Seattle, Washington permanently enjoined Financial Fund, Inc from, among other things,

having a board of directors more than 60 percent of whom are interested persons, failing to redeem investors redeemable shares, and failing to file timely and accurate reports with the Commission. The court on May 24, 1974 appointed a receiver to manage the affairs of defendants. (LR-6442)

RIDGE OIL COMPANY, INC., OTHERS, ENJOINED

The Chicago Regional Office announced that on July 11 the Federal Court in Columbus, Ohio preliminarily enjoined Ridge Oil Company, Inc., James G. Todd (President and principal shareholder), both of Cambridge, Ohio, and Jack T. Cheviron (Salesman) of North Canton, Ohio, from violations of the antifraud provisions of the securities laws in the offer and sale of fractional undivided working interests in oil and gas leases or wells and any other securities. The defendants consented to the order without admitting or denying the allegations of the complaint which was filed on June 14. (LR-6437)

CLIFFORD ALTON KNIFFIN INDICTED

The Denver Regional Office announced that on July 10 a Federal Grand Jury at Denver, Colorado returned a four count indictment charging Clifford Alton Kniffin, doing business as Colonial Gas Corporation, with criminal contempt. The alleged contempt is based upon a February 14, 1969 order of the U.S. District Court at Denver enjoining Kniffin and others from violations of the registration requirements of the securities laws. (LR-6438)

INVESTMENT COMPANY ACT RELEASES

THE DEAN WITTER TAX-EXEMPT TRUST, FIRST SERIES (AND SUBSEQUENT SERIES)

An order has been issued on an application of The Dean Witter Tax-Exempt Trust, First Series (and Subsequent Series), a unit investment trust. The order exempts the trust from the initial net worth requirements, the dividend distribution limitations, and the pricing requirements of the Act with respect to secondary market operations of the trust's sponsor, and grants confidential treatment to the profit and loss statements of Dean Witter & Co. Incorporated, under Section 45(a). (Rel. No. IC-8431)

HARTFORD EQUITY SALES COMPANY

An order and a notice have been issued on an application of Hartford Equity Sales Company, Inc. (HESCO). The order exempts HESCO from the provisions of Section 9(a) of the Act pending final determination by the Commission of HESCO's application under Section 9(c) of the Act and directs that a hearing on the aforesaid application be held and that such hearing be consolidated with the hearing on the June 20, 1972 applications under Section 9(a) of the Act by International Telephone and Telegraph Corp. and two of its subsidiaries, Hartford Variable Annuity Life Insurance Company and Hamilton Management Corp. (Administrative Proceeding File No. 3-3842). Interested persons, other than Applicant, wishing to participate in the proceeding are directed to file with the Secretary of the Commission, on or before August 20, 1974, applications under Rule 9(c) of the Commission's Rules of Practice. (Rel. IC-8432)

HOLDING COMPANY ACT RELEASES

CONNECTICUT YANKEE ATOMIC POWER COMPANY

A notice has been issued giving interested persons until August 12 to request a hearing on a proposal of the Connecticut Yankee Atomic Power Company, subsidiary of Northeast Utilities and New England Electric System, to issue its promissory note in an amount not to exceed \$5 million under a loan agreement with the Connecticut Development Authority. The proceeds of the loan will be used to finance pollution control facilities, and are intended to cover unexpected cost overruns on facilities which were the subject of a previous application to the Commission. (See Rel. 35-18164, dated November 12, 1973.) (Rel. No. 35-10503)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON FOUR TRADING SUSPENSIONS

The SEC has announced the suspension of (a) over-the-counter trading in the securities of Westgate California Corp. for the further ten-day period July 19 - 28, inclusive, and (b) exchange and over-the-counter trading in the securities of Equity Funding Corp., and over-the-counter trading in the securities of Zenith Development Corp. and Industries International, Inc. for the further ten-day period July 21 - 30, inclusive.

SECURITIES ACT REGISTRATIONS

(S-12) FIRST NATIONAL CITY BANK

111 Wall St., New York, N.Y. 10015 - seeks registration of 100,000 American Depositary Receipts for ordinary shares of The Rio Tinto-Zinc Corporation Limited, an English corporation. (File 2-51564 - July 15)

(S-7) ROCHESTER GAS AND ELECTRIC CORPORATION

89 East Ave., Rochester, N.Y. 14649 - \$30 million of first mortgage bonds, due 1983, Series AA, to be offered for sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York, N.Y. 10005. The company is a public utility supplying electric, gas and steam service. (File 2-51566 - July 16)

(S-14) AMERICAN HOSPITAL SUPPLY CORPORATION

1740 Ridge Ave., Evanston, Ill. 60204 - 800,000 shares of common stock. It is proposed to issue these shares in connection with the acquisition of the business and assets of Heyer-Schulte Corporation, a California corporation, by a subsidiary of American Hospital at the rate of 2.1748 American Hospital shares for each Heyer-Schulte share. American Hospital is a multi-national manufacturer and distributor of a wide range of products used and consumed primarily in the health care field. (File 2-51571 - July 17)

(S-16) MINNESOTA MINING AND MANUFACTURING COMPANY (3M)

3M Center, St. Paul, Minn. 55110 - 259,892 shares of common stock. These shares were issued in connection with acquisitions made by the company and may be offered for sale from time to time by stockholders of acquired companies who received shares at prices current at the time of sale. 3M produces a wide variety of products, including copying and microfilm, adhesives, abrasives, tape, reflective and decorative materials, electrical materials, printing products and magnetic recording materials. (File 2-51572 - July 17)

(S-7) WISCONSIN ELECTRIC POWER COMPANY

231 West Michigan St., Milwaukee, Wis. 53201 - 1,500,000 shares of common stock, 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, Salomon Brothers, One New York Plaza, New York, N.Y. 10004 and Robert W. Baird & Co. Incorporated, 777 East Wisconsin Ave., Milwaukee, Wis. 53202. The company is principally in the electric utility business. (File 2-51573 - July 17)

(S-1) DYCO 1974 YEAR-END PROGRAM (ISSUER)

201 Northwestern Bank Bldg., Hopkins, Minn. 55343 - 400 units of participation (\$2 million Program Subscription) to be offered for sale at \$5,000 per unit (minimum subscription: one unit) through Dain, Kalman & Quail, Incorporated, 100 Dain Tower, Minneapolis, Minn. 55402 and other selected NASD members. Dyco is a general partnership which will be formed to invest and serve as a limited partner in Dyco Drilling Program 1974-YE, a limited partnership to be formed to acquire leases and to explore for, develop and produce oil and gas. (File 2-51516 - July 17)

(S-1) INDIANAPOLIS POWER & LIGHT COMPANY

25 Monument Circle, P.O. Box 1595B, Indianapolis, Ind. 46206 - \$60 million of first mortgage bonds, to be offered for sale through underwriters headed by Lehman Brothers Incorporated, One William St., New York, N.Y. 10004, Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006 and Salomon Brothers, One New York Plaza, New York, N.Y. 10005. The company generates, distributes and sells electric energy. (File 2-51578 - July 18)

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:

- Lincoln American Corporation, Lake Success, N.Y. (File 2-51579 - July 17) - 408,004 shares
- J. Ray McDermott & Co., Inc., New Orleans, Louisiana (File 2-51575 - July 17) - 150,000 shares
- The Upjohn Company, Kalamazoo, Mich. (File 2-51568 - July 16) - 13,000 shares
- Communications Industries, Inc., Dallas, Texas (File 2-51570 - July 17) - 75,000 shares
- First International Bancshares, Inc., Dallas, Texas (File 2-51574 - July 17) - 500,000 shares

REGISTRATIONS EFFECTIVE

July 18: Crane Co., 2-51380; General Cable Corp., 2-51208; International Telephone and Telegraph Corp., 2-51286; Manfred Co., Ltd., 2-49722; Michigan Consolidated Gas Co., 2-51387; National Municipal, 2-51397; Quebec Hydro Electric Commission, 2-51514; Royal Industries, Inc., 2-51309; Societe Anonyme Francaise Du Ferodo, 2-51546; Tampa Electric Co., 2-51204.

REGISTRATIONS WITHDRAWN

July 17: Walt Disney Productions, 2-50432.

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 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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