

sec news digest

Issue 75-186

(SEC Docket, Vol. 7, No. 18 - October 7)

SECURITIES & EXCHANGE COMMISSION

RECEIVED

September 24, 1975

RULES AND RELATED MATTERS

SEP 25 1975

MIDWEST STOCK EXCHANGE, INC.
FILES RULE CHANGE

LIBRARY

The Midwest Stock Exchange, Inc. (the MSE) submitted on September 2 a rule change under Rule 19b-4 amending the schedule of charges for services rendered by Midwest Securities Trust Company and Midwest Clearing Corporation. According to the MSE, the change in prices is not designed as a price increase, except in the automatic stock loan and forms areas, but a restructuring designed to facilitate efficient clearing and depository interfaces. Additionally, the MSE indicates that the change is intended to relate the charges directly to the costs of providing the individual services.

Publication of the submission is expected to be made in the Federal Register during the week of September 29, 1975. Interested persons are invited to submit comments within 21 days from the date of publication in the Federal Register. Persons desiring to submit written comments should file six copies thereof with the Secretary of the Commission, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549. Reference should be made to File Nos. SR-MSTC-71-1 and SR-MCC-75-1. (Rel. 34-11669)

MODIFICATIONS OF BANK BALANCE SHEETS PROPOSED

The Commission today released proposed amendments to Regulation S-X which would modify the format for reporting loan loss reserves, long term debt and unearned income in the financial statements of bank holding companies and banks. Under the proposed amendments the loan loss reserves would be disaggregated and the valuation portion reported as a deduction from loans receivable, long term debt would no longer be grouped with stockholders' equity and reported as capital, and unearned income would be deducted from loans receivable. The release points out that the proposed changes would conform the treatment of these accounts by banks to the format used in other industries. The release also notes that the proposed amendments have been discussed with representatives of the banking community, the Federal bank regulatory authorities, the American Institute of Certified Public Accountants and the Internal Revenue Service. The amendments, if adopted, would affect financial statements filed with the Commission subsequent to December 25, 1975. Written comments will be received until November 15, 1975, and should be referenced to File No. S7-587. (Rel. 33-5620)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

REGISTRATION OF AMHERST SECURITIES CORP. REVOKED;
JOSEPH SCHACHTER BARRED

The Commission has revoked the broker-dealer registration of Amherst Securities Corp., of New York City, and barred its former president, Joseph Schachter, from association with any broker or dealer.

The sanctions were based on findings that, in September and October 1972, respondents violated anti-manipulative and prospectus-delivery provisions of the securities acts in connection with their participation in a registered offering of common stock of Monarch General, Inc.

Without admitting or denying the charges against them, Amherst and Schachter consented to the above findings and sanctions. (Rel. 34-11657)

COMMISSION ANNOUNCEMENTS

WILLIAM F. BAVINGER NAMED ASSISTANT GENERAL COUNSEL

Harvey L. Pitt, General Counsel, today announced the appointment, effective August 31, 1975, of William F. Bavinger as Assistant General Counsel in the Office of the General Counsel.

Mr. Bavinger graduated from Yale University in 1965 and from the University of Michigan Law School in 1968, with honors. From 1968 to 1969, he was a law clerk for Judge Wade McCree of the U.S. Court of Appeals for the Sixth Circuit. Thereafter, he became associated with the Detroit law firm of Dickinson, Wright, McKean & Cudlip.

In July, 1974, Mr. Bavinger joined the Office of the General Counsel and was named Special Counsel in February, 1975. While with the Commission, Mr. Bavinger has served as secretary of the Freedom of Information Act Task Force and as hearing officer in the Commission's public hearings regarding disclosure of environmental and socially significant information.

COURT ENFORCEMENT ACTIONS

SCOTT, GORMAN MUNICIPALS, INC., OTHERS NAMED IN INJUNCTIVE ACTION

The New York Regional Office announced the filing of a complaint on September 5 in the U.S. District Court for the Southern District of New York seeking to permanently enjoin Scott, Gorman Municipals, Inc., Kenneth Kramer, Raymond Marsh, Jack Weinstein and Eugene Ingargiola, all officers of the above-named municipal bond dealers, from violations of the antifraud provisions of the securities laws. Additionally, on September 5 the New York Regional Office was granted a temporary restraining order against the above-named company and individuals, restraining these individuals from engaging in any fraudulent acts with regard to securities, restraining them from disposing or transferring any personal assets, and restraining them from concealing or destroying any records. The Commission also sought a preliminary injunction against the above-named defendants. On September 9 a receiver was appointed by Judge Henry F. Werker of the District Court based upon a hearing and recommendation by Bankruptcy Judge John J. Galgay. (SEC v. Scott, Gorman Municipals, Inc., et al., 75 Civil 4373, S.D.N.Y.). (LR-7095)

READEX ELECTRONICS, INC., OTHERS ENJOINED

The New York Regional Office announced that the U.S. District Court for the Western District of New York entered by consent final judgments of permanent injunction against Readex Electronics, Inc., a New York corporation with its principal office located in Honeoye Falls, New York, Wallace R. Straight, a resident of Honeoye Falls, New York and president and chairman of the board of directors of Readex, and Herbert D. Becks, a resident of Rochester, New York and a former officer and director of Readex, from violating and aiding and abetting violations of the registration provisions, in connection with the offer, sale and issuance of the corporation's common stock and warrants.

Among other things, the Commission's complaint alleged that in connection with a series of offerings, sales and issuances commencing on or about January 1, 1970 to on or about September 15, 1972, the defendants offered and sold approximately 350,000 shares of unregistered common stock to approximately 1,100 persons for total proceeds of approximately \$1.5 million. The Court also ordered that Readex comply with certain ancillary relief provisions for the protection of Readex shareholders and public investors, which includes the mailing of quarterly and annual reports to shareholders. (SEC v. Readex Electronics, Inc., et al., Civil No. 74-515 W.D.N.Y.). (LR-7096)

HOLDING COMPANY ACT RELEASES

ALLEGHENY POWER SYSTEM

A supplemental order has been issued authorizing Allegheny Power System, Inc., a registered holding company, to issue and sell up to \$60 million in short-term notes until March 31, 1976, with the notes maturing not later than September 30, 1976. (Rel. 35-19182 - Sept. 23)

METROPOLITAN EDISON COMPANY

An order has been issued regarding the proxy solicitation material to be used by Metropolitan Edison Company in soliciting its bondholders concerning changes in the mortgage indenture. (Rel. 35-19183 - Sept. 23)

HARTFORD ELECTRIC LIGHT COMPANY

An order has been issued approving a proposal of Hartford Electric Light Company, subsidiary of Northeast Utilities, to issue and sell at competitive bidding up to \$30 million of first mortgage bonds and 200,000 shares of preferred stock, par value \$50 per share. The proceeds of the sales will be used to repay short-term indebtedness and to finance the company's construction program. (Rel. 35-19184 - Sept. 23)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON THREE TRADING SUSPENSIONS

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Equity Funding Corp. and over-the-counter trading in the securities of Industries International Corp. and Westgate California Corp. for the further ten-day period September 24 - October 4.

SECURITIES ACT REGISTRATIONS

(S-16) MITCHELL ENERGY & DEVELOPMENT CORP.

3900 One Shell Plaza, Houston, Tex. 77002 - 200,000 shares of common stock, to be offered for sale from time to time by Johnny Mitchell at prices current at the time of sale. The company is principally engaged in the exploration for and production of natural gas and oil and related activities as well as real estate development. (File 2-54641 - Sept. 23)

(S-14) TOLEN-I CORPORATION

East Superior St., Alma, Mich. 48801 - \$19 million of guaranteed sinking fund debentures, due 1990 guaranteed (on a subordinated basis) as to payment of principal, premium (if any) and interest by Total Petroleum (North America) Ltd. Total Petroleum (North America) Ltd., (Topna) 639 Fifth Ave. Southwest, Calgary, Alberta, Canada T2P OM9 - 1,635,000 warrants to purchase common shares of Topna expiring December 31, 1980, and 1,635,000 common shares of Total Petroleum (North America) Ltd. issuable upon exercise of warrants.

The registration statement is being filed in connection with the proposed merger of Tolen-II Corporation, a wholly-owned subsidiary of Tolen-I Corporation, with and into Hanover Petroleum Corporation (Hanover). If the merger is consummated, each holder of outstanding Hanover common stock (other than Topna or Hanover or any subsidiary of either) will be entitled to receive for each share held \$5.40 in cash, \$6.90 in debentures and six tenths of a warrant, unless such holder has perfected his right of appraisal under Delaware law. (File 2-54633 - Sept. 14)

REGISTRATIONS EFFECTIVE

Sept. 19: American Medical Buildings Inc., 2-54450; Collins Foods International Inc., 2-54483; The Dayton Power and Light Co., 2-54446; Michigan Tax-Exempt Bond Fund Insured Series A, 2-54566; Zero Manufacturing Co., 2-54344.
Sept. 22: Eckmar Corp., 2-54512; Fisher Scientific Co., 2-54440; Kraftco Corp., 2-54533; Standard & Poor's/Intercapital Liquid Asset Fund, Inc., 2-53856.

REGISTRATIONS WITHDRAWN

Sept. 12: Bars of Gold Inc., 2-52236.
Sept. 16: Hupsi Corp., 2-47507; Jacques Cartier Mint Inc., 2-52923.
Sept. 17: Greater Metro Bank Holding Co., 2-53115.

NOTE TO DEALERS. The 90-day period of time dealers are required to use the prospectus is noted above in parentheses after the name of the issuer. As to the other issuers, there may be no such requirement to use a prospectus, or the requirement may be for a period of only 40 days; see Section 4(3) of the Securities Act of 1933 and Rule 174 (17 CFR 230.174) thereunder.

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:

Harley Corporation, Spartanburg, S. C. (File 2-54579 - Sept. 10) - 60,000 shares
Electronic Data Systems Corporation, Dallas, Tex. (File 2-54582 - Sept. 11) -
1,000,000 shares
Richton International Corporation, New York, N. Y. (File 2-54584 - Sept. 11) -
150,000 shares
Federal-Mogul Corporation, Southfield, Mich. (File 2-54588 - Sept. 12) - 85,000 shares
S&S Corporation, Tazewell County, Va. (File 2-54596 - Sept. 15) - 80,000 shares
Friendly Ice Cream Corporation, Wilbraham, Mass. (File 2-54597 - Sept. 15) -
292,750 shares
Information Magnetics Corporation, Goleta, Calif. (File 2-54600 - Sept. 16) -
148,500 shares
Amarex, Inc., Oklahoma City, Okla. (File 2-54601 - Sept. 16) - 100,000 shares
PPG Industries, Pittsburgh, Pa. (File 2-54605 - Sept. 16) - \$90 million participations
in the plan
Wyomissing Corporation, West Reading, Pa. (File 2-54608 - Sept. 17) - 50,000 shares
Mego International, Inc., New York, N. Y. (File 2-54611 - Sept. 17) - 230,500 shares
Buckeye International, Inc., Columbus, Ohio (File 2-54617 - Sept. 18) - 137,500 shares
Buckeye International, Inc., Columbus, Ohio (File 2-54618 - Sept. 18) - 41,305 shares
Coleman Cable & Wire Company, Chicago, Ill. (File 2-54619 - Sept. 18) - 150,000 shares
Pacific Gamble Robinson Co., Seattle, Wash. (File 2-54620 - Sept. 17) - 40,000 shares
Consolidated Coal Company, Pittsburgh, Pa. (File 2-54621 - Sept. 18) - \$46,000,000
participations in the plan
Synercon Corporation, Nashville, Tenn. (File 2-54629 - Sept. 19) - 100,000 shares
McGraw-Edison Company, Elgin, Ill. (File 2-54631 - Sept. 19) - 4,500 shares
American Petrofina, Inc., Dallas, Tex. (File 2-54634 - Sept. 19) - 200,000 shares
Ryan Homes, Inc., Pittsburgh, Pa. (File 2-54635 - Sept. 22) - 31,548 shares
Burdox, Inc., Cleveland, Ohio (File 2-54636 - Sept. 22) - 75,000 shares
Standard Oil Company, (an Indiana corporation), Chicago, Ill. (File 2-54639 - Sept. 22)
8,000,000 capital stock
Sola Basic Industries, Inc., Milwaukee, Wisc. (File 2-54640 - Sept. 22) - 150,000
shares
The Christiana Companies, Inc., Santa Monica, Calif. (File 2-54642 - Sept. 23) -
75,000 shares
United Jersey Banks, Princeton, N. J. (File 2-54589 - Sept. 12) - \$10 million
participations in the plan
Peterson, Howell & Heather, Inc., Hunt Valley, Md. (File 2-54614 - Sept. 17) -
300,000 shares

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 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

SEC NEWS DIGEST is published daily. Subscription rates: \$64.45 yr in
U.S. first class mail; \$80.60 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$43.70 yr in
U.S. first class mail, \$54.65 elsewhere. The News Digest and the Docket are for sale by the
Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.