

sec news digest

a daily summary from the securities and exchange commission

Issue No. 73-60
(SEC Docket, Vol. 1, No. 9 - April 10)

March 28, 1973

CHAIRMAN COOK TELLS ANALYSTS FIXED COMMISSION RATES NOT TO BE REDUCED AT THIS TIME

Chairman G. Bradford Cook told a luncheon gathering of the New York Society of Security Analysts yesterday that the SEC's soon to be released position paper on the central market system would not be inflexible.

"We are for evolution after a procedure of comment and deliberation--not revolution merely for the sake of change," said Mr. Cook.

In relating how the restructured network of markets should work for the the investor, he pointed out that the central market is only a part of an improved investment process.

"Of equal or greater importance is the concept," Mr. Cook said, "of making professional investment services broadly available as economically as possible, without diluting standards of service and responsibility. This involves maximizing the dissemination of professional investment research, with the emphasis on the word 'professional'. Good research is an indispensable part of the investment process."

Mr. Cook also announced that the level of fixed commission rates would not be reduced at this time. He said that the decision was being made with the realization that the Commission might be subjected to possible criticism from supporters of "lower levels of negotiated rates at any cost." Mr. Cook went on to say, "We believe that those who consider the impact of other changes being required in the securities industry by the Commission, and the serious financial situation in the brokerage community at this time, will conclude that a reduction to \$200,000 or \$250,000--as a mere example of good faith--would be an unwise and imprudent step."

However, he pointed out that the decision did not alter the Commission's determination to bring the negotiation level down to \$100,000 in the spring of 1974.

Chairman Cook, in discussing the question of inside information said, "Any securities market system that is fair requires that both buyer and seller exercise informed judgment. The use of inside information erodes the system by destroying public confidence in our capital markets. It also calls into question the professionalism which is an intrinsic part of any sound investment system."

He said that the Commission had seen too many cases where inside information had been cynically considered by analysts, corporate officials and money managers simply as coin of the realm. He went on to say that the Commission intends to pursue the problem on two fronts:

"First, over the next several months, we will be completing a detailed report which will trace the legislative history and the intent of the law in this area, provide an analysis of what has taken place in the courts, present the Commission's view of the law, and, finally, set forth a series of guidelines for financial analysts, corporate management, investors, lawyers and industry as a whole."

The second area would be one of vigorous enforcement of the securities laws on inside information. Mr. Cook said, "The Commission will be looking in the future toward more criminal references to the Department of Justice in inside information misuse cases."

Mr. Cook reiterated the SEC's policy on earnings projections and forecasts. He said that corporate management should be left with the choice of whether or not publicly to forecast earnings and economic results. He indicated that by mid-year the Commission would be issuing rules and guidelines for comment which will detail and implement its general policy on forecasts.

COMMISSION ANNOUNCEMENTS

COMMENT PERIOD EXTENDED ON THREE RULES. The SEC has extended the period for comment on the proposed amendment to Rule 134 (Rel. 33-5357 of Jan 17) from March 30, 1973 until April 20, 1973. The proposed amendment of Rule 134 relates to investment company advertising and proposed new Rule 425 B concerns delivery of investment company prospectuses in connection with advertisements pursuant to Rule 134 amended as proposed. (Rel. 33-5379)

The Commission also has extended the period for comment on the proposed amendment to Rule 22d-1 (Rel. IC-7571 of Dec 21) from March 30, 1973 until April 20, 1973. The proposed amendment would permit quantity discounts for certain group purchases of redeemable securities issued by investment companies (IC-7739)

Written views and comments should be addressed to Ronald F. Hunt, Secretary, Securities and Exchange Commission, Washington, D. C. 20549 on or before April 20, 1973. All such communications will be considered available for public inspection.

STOCK TRANSACTIONS OF FINANCIAL INSTITUTIONS, 1972. During 1972 four major financial institutions--private noninsured pension funds, open-end investment companies, life insurance companies, and property and liability insurance companies--bought \$55.1 billion of common stock and sold \$44.6 billion, according to data released today by the SEC. In 1971 these institutional investors bought \$53.6 billion and sold \$38.7 billion. Net purchases during 1972 were \$10.5 billion; this amount is the second largest net accumulation recorded by these institutions--the record \$14.9 billion was achieved in 1971. (See the March 28, 1973 edition of the SEC Statistical Bulletin for further details).

TRADING SUSPENDED IN EQUITY FUNDING CORP. SECURITIES. The SEC today announced the suspension of trading in all the securities of Equity Funding Corporation of America, of Los Angeles, for a ten-day period commencing March 28 and continuing through April 6, 1973. The suspension was ordered because of the numerous rumors concerning the financial condition and questions concerning certain operations of Equity that have been circulating in the investment community. In addition, the suspension was ordered because of the recent increase in the volume of trading and dramatic price decrease in the securities of Equity which may have resulted from the dissemination of such rumors. (Rel. 34-10064)

COURT ENFORCEMENT ACTIONS

W. H. LYONS ENJOINED. The SEC Fort Worth Regional Office announced that the Federal court in San Antonio on March 20 permanently enjoined William H. Lyons, of Mobile, Ala., from violating the registration and antifraud provisions of the Federal securities laws in the offer and sale of South Central Industries Inc. stock. Lyons consented to the court order without admitting or denying the allegations. (LR-5813)

MUMMA OIL AND GAS CO., BERNARD A. FLOTO ENJOINED. The SEC Washington Regional Office announced that on March 22 the Federal court in Baltimore, Md. permanently enjoined Mumma Oil and Gas Company of Whitehall, Pa., and Bernard A. Floto of Toledo, Ohio from violations of the registration and anti-fraud provisions of the Federal securities laws in connection with the offer and sale of fractional undivided interests in oil and gas leases of Mumma Oil and Gas Company or any other securities. The defendants consented to the court order without admitting or denying the allegations. (LR-5814)

J. W. OSBORN SENTENCED. The SEC Fort Worth Regional Office announced that on March 16 the Federal court in Dallas, Tex. sentenced James William Osborn of Okla. City to three years imprisonment and to a fine of \$5,000, to be followed by a three year probated sentence, in regard to Osborn's plea of guilty to two indictments charging mail fraud, fraud in the sale of securities regarding fractional undivided interests in oil and gas leases and conspiracy, and failing to appear for trial on the charges contained in the first indictment. (LR-5815)

INVESTMENT COMPANY ACT RELEASES

MASSACHUSETTS INCOME FUND. The SEC has issued an order exempting Massachusetts Income Development Fund, Inc., from Section 22(d) of the Act to permit the issuance by the Fund of its shares of stock without a sales charge in exchange for substantially all the assets of Ridgewood Investment Company, a personal holding company. (Rel. IC-7737)

SECURITIES ACT REGISTRATIONS FILED

GANNETT CO., INC., 55 Exchange St., Rochester, N. Y. 14614 - 257,000 shares of common stock, which may be offered for sale from time to time by certain shareholders at prices prevailing at the time of sale (* \$44.25 per share maximum). (File 2-47328 - Mar 21)

MOFFATT BEARINGS COMPANY, 1640 Fairmount Ave., Philadelphia, Pa. 19130 - 270,000 shares of common stock, of which 73,170 are to be offered for sale by the company and 196,830 by certain shareholders. The offering is to be made (*at \$11 per share maximum) through underwriters headed by Interstate Securities Corp., 221 S. Tryon St., Charlotte, N. C. 28202. The company distributes a wide variety of bearings and associated accessories, as well as power transmission devices. Of the net proceeds, \$200,000 will be applied toward the establishment of two branch offices and the balance for working capital and other corporate purposes. (File 2-47329 - Mar 21)

COMMERCIAL CREDIT COMPANY, 300 St. Paul Place, Baltimore, Md. 21202 - \$50 million of notes, due 1993, to be offered for sale through underwriters headed by Kidder, Peabody & Co. Inc., 10 Hanover Square, New York 10005. The company through subsidiaries primarily engages in the finance business. Net proceeds will be added to the company's working capital and applied to reduction of short-term borrowings. (File 2-47330 - Mar 21)

CHESEBROUGH-POND'S INC., 33 Benedict Pl., Greenwich, Conn. 06830 - 2,687,955 shares of common stock. It is proposed to issue these shares in exchange for the outstanding shares of common stock of Health-tex Inc. at the rate of 0.65 Chesebrough shares for each Health-tex share. In this connection, CPHT, Inc., wholly-owned subsidiary of Chesebrough, was formed to be merged into Health-tex. Health-tex will become a wholly-owned subsidiary of Chesebrough and the separate existence of CPHT will terminate. Chesebrough principally manufactures and markets cosmetics, proprietary and specialty products, fragrances, specialty foods and other items. Health-tex manufactures and distributes knit and woven apparel for young children. (File 2-47331 - Mar 21)

THE HUTTON COMPANY INC., One Battery Park Plaza, New York, N. Y. 10004 - 4,727,141 shares of common stock. It is proposed to issue these shares in exchange for the outstanding common shares of E. F. Hutton & Company Inc., on a share for share basis. The Hutton Company was organized for the purpose of the merger. E. F. Hutton is an investment banking and brokerage firm. (File 2-47334 - Mar 22)

MICHIGAN FUND, TAX-EXEMPT MUNICIPAL INVESTMENT TRUST, SECOND SERIES, \$8,250,000 of units. The Fund is one of a series of similar but separate trusts created by a trust indenture and agreement between E. F. Hutton & Company Inc. and Manley, Bennett, McDonald & Co., as sponsors, and United States Trust Company of New York, as trustee. The Fund is a diversified portfolio of interest bearing municipal bonds, the interest from which is, in the opinion of recognized bond counsel, exempt from certain Michigan taxes and all Federal income tax. (File 2-47336 - Mar 22)

SHENANDOAH OIL CORPORATION, 1500 Commerce Bldg., Fort Worth, Tex. 76102 - 432,000 shares of \$25 stated value convertible preferred stock. It is proposed to issue these shares in exchange for the outstanding common shares of Del Mar Petroleum, Inc., at the rate of .27951 Shenandoah preferred share for each Del Mar common share. Shenandoah explores for, develops and operates oil and gas properties. Del Mar develops and produces oil and natural gas. (File 2-47337 - Mar 22)

PETROLEUM, INC. (the general partner), 300 W. Douglas, Wichita, Ks. 67202 - \$18,000,000 of pre-formation partnership interests in Petroleum, Inc. 1973 limited partnerships, to be offered for sale at \$5,000 per unit through selected NASD members. The Partnerships will participate in oil and gas drilling with other joint owners and Petrocap Ltd. pursuant to an exploration and development agreement. (File 2-47338 - Mar 22)

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:

Onan Corporation, Minneapolis, Minn. (File 2-47308) - 200,000 shares
 Burris Industries, Inc., Lincolnton, N. C. (File 2-47324) - 50,000 shares
 Suburban Bancorporation, Hyattsville, Md. (File 2-47332) - 240,000 shares
 Physio-Control Corporation, Seattle, Wash. (File 2-47333) - 52,360 shares
 The Stride Rite Corporation, Boston, Mass. (File 2-47327) - 197,400 shares

MISCELLANEOUS

RECENT FORM 8-K 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; and any newly enacted requirements effecting registrant's business.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item on the 8K form numbered in the parentheses. 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 several items of the form was included in Monday's News Digest.

8K REPORTS FOR FEBRUARY 1973

Century Financial Corp of Michigan (13)	0-6878-2	Class International Corp (2,14)	0-4876-2
Century Telephone Enterprises, Inc. (13)	0-6280-2	Clinton Oil Co. (3,9)	0-2507-2
Cerro Corp (7,8,14)	1-1518-2	The Clorox Company (3,11)	1-5659-2
The Charles River Breeding Lab's Inc. (4,7,8)	0-3455-2	Coastal States Gas Producing Co. (14)	1-4718-2
Chart House Enterprises (13)	0-6043-2	Coca-Cola Bottling Midwest, Inc. (7,11)	0-6016-2
Charter Bancorp (3,13)	0-6022-2	Coherent Radiation (11)	0-5255-2
Chicago Musical Instrument Co. (3)	0-5452-2	Coleman Co., Inc. (10,14)	1-988-2
Chris-Craft Industries Inc. (3,4,7,8,14)	1-2999-2	Columbia Precision Corp (8,13)	0-5047-2
Cinerama Inc. (13)	1-4107-2	Commonwealth Edison Co (3,7,8,13,14)	1-1839-2
		Computer Power International Corp (1,2,9,14)	0-3253-2
		Computer Products (13)	0-4466-2

Computer Sciences Corp(2,10,13)	1-4850-2	Diversified Earth Sciences, Inc.(3)	0-3474-2
The Computervision Corporation (2,14)	2-45437-2	Dixel Industries, Inc.(3)	0-6258-2
Comtech Laboratories, Inc. (2,14)	2-35910-2	Donaldson, Lufkin & Jenrette Inc. (7,8,9,14)	1-6862-2
Consolidated Edison Co. of New York, Inc.(7,14)	1-1217-2	Dougherty Brothers Co.(7,14)	0-2842-2
Consulting Technology, Inc. (2,7,14)	2-37399-2	Downe Communications, Inc.(3,13)	0-3666-2
Continental Investment Corp (13,14)	1-6735-2	Doyle Dane Bernbach Inc.(11,13,14)	0-171-2
Continental Transportation Systems, Inc.(2,14)	1-4696-2	Dymo Industries, Inc.(13,14)	1-4832-2
Cordura Corp (11,14)	1-5586-2	Dyna-Jet Corp (12,14)	2-34077-2
Cosmopolitan Spa International, Inc. (13,14)	2-44746-2	Dynalectron Corp (13)	1-3879-2
Cox Cable Communications, Inc. (13)	1-6590-2	Dynamic Security Corp (2,14)	0-3710-2
Cubic Corporation (1)	1-4227-2	Dynation Corp (13,14)	2-30279-2
Cummins International Finance Corp (13)	1-5802-2	Dynell Electronics Corp (7,10,11,14)	1-6477-2
D.A.B. Industries, Inc.(10)	2-6493-2	EDP Resources, Inc.(13,14)	0-3943-2
DCA Development Corp(3,6,13,14)	1-4306-2	EDP Technology Inc.(7,9,13,14)	0-4165-2
Dahlstrom Corp (10)	0-2471-2	ERB Lumber Co. (13)	2-42667-2
Dan River, Inc.(13,14)	1-3912-2	Earth Sciences, Inc.(7,8)	0-6088-2
Data Trends, Inc.(2,14)	0-4086-2	East Moline Downs, Inc.(3)	0-6091-2
Decision Data Computer Corp (13,14)	0-6379-2	The Educator & Executive Co. (13,14)	0-1161-2
The Deltona Corp (7)	1-4719-2	El Dorado International, Inc. (1,3,7,10,11,14)	2-36087-2
Denny's Inc.(13)	1-5124-2	Electronic Associates, Inc. (10,14)	1-4680-2
Dentsply International Inc.(7)	1-5980-2	Ellis Banking Corp (13)	2-41857-2
Dial Financial Corp (3)	1-5803-2	Emhart Corporation (10)	1-4012-2
Diamondhead Corp (7,10)	0-6263-2	Enroc Industries, Inc.(2,7,14)	0-6655-2
Digi-Log Systems, Inc.(4)	0-6812-2	Envirodyne Inc.(13,14)	0-5485-2
		Equimark Corp (7,13)	1-6672-2
		Evans, Inc.(13)	0-1500-2
		Everest & Jennings International (10,13)	0-3585-2

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Clinton Oil Company for the further ten-day period March 28 through April 6, inclusive.

SECURITIES ACT REGISTRATIONS. Effective March 27: American Telephone and Telegraph Co., 2-47172; Brown Group, Inc., 2-47268; Caterpillar Tractor Co., 2-47270 and 2-47269; Cooper Industries, Inc., 2-46930; Cyprus Mines Corp., 2-47099; Data 100 Corp., 2-46677; Research Cottrell, Inc., 2-47241; United Carolina Bancshares Corp., 2-47205; Walter E. Heller & Co., 2-47202; Waste Resources Corp., 2-46757.

*As estimated for purposes of computing the registration fee.

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Copies of registration statements may be ordered from the Commission's Public Reference Section. All other referenced material is available in the issue of the SEC Docket indicated in parentheses below the News Digest Issue No. Both the News Digest (\$33.00 a year, first class mail; \$8.25 additional for foreign mailing; \$25.00 additional for air mail) and the SEC Docket (\$17.00 a year, first class mail; \$4.25 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.