

sec news digest

a daily summary from the securities and exchange commission

Issue 73-106

(SEC Docket, Vol. 1, No. 18 - June 12)

June 1, 1973

RULE PROPOSALS AND ADOPTIONS

AMENDMENTS TO FORMS S-1, S-2, 10, 10-K, 10-Q AND RULES 13a-13, AND 15d-13 ADOPTED. The Commission today announced the adoption of amendments to Registration Forms S-1 and S-2 under the Securities Act of 1933 and to Forms 10, 10-K and 10-Q and Rules 13a-13 and 15d-13 under the Securities Exchange Act of 1934. These amendments are part of a series of amendments to various forms and rules resulting in part from the Commission's Public Investigation in the Matter of the Hot Issues Securities Markets (File No. 4-148). The amendments are intended to improve disclosure relating to development of new products and general competitive conditions for all registrants. Certain of the amendments applicable only to first-time registrants are intended to improve disclosure of the future prospects of such registrants by requiring disclosure of their plans of operation and more detailed disclosure of the use of the proceeds from securities sold to the public. In addition, the amendments conform analogous disclosure sections of Forms S-1, S-2, 10 and 10-K. The amendments also require, in the case of certain first-time registrants disclosure in Forms S-1 and S-2 of the principal underwriters' intention to confirm sales to discretionary accounts, as well as an undertaking from the registrant to provide to underwriters certificates for the securities to be offered so as to permit prompt delivery to purchasers. Also, in an effort to improve disclosure relating to new ventures, Rule 13a-13 and 15d-13 have been amended to delete the exemption that now exists for companies in the promotional or development stage from filing certain financial information on Form 10-Q.

As part of the same series of amendments, the Commission has also adopted amendments to the Guides for Preparation and Filing of Registration Statements under the Securities Act. New Guide 59 requires all registrants filing on Form S-1 or S-2 to include in the prospectus a summary of the contents of the prospectus, including, in the case of Form S-1, summary financial information. Guide 16 has been amended to provide that additional information about due diligence efforts of underwriters of new or speculative issues be supplied to the Commission supplementally to assist in reviewing the disclosure in registration statements. Guide 5 has been amended to discourage the use of "boiler plate" in prospectuses and also, in the case of certain first-time registrants, to require disclosure in preliminary prospectuses that are actually circulated of the estimated maximum offering price and number of shares to be offered and the method by which the price was determined.

Also in connection with the series of amendments, the Commission has adopted amendments to Rule 256 of Regulation A under Section 3(b) of the Securities Act to make the delivery requirements for Regulation A offering circulars parallel to those for final prospectuses under the Act.

In connection with the above mentioned amendments, the Commission has also issued a release reminding underwriters of the fiduciary obligations they owe to their discretionary accounts. The release reminds underwriters that the existence of a potential conflict of interest facing an underwriter who attempts to place new issues with its discretionary accounts requires full and effective disclosure, including the consent of the discretionary account. (Rel. 33-5395; 33-5396; 33-5397; and 33-5398)

DECISIONS IN ADMINISTRATIVE PROCEEDING

J. C. BRADFORD, OTHERS ENJOINED. The SEC announced that on June 1 the Federal court in Manhattan permanently enjoined, upon consent, James Cowden Bradford, James Cowdon Bradford, Jr., J. C. Bradford & Co., J. C. Bradford & Co., Incorporated and Life Stock Research Corporation from violations of Section 10(b) of the Securities Exchange Act and Rule 10b-5 thereunder, arising out of trading in the securities of Old Line Life Insurance Company of America and provided for the payment of certain claims arising out of such trading.

The SEC also instituted administrative proceedings and imposed sanctions, by consent, against the defendants as follows: (a) Bradford and Bradford, Jr. are suspended from being associated with any broker, dealer or investment adviser for periods of 60 and 20 business days, respectively; such suspension to be served consecutively, but with a one week interval, commencing with the opening of business on June 11, 1973; (b) Life Stock Research Corporation is to serve without compensation for a period of 45 consecutive calendar days as investment adviser to Life Insurance Investors, Inc.; and (c) Bradford & Co. and Bradford & Co., Incorporated are censured.

In addition, the Commission issued a notice of the filing of an application by the defendants and Capital Planning Services, Inc. pursuant to Section 9(c) of the Investment Company Act for an order of permanent exemption from the provisions of Section 9(a) of the Act and an order temporarily exempting Life Stock, Bradford, Bradford, Jr. and Capital from the provisions of 9(a) pending final determination of the application. (Rel. 34-10188; 34-10189; and IC-7843)

COMMISSION ANNOUNCEMENTS

REGULATION A EXEMPTION OF UNITED AUTO AUCTION SYSTEMS SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by United Auto Auction Systems, Inc. (Auction). The offering was underwritten by Ferkauf, Roggen Incorporated of New York.

Pursuant to a notification filed on December 18, 1972, Auction offered 100,000 shares of its common stock at \$5 per share. According to the order, the Commission has reason to believe that: (a) the notification and offering circular omit to state facts necessary to make the statements made, in light of the cir-

circumstances under which they were made, not misleading, particularly with respect to the fact that the offering circular fails to disclose that the auctioneer's license of Stanley Gordon was revoked; (b) the terms and conditions of Regulation A have not been complied with in that the offering circular fails to disclose that Auction had been notified by the Department of Motor Vehicles of the State of California of repeated violations of the State of California Motor Vehicle Code; and (c) the offering, if made, would be in violation of Section 17 of the Securities Act of 1933. (Rel. 33-5399) (FULL TEXT)

COURT ENFORCEMENT ACTIONS

WEIS SECURITIES, INC. CHARGED. The SEC New York Regional Office announced that on May 24 a complaint was filed in the U. S. District Court in New York City charging Weis Securities, Inc., Arthur Levine, board chairman, Sol Leit, president, Alan Solomon, vice president, Joel Kubie, former comptroller, and Robert Lynn, comptroller, with violations of the anti-fraud provisions of the Federal securities laws and charging Weis Securities, Inc. with violating, and Arthur Levine, Sol Leit, Alan Solomon, Joel Kubie and Robert Lynn with aiding and abetting violations of the customer reserve fund, books and records, financial reporting and supplemental reporting requirements. The complaint also seeks the appointment of a temporary receiver to assume control over the assets and books and records of Weis Securities, Inc. (LR-5917)

HOLDING COMPANY ACT RELEASES

AMERICAN NATURAL GAS COMPANY. The SEC has issued a notice giving interested persons until June 26 to request a hearing regarding a proposal of American Natural Gas Company, of New York, New York, and its gas utility subsidiary company, Michigan Consolidated Gas Company. Michigan Consolidated proposes (1) to issue and sell, subject to competitive bidding, \$35 million of first mortgage bonds, due 1998, and (2) to issue and sell 400,000 shares of common stock to the parent at \$14 per share, for an aggregate of \$5,600,000. Net proceeds will be used to retire all of Michigan Consolidated's then outstanding notes payable to banks due August 31, 1973 and to pay, in part, Michigan Consolidated's 1973 construction program (estimated at \$91,000,000). (Rel 35-17978)

INVESTMENT COMPANY ACT RELEASES

AMERICAN PATRIOTS FUND. The SEC has issued an order on an application of American Patriots Fund, Inc., of Walnut Creek, California, declaring that it has ceased to be an investment company. (Rel. IC-7833)

PENSION EQUITY FUND. The SEC has issued an order on an application filed by Pension Equity Fund, Inc., of New York, declaring that the company has ceased to be an investment company. (Rel. IC-7834)

AMERICAN VARIABLE ANNUITY LIFE ASSURANCE COMPANY. The SEC has issued an order permitting individual single payment variable annuity contracts offered by the American Variable Annuity Life Assurance Company (Company) and funded in the American Variable Annuity Fund, a separate account of the Company registered as an open-end management investment company, to be sold with a reduced charge for sales and administrative expenses when purchased with amounts payable under insurance contracts written by the Company. (Rel. IC-7839)

The SEC has also issued an order permitting American Variable Annuity Life Assurance Company and the American Variable Annuity Fund (Fund), an investment company established by the Company to fund the variable portion of individual and group annuity contracts that provide for the allocation of purchase payments to the Fund for accumulation on a variable basis or to the Company's general assets for accumulation on a fixed-dollar basis, to sell shares of the Fund without additional sales charges upon the transfer to the Fund of values accumulated on a fixed-dollar basis. (Rel. IC-7840)

UNITED INTERNATIONAL RESEARCH. The SEC has issued an order declaring United International Research Inc. of Hauppauge, Long Island, New York, to be primarily engaged in a business other than the business of an investment company. (Rel. IC-7841)

SECURITIES ACT REGISTRATIONS FILED

CAMBRIDGE COFFEE, TEA AND SPICE HOUSE, INC. 267 Medford St., Charlestown, Mass. 02129 - \$1 million of 8% convertible subordinated debentures, due 1983, to be offered for sale at 100% of principal amount. No underwriting is involved. The company primarily sells giftware, coffees, teas, food and household goods. Of the net proceeds \$450,000 will be used for expansion of retail outlets, and the balance for working capital and other corporate purposes. (File 2-47920 - May 3)

TENNESSEE VALLEY BANCORP, INC., 400 Union St., Nashville, Tennessee 37219 - 272,566 shares of common stock. It is proposed to offer these shares in exchange for the capital stock of The First National Bank of Greeneville (First National), at the rate of 3.5398 Bancorp shares for each First National share. Upon consummation of the merger, First National will be merged into the National Bank of Greeneville, a subsidiary of Bancorp. (File 2-47924 - May 3)

In a separate statement, Bancorp seeks registration of 160,261 shares of common stock. It is proposed to offer these shares in exchange for the capital stock of Citizens Bank, Elizabethton, Tennessee, at the rate of 2.4282 Bancorp shares for each Citizens' share. Upon consummation of the merger, Citizens will be merged into the State Bank of Elizabethton, a subsidiary of Bancorp. (File 2-47925 - May 3)

Bancorp operates 27 banking offices located in Tennessee and Nassau, The Bahamas. (File 2-47925 - May 3)

FERGUSON OIL AND GAS COMPANY, Inc. (Ferguson), 2700 Liberty Tower, Oklahoma City, Okla. 73102 - 500,004 shares of common stock. It is proposed to offer these shares in exchange for oil and gas interests in Ferguson Drilling Ventures of 1969 and 1970 and Ferguson Drilling Program of 1971 and in exchange for outstanding shares of Ferguson Oil Company, Inc.. Ferguson was organized in April primarily to make the exchange offer. (File 2-47930 - May 3)

GENERAL AMERICAN TRANSPORTATION CORPORATION, 120 South Riverside Plaza, Chicago, Ill. 60606 - 149,182 shares of \$2.50 cumulative convertible preferred stock, Series B, which may be offered for sale from time to time by certain shareholders at prices prevailing at the time of sale (*\$52.25 per share maximum) or in negotiated transactions or otherwise. (File 2-47931 - May 3)

GEORGIA POWER COMPANY, 270 Peachtree St., N.W., Atlanta, Ga. 30303 - \$115 million of first mortgage bonds, due 2003, to be offered for sale at competitive bidding. Net proceeds, together with other funds, will be used to finance the company's 1973 construction expenditures of \$513,760,000 and to retire \$127,000 of first mortgage bonds for sinking fund purposes. (File 2-47932 - May 4)

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:

- Smith International, Inc., Newport Beach, Calif. (File 2-47918) - 100,000 shares
- Koracorp Industries, Inc., San Francisco, Calif. (File 2-47919) - 213,017 shares
- Coachmen Industries, Inc., Middlebury, Indiana (File 2-47923) - 108,000 shares
- Rockower Brothers, Trevese, Pa. (File 2-47926) - 50,000 shares
- Babcock & Wilcox Company, New York, New York (File 2-47927) - 500,000 shares
- Flintkote Co., White Plains, New York (File 2-47928) - 200,000 shares
- Computer Sciences Corp., Los Angeles, Calif. (File 2-47929) - 1,250,000 shares
- Genesco Inc., Nashville, Tenn. (File 2-47933) - 750,000 shares
- Merrill Lynch & Co., Inc., New York, N. Y. (File 2-47934) - 2,300,000 shares
- Lehigh Portland Cement Company, Allentown, Pa. (File 2-47935) - 338,983 shares

CORRECTION RE RULE 7(d) RELEASE NUMBER. The News Digest item of May 31 on Rule 7(d) should have referred to Rel. 35-17980, not Rel. 35-17800.

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 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
ABERDEEN PETROLEUM CORP	1,13	04/73
ALL TECH INDUSTRIES INC	13	04/73
APL CORP	4,7,14	04/73
ARMADA CORP	4,11,14	03/73
ARPEJA CALIFORNIA INC	13	03/73
ARTISTIC GREETINGS INC	11,13,14	04/73
ASG INDUSTRIES INC	11,14	04/73
ATCHISON TOPEKA & SANTA FE RAILWAY CO	7	05/73
ATHLONE INDUSTRIES INC	3	04/73
AVM CORP	3,13	04/73
BERTEA CORP	11,14	04/73
BIO MEDICUS INC	13,14	04/73
BIO MEDICUS INC	3,14	05/73
BRAUN ENGINEERING CO	11,14	04/73
CAMBRIDGE BEVERAGE CORP	2,13,14	04/73
CAPITAL INVESTMENT OF HAWAII INC	2,14	04/73
CARBON FUEL CO	11	04/73
CARTE BLANCHE CORP	11,13,14	04/73
CENTRAL BANCORP INC	11,13,14	04/73
CENTRAN BANCSHARES CORP	11,13,14	04/73

CENTREE CORP	7,14	04/73
COS SCIENTIFIC CORP	3	04/73
CLEARLY PETROLEUM CORP	11	04/73
COASTAL STATES GAS CORP	7,14	04/73
COMMERCIAL BANKCORPORATION OF COLORADO	2,14	04/73
CORNING GLASS WORKS	11,14	04/73
COUNTRY KITCHEN INTERNATIONAL INC	13	04/73
COUNTY NATIONAL BANKCORPORATION	13,14	07/70
CROCKER NATIONAL CORP	11	04/73
CUNNINGHAM ART PRODUCTS INC	11,13	04/73
DATATROL INC	7	04/73
DELTA DATA SYSTEMS CORP	6	04/73
DENNISUM MANUFACTURING CO	11	04/73
DIAL FINANCIAL CORP	11	04/73
DRE SPUN INC	8	04/73
DYNAMIC SECURITY CORP	2,14	04/73
ECI INDUSTRIES INC	12,14	04/73
ECOLOGICAL SCIENCE CORP	2,3,13,14	04/73
ELECTRO DATA INC	12	03/73
EVANS INDUSTRIES INC	10,14	03/73
FIRST FOTO INC	12,13,14	04/73
FIRST LINCOLN FINANCIAL CORP	11	04/73
FURD MOTOR CREDIT CO	7	04/73
FRANKLIN CORP	13	03/73
GCL GRAPHIC COMMUNICATIONS LTD	13	04/73
GENERAL BATTERY CORP	1	04/73
GENERAL CAPITAL CORP	3,7,14	04/73
GENERAL PORTLAND INC	11,14	04/73
GLENCO SCIENTIFIC INC	7,13,14	04/73
GRAND UNION CO	7	04/73
HART SCHAFFNER & MARX	7	04/73
HERSHEY FOODS CORP	4,7,14	04/73
HEXCEL CORP	11,14	04/73
HOWARD INTERNATIONAL CORP	3,13,14	04/73
INFOTRONICS CORP	13,14	04/73
INGERSOLL RAND CO	4,8,11,14	04/73
INTEGRATED RESOURCES INC	7,11,14	04/73
INTERNATIONAL HARVESTER CO	3,7	04/73
INTERNATIONAL HYDRONICS CORP	7,13,14	04/73
INVESTORS FUNDING CORP OF NEW YORK	3,13,14	04/73
KAR PRODUCTS INC	3	04/73
KNUDSEN CORP	13	04/73
LACLEDE STEEL CO	14	03/73
LEADERSHIP HOUSING INC	2,3	04/73

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of Old Town Corporation for the further ten-day period June 1-10, inclusive.

SECURITIES ACT REGISTRATIONS. Effective May 30: Municipal Investment Trust Fund; 2-47714; White Shield Exploration Corp., 2-26909 (40 days).

Effective May 31: Advanced Computer Techniques Corp., 2-47084; American Business Products, Inc., 2-46773; Applied Digital Data Systems Inc., 2-45454 (90 days); Brockton Taunton Gas Company, 2-47763; California Fund for Investment in U. S. Government Securities, Inc. 2-46359; Capital Equipment Leasing Corp., 2-47347; Ciro Sales Co. Inc., 2-46919 (Aug 29); Coachmen Industries, Inc., 2-47923; Dun & Bradstreet Companies, Inc., 2-47607; Ferguson Oil Company, Inc., 2-46815 (40 days); First Pennsylvania Corp., 2-47806; Husky Oil Ltd., 2-47570; Hydrometals, Inc., 2-47359; Mesa Petroleum Co., 2-47842; National Spinning Co., Inc., 2-47913; Southern Natural Resources, Inc., 2-48030; Upjohn Company, 2-47456.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

* As estimated for purposes of computing the registration fee.

---oooOooo---

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.