

# sec news digest

a daily summary from the securities and exchange commission

Issue 73-154

(SEC Docket, Vol. 2, No. 8 - August 21)

August 9, 1973

## RULE PROPOSALS AND ADOPTIONS

NOTICE OF INTENTION TO ISSUE AN INTERPRETATION OF "CURRENT BOOKS AND RECORDS." The Commission announced today that it has released for comment a proposed interpretation of the word "current" as that term is used in Rules 17(a)-3 and 17a-11(c). The proposed interpretation discusses the need for timely maintenance of books and records by broker-dealers and details time periods within which the records specified in Rule 17a-3 should be prepared. The release stated that in view of the nature of the proposed interpretation it is deemed appropriate to request comments by interested persons prior to its adoption. (Rel. 34-10329)

## COMMISSION ANNOUNCEMENTS

TRADING SUSPENDED IN SECURITIES OF COASTAL STATES GAS PRODUCING CO. AND TWO OTHERS. The SEC has announced the suspension of exchange and over-the-counter trading of the following securities: first mortgage bonds Series A 5%, due 1983, Series B 5%, due 1985, Series C 6-1/2%, due 1986, Series D 7-5/8%, due 1989, Series E 7-3/4%, due 1991, 5-1/2% sinking fund debentures, due 1977, and 6% sinking fund debentures, due 1980 of Coastal States Gas Producing Company; first mortgage 7-1/2% pipeline bonds due 1992 and 8-1/2% debentures due 1991, of Colorado Interstate Corporation; and first mortgage 3.35% pipeline bonds, due 1974, first mortgage 4.70% pipeline bonds due 1979 and 4-3/4% debentures due 1984, of Colorado Interstate State Gas Company, for the period commencing on August 8, 1973 and continuing through August 13, 1973.

The suspensions were initiated because of questions which have arisen with respect to the financial statements of Coastal States Gas Corporation, during fiscal years 1971 and 1972, and the accuracy of statements concerning available gas reserves. Coastal States Gas Producing Company is a wholly-owned subsidiary of Coastal States Gas Corporation. Colorado Interstate Gas Company is a division of Colorado Interstate Corporation; Colorado Interstate Corporation was merged into Coastal States Gas Corporation in January 1973.

Coastal States Gas Corp. issued an announcement on August 6, 1973 to the effect that certain materials "relating to a limited number of transactions in 1971 and 1972 were 'through inadvertence' not reviewed in preparing financial statements of Coastal States." The announcement also indicated that Coastal States had requested the company's independent auditors to determine if the information contained in such materials could affect the financial statement for 1971 and 1972. The nature of the materials and the transactions involved were not specified.

The Commission had previously suspended trading in the common and Class A and B preferred stock of Coastal States Gas Corporation on June 5, 1973, and has initiated successive ten-day suspensions since that date because of rumors concerning the company's gas reserves, its ability to meet contractual commitments and other matters, and the impact of such rumors on the market in Coastal States Gas Corporation securities. (Rel. 34-10334)

The SEC has also initiated a suspension of over-the-counter trading in the Preferred 5% CUM (\$100 par), Preferred 5.35% CUM (\$100 par), and the Preferred 5.50% CUM (\$100 par) securities of Colorado Interstate Corporation as of 2:30 p.m. (EDT) on August 8, 1973 through August 13, 1973. (Rel. 34-10336)

## COURT ENFORCEMENT ACTIONS

PAUL DAWSON AND ROBERT CARAN SENTENCED. The SEC Chicago Regional Office announced that Paul Dawson, of San Antonio Texas, was sentenced to three (3) years imprisonment by a Federal Judge in connection with a plea of guilty to one count of an indictment alleging violation of the registration and antifraud provisions of the Federal securities laws in the sale of stock of U. N. Industries, Inc. Dawson was also sentenced to three (3) years probation commencing subsequent to the sentence of imprisonment.

Robert Caran, of Corpus Christi, Texas, was sentenced to three (3) years probation in connection with his plea of nolo contendere to an information alleging violation of the registration provisions in the offer and sale of U. N. Industries stock and was ordered to make restitution to the individual to whom he offered and sold U. N. Industries securities. (LR-6002)

## HOLDING COMPANY ACT RELEASES

NEW ENGLAND ELECTRIC SYSTEM. The SEC has issued an order authorizing New England Power Company (NEPCO), an electric utility subsidiary company of New England Electric System, a registered holding company, to issue and sell \$40,000,000 of first mortgage bonds at competitive bidding. Net proceeds will be used to reduce the amount of NEPCO's outstanding short-term promissory notes which were issued to pay for capitalizable expenditures or to reimburse NEPCO's treasury therefor. (Rel. 35-18052)

MICHIGAN CONSOLIDATED GAS COMPANY. The SEC has issued a notice giving interested persons until August 31 to request a hearing on proposals by Michigan Consolidated Gas Company, gas utility subsidiary of American Natural Gas Company, to: (1) borrow up to a maximum of \$12,000,000 from a bank and (2) borrow up to \$35,000,000 outstanding at any one time of notes from banks or commercial paper from a dealer in commercial paper. Total aggregate borrowings will not exceed \$41,000,000 outstanding at any one time, and will be used to partially finance 1973 construction expenditures (estimated at \$91,000,000). (Rel. 35-18055)

## INVESTMENT COMPANY ACT RELEASES

INDUSTRIES EXCHANGE FUND. The SEC has issued an order on an application of Industries Exchange Fund, Inc., of Houston, Texas declaring that it has ceased to be an investment company. (Rel. IC-7930)

THE GNMA MORTGAGE-BACKED SECURITY FUND. The SEC has issued a notice giving interested persons until August 28 to request a hearing on an application of the GNMA Mortgage-Backed Security Fund, Series 1 (and subsequent series), a unit investment trust registered under the Act, and its sponsors, Paine, Webber, Jackson & Curtis, Incorporated, Dean Witter & Co. Incorporated and Reynolds Securities Inc., for an order exempting the Fund (and subsequent funds) sponsored by the Sponsors and meeting the description of such funds in the application and its Sponsors from certain provisions of the Act: (a) the initial net worth provisions; (b) the requirement that long-term capital gains may not be distributed more often than once during any taxable year; and (c) certain requirements in determining the current net asset value of the Fund's securities in the secondary market; and permitting confidential treatment of certain profit and loss statements of the Fund's Sponsors. (Rel. IC-7934)

TDP&L INVESTMENT ACCOUNT "A", INC. The SEC has issued an order on an application by TDP&L Investment Account "A", Inc., Boston, Massachusetts, a diversified, open-end management investment company declaring that Henry R. Guild, Jr., a director of the Fund, shall not be considered an "interested person" of the Fund or of its current investment advisers as defined in the Act, solely by reason of his being a director of Trusteed Funds, Inc., a registered broker-dealer under the Securities Exchange Act of 1934. (Rel. IC-7928)

## SECURITIES ACT REGISTRATIONS FILED

(Note: "Per share maximum" prices referred to in the following summaries of registration statements are prices estimated for the purpose of computing the registration fee and are not necessarily prices at which the securities will be sold.)

THE PEOPLES GAS LIGHT AND COKE COMPANY, 122 South Michigan Ave., Chicago, Ill. 60603 - \$30 million of first and refunding mortgage bonds, Series 0, due 1998, to be offered for sale at competitive bidding. Net proceeds will be used to repay a portion of interim loans of approximately \$56 million. (File 2-48430 - June 27)

MVC INDUSTRIES, INC., Building No. 6 and No. 6A, Fourth and Coates Sts., Bridgeport, Pa. 19405 - 200,200 shares of common stock. It is proposed to offer these shares in exchange for the 440 outstanding shares of A.V.M. Vending, Inc. MVC and A.V.M. Vending are both operators of coin operated vending machines on the premises of others. (File 2-48431 - June 25)

BLUE BELL, INC., 335 Church Court, Greensboro, N.C. 27401 - 46,698 shares of common stock, which may be offered for sale by certain shareholders (at \$14 per share maximum). (File 2-48432 - June 26)

SURVCO BANCORP, INC., 24 Highway and Sterling, Sugar Creek, Mo. 64054 - 36,682 shares of 7% convertible preferred stock (\$12.50 par) and 14,098 common stock purchase warrants. It is proposed to offer these securities in exchange for the outstanding common stock and outstanding debt obligations of Sugar Creek National Bank, as follows: (a) seven Survco preferred shares net of any debt assumed on such stock and warrants to purchase fifteen Survco shares for each Bank share and (b) seven Survco preferred shares and a warrant to purchase 15 Survco shares for each \$87.50 of debt surrendered. Survco is a bank holding company. (File 2-48433 - June 26)

DIAL FINANCIAL CORPORATION, 207 Ninth St., Des Moines, Iowa 50307 - \$25 million of senior debentures, due 1993, to be offered for sale through underwriters headed by Salomon Brothers, One New York Plaza, New York, N.Y. 10004. The company is primarily engaged in the consumer finance business. (File 2-48434 - June 27)

WOODS PETROLEUM CORPORATION (the general partner) Suite 500, National Foundation West Bldg., Oklahoma City, Oklahoma 73112 - \$3,500,000 of participations in Woods 73-II Drilling Program (the Partnership), to be offered for sale at \$5,000 per unit by selected NASD members. The Partnership will engage in oil and gas exploration. (File 2-48436 - June 27)

DIAMOND INTERNATIONAL CORPORATION, 733 Third Ave., New York, N.Y. 10017 - 250,000 shares of common stock, issuable under the company's Non-Qualified Stock Option Plan. (File 2-48437 - June 27)

APACHE CORPORATION, 1800 Foshay Tower, Minneapolis, Minn. 55402 - 500,000 shares of common stock which may be issued from time to time in connection with the company's acquisition program in exchange for the business and assets or shares of capital stock of other companies. Apache provides industrial products and services and investment services, and through a subsidiary engages in oil and gas exploration and production. (File 2-48438 - June 27)

THE SHEHANDOAH COMPANY, 157 West 57th St., New York, N.Y. - \$650,000 of pre-formation partnership interests, to be offered for sale at \$13,000 per unit. The Partnership is to be formed for the purpose of producing the dramatico-musical play presently entitled "Shehandoah." Philip Rose is the producer of the play. (File 2-48439 - June 26)

CAPITAL CITIES COMMUNICATIONS, INC., 24 East 51st St., New York, N.Y. 10022 - 166,070 shares of common stock, part or all of which are to be offered for sale by certain shareholders from time to time at prices prevailing at the time of sale (\$39.25 per share maximum), with any remaining shares to be offered pursuant to the company's 1972 Employee Stock Option Plan. (File 2-48440 - June 27)

PRINCIPAL & ACCUMULATION TRUST (the Trust) 14 Wall St., New York, N.Y. 10005 - 1,500,000 certificates of beneficial interest, to be offered for sale at net asset value plus an 8.5% sales charge on purchases of less than \$10,000 (\$15 per share). The Trust is a mutual fund, whose primary objective is to acquire a portfolio of high grade bonds, with a portfolio of equity investments capable of growth as a secondary objective. Shearson, Hammill Management Company, Inc. will act as investment adviser. (File 2-48441 - June 27)

## 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.

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
AMERICAN NUCLEAR CORP	NO ITEMS	01/73
ASM INDUSTRIES INC	2,13,14	06/73
BERMEC CORP	2,14	06/73
BURLINGTON NORTHERN INC	7,14	06/73
CONDOMINIUMS NORTHWEST INC	13	07/73
FIRST EQUITY SECURITY INVESTMENT CORP	13	04/73
FMS MANAGEMENT SYSTEMS INC	7	05/73
FRIGITEMP CORP	3,8,11	06/73
GENERAL MILLS INC	14	06/73
HERSHEY OIL CORP	11	06/73
NATIONAL TEA CO	14	06/73
POLLUTION RESEARCH & CONTROL CORP	2,8,10,14	06/73
QUOTE CO OF AMERICA INC	14	06/73
RADICE REALTY & CONSTRUCTION CORP	13,14	06/73
STUART FALL CO INC	11	04/73
VETCO OFFSHORE INDUSTRIES INC	7	06/73
AMENDMENTS TO REPORTS ON FORM 8-K		
ELPAC INC	14	04/73
GOUDYS FOOD SYSTEMS INC	NO ITEMS	01/73
SUPERMARKETS GENERAL CORP	10	05/73
DATARAM CORP	7	02/73
REM METALS CORP	14	10/72
RT SYSTEMS INC	7,14	03/73
SOUTHWESTERN GROUP INVESTORS INC	2,11,14	04/73
TOMANET MOBILE PARKS INC	7	09/72
TOMANET MOBILE SERVICES INC	7	10/72
TOMANET MOBILE SERVICES INC	7	11/72
TOMANET MOBILE SERVICES INC	7	12/72
TOMANET MOBILE SERVICES INC	2	02/73

**SECURITIES ACT REGISTRATIONS. Effective August 8:** Advanced Micro Devices, Inc., 2-48453; American Hospital Supply Corp., 2-48724; American Indemnity Financial Corp., 2-48394; American Metal Climax, Inc., 2-48711; Crouse-Hinds Co., 2-48642; Dial Financial Corp., 2-47896; Dun & Bradstreet Companies, Inc., 2-48776; Jack Eckerd Corp., 2-47945; Fibreboard Corp., 2-48621; Jewelcor Inc., 2-48639; MB Associates, 2-48666; Servicemaster Industries, Inc., 2-41059; Suburban Bancorporation, 2-48488.

**Effective August 9:** Computer Sciences Corporation Employee Stock Purchase Plan, 2-47929; Mesa Petroleum Co., 2-48203.

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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.