

# sec news digest

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September 2, 1977

## RULES AND RELATED MATTERS

## U.S. SECURITIES AND EXCHANGE COMMISSION

### ADOPTION OF AMENDMENTS TO RULE 210.3-16 AND ISSUANCE OF ACCOUNTING SERIES RELEASE NO. 225

The SEC announced the adoption, in modified form, of previously proposed rules for the accounting and disclosures for leases. The rules conform the Commission's lease accounting and disclosure requirements to those standards recently adopted by the Financial Accounting Standards Board in its Statement No. 13, "Accounting for Leases"; require early application for public companies of the FASB lease accounting and disclosure standards; and require certain lease disclosures by rate-regulated enterprises. (Rel. 33-5860)

### PROPOSAL TO AMEND REGULATION S-X ANNOUNCED

The Commission issued a proposal to amend Regulation S-X to incorporate certain financial accounting and reporting standards required by the Energy Policy and Conservation Act of 1975 (the EPCA). These standards are the same as those proposed recently by the Financial Accounting Standards Board in its proposed statement, "Financial Accounting and Reporting by Oil and Gas Producing Companies." The proposal of these amendments at this time (which is a complete departure from the Commission's usual practice in connection with FASB proposed standards) is required solely because of the need for the Commission to ensure that it can comply with the December 22 deadline for the development of the required accounting practices imposed by the EPCA. It is expected that the FASB will adopt accounting standards by that date and the Commission will then adopt rules to fulfill the Act's requirements. The rules will be applicable to persons engaged in oil and gas production who will be required to file reports in the future with the Department of Energy pursuant to the EPCA, including those who are not required to make filings with the Commission under the Federal securities laws. (Rel. 33-5861)

## COMMISSION ANNOUNCEMENTS

### DISCLOSURE OF POTENTIAL IMPACT OF FASB EXPOSURE DRAFT ON OIL & GAS ACCOUNTING

The staff of the Commission announced today the publication of Staff Accounting Bulletin No. 16 which describes the position of the Commission's staff concerning disclosure to be made by registrants when their financial statements filed with the Commission are potentially affected by the FASB's Exposure Draft, "Financial Accounting and Reporting by Oil and Gas Producing Companies." It is the staff's position that the disclosure should include an indication of the estimated general magnitude of the potential impact on earnings and shareholders' equity. (SAB-16)

### NATIONAL MARKET ADVISORY BOARD EXTENDED

The SEC announced today that the terms of each of the current members of the National Market Advisory Board have been extended until December 31, 1977.

The Board has proved to be a useful forum for obtaining the viewpoints and advice of a broad range of persons interested or likely to participate in the establishment of a national market system. The Commission is currently engaged in deliberations concerning important aspects of such a system. Renewal of the Board will give its current members an opportunity to complete the projects in which they are engaged in an orderly way, as well as give the Commission an opportunity to determine if, and how, such an advisory body can be of greatest use in the evolving process of the creation of a national market system.

Prior to December 31, the Commission will decide whether to extend the life of the Board further. (Rel. 34-13924)

## BEARING OF DISTRIBUTION EXPENSES BY MUTUAL FUNDS

The Commission announces that it has not changed its previous position that it is generally improper for registered open-end management investment companies (mutual funds or funds) to use their assets to finance the distribution of their shares. This action is being taken to eliminate any doubt concerning the present position of the Commission with regard to the propriety of mutual fund assets being used to finance the distribution of shares. (Rel. IC-9915)

## REGISTRATION OF CLEARING AGENCIES

The Commission issued an order, pursuant to paragraph (c) of Rule 17Ab2-1 under the Securities Exchange Act of 1934, extending until March 1, 1978, the existing registrations of The Depository Trust Company, Bradford Securities Processing Services, Inc., Stock Clearing Corporation of Philadelphia, Boston Stock Exchange Clearing Corporation, Midwest Securities Trust Company, The Options Clearing Corporation, Midwest Clearing Corporation, Pacific Securities Depository Trust Company, Pacific Clearing Corporation and TAD Depository Corporation which were granted registration on December 1, 1975, and announced the extensions of time for concluding proceedings, pursuant to Sections 17A and 19 of the Act and Rule 17Ab2-1 thereunder, until March 1, 1978, to determine whether to grant or deny registration to those registered clearing agencies at the expiration of their existing registrations. (Rel. 34-13911)

## LIST OF FOREIGN ISSUERS WHICH HAVE SUBMITTED INFORMATION PURSUANT TO RULE 12g3-2

A release has been issued containing a list of certain foreign private issuers which are current as of July 31 in providing to the Commission information pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Rule 12g3-2(b) provides an exemption from registration under Section 12(g) of the Act for a foreign issuer which submits on a current basis material specified in the Rule to the Commission. Such required material includes that information about which investors ought reasonably to be informed with respect to the issuer and its subsidiaries and which the issuer (1) has made public pursuant to the law of the country of its domicile or in which it is incorporated or organized, (2) has filed with a stock exchange on which its securities are traded and which was made public by such exchange and/or (3) has distributed to its security holders. The purpose of the present release is to call to the attention of brokers, dealers and investors that some form of current information concerning the foreign issuers included on the list is available in the public files of the Commission. There is a total of 141 foreign issuers on the list. (Rel. 34-13913)

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## TRADING SUSPENSIONS

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### TRADING SUSPENDED IN NETWORK ONE, INC. AND ISC FINANCIAL CORPORATION

The SEC announced the single ten-day suspension of exchange and over-the-counter trading in the securities of Network One, Inc., a Utah corporation located in Las Vegas, Nevada and ISC Financial Corporation, a Delaware corporation located in Kansas City, Missouri for the period beginning on September 1 and terminating at midnight (EDT) on September 10, 1977.

The Commission ordered the suspension of trading in Network's securities because of the lack of adequate and accurate public information about the company's operations and financial condition. (Rel. 34-13917)

The Commission ordered the suspension of trading in ISC's securities because of the company's failure to file with the Commission any audited financial statements on Form 10-K for its fiscal year ended April 30, 1977. (Rel. 34-13918)

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## SELF-REGULATORY ORGANIZATIONS

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### DISAPPROVAL OF PROPOSED RULE CHANGE

The Commission has disapproved a proposed rule change filed by the American Stock Exchange, Inc. (Amex) (SR-Amex-77-3) which would have established alternate criteria for original listing of common stock. The Commission found the Amex proposal to be inconsistent with paragraphs (b) (5) and (b) (8) of Section 6 of the Securities Exchange Act of 1934. (Rel. 34-13912)

## SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC pursuant to the Securities Act of 1933. The information noted below has been taken from the cover page and the facing sheet of the prospectus and registration statement and will appear as follows: Form; Name, address and phone number (if available) of the issuer of the security; Title and the number or face amount of the securities being offered; Name of the managing underwriter (if applicable); Whether the offering is a rights offering; and File number and date filed.

- (S-1) RANDOLPH PUBLISHING CORPORATION, 219 East 44th St., New York, N.Y. 10017 - 200,000 shares of common stock. Underwriter: J.J. Krieger & Co., Inc. (File 2-59800 - Sept. 1)
- (S-1) FAULTFINDERS, INC., 15 Avis Drive, Latham, N.Y. 12110 - \$1,100,000 of 10% convertible subordinated debentures. Underwriters: Faherty & Swartwood Inc. and Hugh Johnson & Co., Inc. (File 2-59801 - Sept. 1)
- (S-8) PULTE HOME CORPORATION, 6400 Farmington Rd., West Bloomfield, Mich. 48033 - 400,000 shares of common stock. (File 2-59802 - Sept. 1)
- (S-11) DEL-VAL FINANCIAL CORPORATION, c/o Kenbee Management, Inc., 777 Third Ave., New York, N.Y. 10017 - 345,000 shares of common stock. Underwriter: Johnson, Lane, Space, Smith & Co., Inc. (File 2-59803 - Sept. 1)
- (S-7) UNION ELECTRIC COMPANY, 1901 Gratiot St., St. Louis, Mo. 63103 (314) 621-3222 - 1,600,000 shares of preferred stock. Underwriters: White, Weld & Co. Inc., Bache Halsey Stuart Shields Inc. and Merrill Lynch, Pierce, Fenner & Smith Inc. (File 2-59804 - Sept. 1)
- (S-14) RECOGNITION EQUIPMENT INCORPORATED, 2701 East Grauwlyer Rd., Irving, Tex. 75061 (214) 438-8611 - 80,000 shares of common stock. (File 2-59805 - Sept. 2)
- (S-8) WHIRLPOOL CORPORATION, Benton Harbor, Mich. 49022 - 300,000 shares of common stock. (File 2-59806 - Sept. 2)
- (S-6) WEEDEN TAX EXEMPT BOND TRUST, SERIES 8, 25 Broad St., New York, N.Y. 10004 - 25,000 units. Depositor: Weeden & Co. (File 2-59807 - Sept. 2)
- (S-6) CORPORATE SECURITIES TRUST DISCOUNT BOND SERIES 1, 1345 Avenue of the Americas, New York, N.Y. 10019 - 14,000 units. Depositors: Smith Barney, Harris Upham & Co. Inc., 1345 Avenue of the Americas, New York, N.Y. 10019, Loeb Rhoades & Co. Inc., Blyth Eastman Dillon & Co. Inc., Hornblower, Weeks, Noyes & Trask Inc., Shearson Hayden Stone Inc., and Thomson McKinnon Securities Inc. (File 2-59808 - Sept. 2)

## RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events: <sup>\*/</sup>

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Financial Statements and Exhibits.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	DATE
STANDARD SECURITY LIFE CO OF NEW YORK	5	08/01/77
SUPERIOR MANUFACTURING & INSTRUMENT CORP	13	07/77 *
TECHNITROL INC	2,6	08/16/77
TOBIN PACKING CO INC	1	08/09/77
UNITED COMPANIES FINANCIAL CORP	5	08/11/77
ZOECON CORP	1	08/09/77

RECENT 8K FILINGS CONT.

A&E PLASTIK PAK CO INC	5,6	08/18/77
BARTH SPENCER CORP	1	08/11/77
CAMPBELL INDUSTRIES	4	08/15/77
CENTRAL NATIONAL BANCSHARES INC	1,2,5,6	08/09/77
CIC FINANCIAL CORP	3,5	08/77
COACHES OF AMERICA INC	5	08/01/77
CRYSTAL OIL CO	5,6	08/15/77
DINNER BELL FOODS INC	2,6	08/19/77
ELLIS BANKING CORP	5	08/24/77
EXECUTONE INC	2,6	08/15/77
FIRST HOLDING CO INC	4	08/12/77
FIRST KANSAS FINANCIAL INC	2,5	08/05/77
FOOD RESOURCES INC	4,6	08/22/77
FUNTIME INC	4,6	08/25/77
GAY GIBSON INC	3	08/19/77
GUARANTY NATIONAL TRUST	4	08/25/77
HOMESTEAD MORTGAGE CO	13	07/77 *
HUFFMAN MANUFACTURING CO	5	08/19/77
IDAHO POWER CO	5	08/17/77
MCNEIL REAL ESTATE FUND VI LTD	2,6	07/11/77
MILLER OIL CO	5	08/20/77
PET BAZAAR INC	5	08/01/77
SCHENUIT INDUSTRIES INC	2,6	08/15/77
SHERBURNE CORP	2,6	08/10/77
TEXAS INTERNATIONAL CO	2,6	08/12/77
ZALE CORP	5,6	08/19/77
AMENDMENTS TO REPORTS ON FORM 8-K		
HON INDUSTRIES INC	6	07/29/77
THERMO NATIONAL INDUSTRIES INC	2,6	07/25/77
UNIVERSITY REAL ESTATE TRUST	2,6	06/01/77
CONSOLIDATED CAPITAL GRCWTH FUND	2,5,6	07/77

CORRECTION - In Issue No. 77-153, dated August 9, 1977, an erroneous entry was made for REFAC Technology Development Corporation. It was listed as having filed reports on items #3 and #5 on June 30, 1977 when actually it filed reports on items #4 and #6.

\*/ The Form 8-K was amended (Rel. 34-13156, January 13, 1977) effective for all events which occur subsequent to February 28, 1977. Those companies above which are noted with an asterisk (\*) have filed pursuant to the old Form 8-K; the captions of the item numbers under which such reports are filed are as follows:

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| <i>Item 1. Changes in Control of Registrant</i>              | <i>Item 9. Options to Purchase Securities</i>  |
| <i>Item 2. Acquisition or Disposition of Assets</i>          | <i>Item 10. Extraordinary items, other material charges and credits and capital restatements</i> |
| <i>Item 3. Legal Proceedings</i>                             | <i>Item 11. Submission of Matters to a Vote of Security Holders</i>                              |
| <i>Item 4. Changes in Securities</i>                         | <i>Item 12. Changes in Registrant's Certifying Accountant</i>                                    |
| <i>Item 5. Changes in Security for Registered Securities</i> | <i>Item 13. Other Materially Important Events</i>  |
| <i>Item 6. Defaults upon Senior Securities</i>               | <i>Item 14. Financial Statements and Exhibits</i>  |
| <i>Item 7. Increase in Amount of Securities Outstanding</i>  |  |
| <i>Item 8. Decrease in Amount of Securities Outstanding</i>  |  |

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 10¢ per page plus postage (7 days) (\$3.50 minimum); 20¢ per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30¢ per page plus postage for priority service overnight (\$5.00) minimum. Cost estimates are given on request. All other reference material is available in the SEC Docket.

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