

# sec news digest

a daily summary from the securities and exchange commission

Issue 73-165

(SEC Docket, Vol. 2, No. 10 - Sept. 4)

August 24, 1973

## COMMISSION ANNOUNCEMENTS

INTERPRETATION OF TREASURY STOCK ACQUISITIONS PROVISIONS OF APB OPINION ON BUSINESS COMBINATIONS ISSUED. The Commission today issued Accounting Series Release No. 146, "Effect of Treasury Stock Transactions on Accounting for Business Combinations." This release represents a series of interpretations of certain sections of Accounting Principles Board (APB) Opinion No. 16. The release noted that sections of the Opinion dealing with the relationship between purchases of treasury stock and the applicability of pooling-of-interests accounting are not being applied consistently. It endorsed the view that treasury stock acquisitions in the period beginning two years prior to initiation and ending at consummation of a business combination, in the absence of persuasive contrary evidence, are presumed to be made in contemplation of the combination. Guidelines for persuasive contrary evidence are set forth relating to the pattern of reacquisitions and a reasonable expectation of subsequent issuance. Because of the varying interpretations which have existed in practice, and the confusion which restated financial statements might cause to investors, the release does not require revision of accounting for business combinations completed prior to its issuance. (Rel. 33-5416)

SUPPLEMENTAL INFORMATION FILED ON APPLICATIONS FOR EXEMPTION FROM PROVISIONS OF RULE 17a-15. Supplemental information has been filed with the Commission by GTE Information Systems, Inc. and Bunker Ramo Corporation in support of their applications for exemptions from various provisions of Rule 17a-15 of the Securities Exchange Act. Rule 17a-15 provides for the reporting of prices and volume of completed transactions in securities registered on exchanges. The supplemental filings contain certain financial and other information relating to the appropriateness of the exemption requests. All interested persons are referred to the applications and supplements on file with the Commission for a statement of the representations. (Rel. 34-10362)

PETRO SILVER TRADING SUSPENDED. Over-the-counter trading in the securities of Petro Silver, Inc., of Salt Lake City, Utah, has been suspended for a ten-day period starting August 23 and terminating at midnight (EDT) on September 1, 1973.

The Commission initiated the suspension because Petro has failed to file a 10-K annual report for the fiscal year ended March 31, 1973. (Rel. 34-10361)

## COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES GLEN-ARDEN COMMODITIES, OTHERS. The New York Regional Office filed a complaint in the U. S. District Court for the Eastern District of New York on August 23 seeking to enjoin Glen-Arden Commodities, Inc. (formerly known as Milbank Trading Co. of Conn., Inc.) Greenwich, Conn.; Milbank Trading, Co., Inc., Bayside N. Y.; Albert J. Deeb, Bethpage, L.I., N. Y.; Joseph Lamonica, Huntington, N. Y.; Philip Weinstein, Wantagh, N. Y.; Charles Loffman, Levittown, N. Y.; David Losey, Springfield, Va.; Patricia Galito, Bayside, N. Y.; and David Loeb, Stanford, Conn., from violations of the registration and antifraud provisions of the Federal securities laws. The complaint seeks to enjoin Glen-Arden and Milbank from violations of the broker-dealer registration provisions.

The Commission's papers alleged that the defendants sold investment contracts without having complied with the registration requirements of the Securities Act. These whisky warehouse receipts consist of a package including Scotch grain whisky and coverage of storage, insurance and certain other services including periodic market reports, investment guidance and resale assistance.

The complaint alleged that in the sales of these securities the defendants claimed there was virtually no financial risk involved in investing in the defendants' Scotch whisky; investment in Scotch whisky always appreciated in value with age; if held for some

four years, an investment in Scotch whisky would provide a return of approximately 100%; the investment would be completely insured against fraud or loss; and the sales had been approved by the Securities and Exchange Commission. (LR-6035)

FINANCIAL METHODS, INC. ENJOINED. The SEC Chicago Regional Office announced that the Federal court in Minneapolis on August 17 permanently enjoined Financial Methods, Inc., a Minneapolis broker-dealer, from violations of the Commission's net capital rule. The defendant consented to the order without admitting or denying the allegations in the Commission's complaint. (LR-6034)

ANDY F. HARDY ENJOINED. The Washington Regional Office announced that on August 15, 1973 Federal court in Lynchburg, Va. issued an order permanently enjoining Andy F. Hardy of Nashville, Tenn., who is an officer of Cooperative Church Finance, Inc., from violations of the antifraud provisions of the Federal securities laws in connection with the offer and sale of bonds of the Thomas Road Baptist Church or any other securities. The court had previously enjoined Thomas Road Baptist Church, Cooperative Church Finance, Inc. and Joe H. West, another principal. (LR-6037)

#### INVESTMENT COMPANY ACT RELEASES

THE EBERSTADT FUND. A notice has been issued giving interested persons until September 5 to request a hearing on an application of The Eberstadt Fund, Inc., a diversified, open-end management investment company, and F. Eberstadt & Co., Managers & Distributors, investment adviser to Eberstadt, for an order permitting the following: the exchange without any sales charges of shares of Eberstadt for shares of Surveyor Fund, Inc. a closed-end, management investment company upon the merger of Surveyor into Eberstadt; the succession by Eberstadt, for a period of thirty days subsequent to the merger, to Surveyor's obligations in regard to certain convertible debentures; and the assumption by Manager of the obligations of Surveyor under a lease between Surveyor and Control Data Corporation. (Rel. IC-7951)

#### 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.)

ROULSTON DIVERSIFIED REALTY FUND-73 (the Partnership), 1600 Investment Plaza, Cleveland, Ohio 44114 - \$3,190,000 of units, to be offered for sale at \$10,000 per unit by Roulston & Company, Inc. The Fund was formed to construct and operate income-producing properties. Roulston Realty Co. is the general partner. (File 2-48618 - July 17)

FIREBOARD CORPORATION, 55 Francisco St., San Francisco, California 94133 - \$15 million of convertible subordinated debentures, due 1998. It is proposed to offer these debentures in exchange for its outstanding 4-3/4% convertible subordinated debentures, due 1993, at a rate to be specified later. Lehman Brothers has agreed to head a group of underwriters who will solicit exchanges. The company primarily manufactures and sells paperboard, packaging, lumber and plywood. (File 2-48621-July 18)

WHEATHEART CATTLE COMPANY (general partner) 315 South Main St., Perryton, Tex. 79070 - \$10 million of pre-organization subscriptions in limited partnerships to engage in cattle feeding programs, to be offered for sale in minimum amounts of \$5,000. (File 2-48622 - July 18)

DATIS GULF COAST FARMS, LTD. (the Partnership), 614 Marine Bank Bldg., Tampa, Fla. 33602 - \$4 million of partnership interests to be offered for sale at \$5,000 per unit. The Partnership proposes to acquire land for development near Ft. Myers, Florida. Florida Flowerland, Inc. is the general partner. (File 2-48615 - July 17)

BANDAG, INCORPORATED, 1056 Hershey Ave., Muscatine, Iowa 52761 - 262,438 shares of common stock, to be offered for sale by certain shareholders (at \$30 per share maximum) through underwriters headed by William Blair & Company, 135 South La Salle St., Chicago, Ill. 60603. The company manufactures pre-cured tread rubber, equipment and supplies for retreading-tires. (File 2-48617 - July 17)

ATLANTIC OIL CORPORATION, 618 Midland Savings Bldg., Denver, Colo. 80202 - 700,000 shares of common stock and 8,000 shares of preferred stock. It is proposed to offer these shares in exchange for all the outstanding stock of Hamilton Cast Corporation. Atlantic primarily explores for oil and gas and operates a gas transmission line. Hamilton primarily casts semi-finished gold jewelry products for gold jewelry manufacturers. (File 2-48623 - July 18)

SCOT'S INN INTERNATIONAL, INC. 4900 Sinclair Rd., Columbus, Ohio 43229 - 1,512,387 shares of Class A and 449,096 shares of Class B common stock. It is proposed to offer these shares in connection with the acquisition of Scot's Inn Management Company and Scot's Inn Land Co. Management Co. acquires, constructs and operates motor hotels and develops real estate. LandCo. sells or leases real estate to be used by Management Co. and others and develops and improves such properties. (File 2-48624 - July 18)

QUEBEC HYDRO-ELECTRIC COMMISSION (U.S. Agent: Guy Poliquin, 17 West 50th St., New York, N.Y. 10020) - \$100 million of Series CF debentures, due 2003 (guaranteed by the Province of Quebec), to be offered for sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N.Y. Net proceeds will be applied toward the cost of the Commission's construction program and its investment in the James Bay Project. (File 2-48625 - July 18)

TRINITY TRADE CORP. 2520 W. Freeway, Fort Worth, Tex. 76102 - 539,649 shares of common stock, all owned by Pier 1. Imports, Inc. Pier 1. proposes to distribute these Trinity shares to its stockholders at the rate of one share for each ten Pier 1. shares held. Trinity was organized in March in connection with the acquisition of the retail fabric business formerly owned and conducted by Pier 1. (File 2-48627 - July 18)

STOKLEY-VAN CAMP, INC., 941 North Meridian St., Indianapolis, Ind. 46206 - \$30 million of sinking fund debentures, due 1998, to be offered for sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N.Y. Net proceeds will be used to repay \$20 million of bank borrowings incurred for working capital purposes and any balance added to working capital. (File 2-48633 - July 19)

TREADWAY COMPANIES, INC., 140 Market St., Paterson, N.J. 07505 - 70,000 shares of common stock. It is proposed to issue these shares in exchange for the outstanding common stock of United Bowling Centers Inc., at the rate of one share for each three UBC shares. Treadway operates and manages bowling centers and motor inns. United owns or leases bowling centers. (File 2-48635 - July 19)

NEW ENGLAND BANCORP, INC., 600 Main St., Waltham, Mass. 02154 - 361,570 shares of common stock. It is proposed to offer these shares in exchange for the outstanding capital stock of Guaranty-First Trust Company, on a share-for-share basis. New England was organized as a bank holding company. (File 2-48636 - July 19)

MOD-U-KRAF HOMES, INC., P. O. Box 573, Rocky Mount, Va. 24151 - 180,000 shares of common stock, of which 160,000 are to be offered for sale by the company and 20,000 by a selling stockholder. The offering is to be made (at \$5 per share maximum) through underwriters headed by Cash Shoaf & Co., Inc., 7 West Campbell Ave., Roanoke, Va. 24011. The company manufactures and sells modular and panelized homes. Of the net proceeds, \$203,625 will be used for transportation equipment and the balance for other corporate purposes. (File 2-48637 - July 19)

AGRO EXPLORATION, LTD. - 1973 (the Partnership), 10880 Wilshire Blvd., Los Angeles, Cal. 90024 - \$5 million of partnership interests, to be offered for sale at \$5,000 per unit by selected NASD members. The Partnership was formed to explore for oil and gas. Agro Petroleum Corporation will be the general partner. (File 2-48638 - July 20)

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:

Hughes Tool Company, Houston, Tex. (File 2-48619) - 17,665 shares  
Safelite Industries, Inc., Wichita, Kan. (File 2-48620) - 175,000 shares  
Rotex Corporation, Jenkintown, Pa. (File 2-48626) - 250,000 shares  
Koger Properties, Inc., Jacksonville, Fla. (File 2-48628) - 80,000 shares  
Sunbeam Corporation, Chicago, Ill. (File 2-48629) - 350,000 shares  
First National Stores, Inc., Somerville, Mass. (File 2-48630) - 50,000 shares  
Superscope, Inc., Sun Valley, Cal. (File 2-48631) - 109,350 shares  
Texaco Inc. and Uniroyal, Inc., New York, N. Y. (File 2-48634) - 99,673 of Texaco shares and 213,346 of Uniroyal shares  
Jewelco Incorporated, New York, N. Y. (File 2-48639) - 100,000 shares

SECURITIES ACT REGISTRATIONS. Effective August 23: Barnett Mortgage Trust, 2-48708; Campeau Corporation Limited, 2-48570; Cedar Point, Inc., 2-48422; Edgcomb Steel of New England, Inc., 2-45482.

Effective August 24: The Parker Pen Company, 2-48836; Southeastern Bancorp. Inc., 2-48308; Stauffer Chemical Company, 2-48377; Time Incorporated, 2-48813; Union Financial Corporation, 2-48773.

#### MISCELLANEOUS

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of (a) exchange and over-the-counter trading in the securities of Coastal States Gas Corporation, Coastal States Gas Producing Company, Colorado Interstate Corporation and CIC Industries, Inc. for the further ten-day period August 24 through September 2, inclusive, (b) over-the-counter trading in the securities of Colorado Interstate Gas Company, First Leisure Corporation and Pelorex Corporation for the further ten-day period August 24 through September 2, inclusive, (c) exchange and over-the-counter trading in the securities of Equity Funding Corporation and Giant Stores Corporation for the further ten-day period August 25 through September 3, inclusive, and (d) over-the-counter trading in the securities of Trionics Engineering Corporation and Industries International, Inc. for the further ten-day period August 25 through September 3, inclusive.

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