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sec news digest

Issue 76-6
(SEC Docket, Vol. 8, No. 13 - January 20)

January 9, 1976

RULES AND RELATED MATTERS

INTERPRETIVE STATEMENT ON DISCLOSURE AND ACCOUNTING OF NEW YORK CITY SECURITIES

The Commission has issued an interpretive statement (ASR-188) noting development with respect to the financial problems of the City of New York and requiring certain disclosures if registrants hold specified obligations of the City and of the Municipal Assistance Corporation which in the aggregate amount to more than 10% of stockholders' equity.

Registrants are required to disclose in notes to financial statements the cost and carrying value of securities (a) issued by New York City in moratorium; (b) other securities issued by the City of New York which will mature within three years; (c) issued by the Municipal Assistance Corporation in exchange for the New York City notes in moratorium, and (d) issued by the Municipal Assistance Corporation and subject to an agreement modifying terms.

Furthermore, the aggregate cost of and carrying value of the 1975 income recorded on such securities is required as well as a discussion of the effect of the moratorium, exchanges or agreements on future income in comparison with the income recorded in 1975.

With respect to questions which have arisen as to how these securities should be accounted for in 1975 financial statements the Commission has noted that there are differing opinions among accountants as to the proper accounting treatment under existing authoritative pronouncements, and that the Financial Accounting Standards Board has agreed to undertake a study of the accounting problems raised by the moratorium and exchange with the intention of developing standards which can be applied to year end statements in 1976. In view of these facts, the Commission is not requiring at this time the use of any particular accounting method to account for holdings of such securities at December 31, 1975. (Rel. 33-5667)

PROPOSED DISCLOSURE OF DETAILS OF MARKETABLE AND OTHER INVESTMENT SECURITIES

The Commission has proposed to amend Article 3 of Regulation S-X to require disclosure of the name of issuer, book value and market value if the aggregate investment in securities of an issuer exceeds five percent of stockholders' equity. The Commission specifically solicits comments on the appropriate size test that should be applied, and the problem of concentration in investment portfolios and expects that certain data arising out of this study will be available for consideration prior to the adoption of final rules. The proposal defines "issuer" as a state or municipality or other political subdivision as well as a corporation.

Interested persons are invited to submit their views and comments on the proposed amendment. All communications should be addressed to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 N. Capitol Street, Washington, D.C. 20549 on or before March 31, 1976 and reference should be made to File No. S7-610. (Rel. 33-5668)

U. S. SECURITIES & EXCHANGE COMMISSION

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COMMISSION ANNOUNCEMENTS

NATIONAL MARKET ADVISORY BOARD

The Commission has announced that the National Market Advisory Board will conduct open meetings on January 19 and 20, 1976, at 500 North Capitol Street, Washington, D.C. 20549, Room 776, beginning at 9:30 a.m. on January 19, and 8:30 a.m. on January 20. Initial notice of the meeting was published in the Federal Register on November 10, 1975, stating the location of the meeting to be Los Angeles, California.

The summarized agenda for the meeting is as follows: (1) discussion of responsibilities given to the Board by the SEC in its announcement of the adoption of Rule 19c-1 (Rel. 34-11942, December 19, 1975); (2) discussion of such other matters as may be properly brought before the Board.

Further information may be obtained by writing Andrew P. Steffan, Director of Economic and Policy Research, Securities and Exchange Commission, Washington, D.C. 20549.

JOHN L. HUNTER APPOINTED SPECIAL COUNSEL (ENFORCEMENT)

Paul F. Leonard, Administrator of the Washington Regional Office announced the appointment of John L. Hunter as Special Counsel (Enforcement) in the Washington Regional Office. Mr. Hunter joined the office in April 1972 as a staff trial attorney. He received his J.D. degree from the University of Minnesota in 1971 and his B.A. degree from the University of Notre Dame in 1967. In addition, Mr. Hunter received an MBA degree, with honors, from the University of Massachusetts in 1968.

STAFF ACCOUNTING BULLETIN RELEASE NO. 2

Staff Accounting Bulletin Release No. 2 dealing with interpretations of Accounting Series Release No. 175 has been issued. ASR No. 175 relates to Rule 4-02(e) of Regulation S-X which requires that separate financial statements be presented for consolidated subsidiaries (or groups of subsidiaries) engaged in specified financial-type businesses if the subsidiaries are significant subsidiaries.

Statements in the Staff Accounting Bulletins are not rules or interpretations of the Commission nor are they reviewed by the Commission prior to issuance. They represent interpretations and practices followed by the Division of Corporation Finance and the Office of the Chief Accountant in administering the disclosure requirements of the federal securities laws.

TRADING SUSPENSIONS

TRADING SUSPENDED IN CONRAC CORPORATION

The Commission has announced the temporary suspension of exchange and over-the-counter trading in the securities of Conrac Corporation, located in New York, New York 10017, for the single ten-day period beginning on January 9 and terminating at midnight (EST) on January 19, 1976. The Commission initiated the suspension in the securities of Conrac Corporation because of continuing questions which have arisen concerning the trading activity in the securities of Conrac Corporation. (Rel. 34-11997)

ADDITIONAL ACTION ON ONE TRADING SUSPENSION

The SEC has announced the suspension of over-the-counter trading in the securities of GAC Corp for the further ten-day period January 8 - 17, inclusive.

HOLDING COMPANY ACT RELEASES

ALABAMA POWER COMPANY

An order has been issued approving a proposal of Alabama Power Company, Gulf Power Company and Mississippi Power Company, all of which are subsidiaries of The Southern Company, to issue first mortgage bonds and surrender such bonds to the trustees under their respective indentures for the purpose of satisfying the sinking fund requirements thereunder for 1976. Jurisdiction has been reserved over the issuance of such bonds by Georgia Power Company. (Rel. 35-19333 - Jan. 8)

ARKANSAS POWER & LIGHT COMPANY

A notice has been issued giving interested persons until February 2 to request a hearing on a proposal by Arkansas Power & Light Company, a subsidiary of Middle South Utilities, Inc., to amend the terms of a previously authorized sale and leaseback of nuclear fuel to reflect increased fees paid by the lessor to finance the acquisition of the nuclear fuel. (Rel. 35-19334 - Jan. 8)

A notice has also been issued giving interested persons until February 2 to request a hearing on a proposal by Arkansas Power & Light Company, to sell and lease back nuclear fuel assemblies for use at its Nuclear Unit No. 2. (Rel. 35-19335 - Jan. 8)

PENNSYLVANIA ELECTRIC COMPANY

A notice has been issued giving interested persons until February 4 to request a hearing on a proposal by Pennsylvania Electric Company, a subsidiary of General Public Utilities Corporation, that it amend its articles of incorporation to increase its authorized preferred stock, to authorize preferred stock without par value and to reclassify its presently outstanding preferred stock. An order has been issued authorizing the solicitation of proxies in connection with the proposal. (Rel. 35-19336 - Jan. 8)

DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING GRANTED

Orders have been issued granting the applications of the following exchanges for unlisted trading privileges in the common stock of the named companies: Midwest Stock Exchange, Inc. - Williams Companies; Delmarva Power & Light Co.; Boston Stock Exchange-Combined Communications Corporation; Dean Witter Organization, Inc.; Denny's Inc.; Japan Fund Inc.; National Medical Care, Inc.; Robintech Inc.; Southland Corporation; Wheelabrator-Frye, Inc.; Cincinnati Stock Exchange - North American Philips Corporation; Bancal Tri-State Corporation. (Rel. 34-11991)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Chicago Board Options Exchange, Inc. has filed a proposed rule change under Rule 19b-4 to increase certain of its charges and fees and establish certain additional charges and fees applicable to the exchange's membership and for the use of the exchange's facilities. The proposal has become effective pursuant to Section 19(b)(3)(A)(ii) of the Securities Exchange Act of 1934. Publication of the proposal is expected to be made in the Federal Register during the week of January 12. (Rel. 34-11993)

The Pacific Clearing Corporation has filed a proposed rule change under Rule 19b-4 to establish a participants fund. Publication of the proposal is expected to be made in the Federal Register during the week of January 12. (Rel. 34-11994)

The Pacific Securities Depository Trust Company has filed a proposed rule change under Rule 19b-4 to establish a participants fund. Publication of the proposal is expected to be made in the Federal Register during the week of January 12. (Rel. 34-11995)

The Pacific Clearing Corporation has filed a proposed rule change under Rule 19b-4 to amend its non-exchange clearing participants applications and agreement. Publication of the proposal is expected to be made in the Federal Register during the week of January 12. (Rel. 34-11996)

MISCELLANEOUS

DARIN & ARMSTRONG, INC.

A notice has been issued giving interested persons until January 30 to request a hearing on an application by Darin & Armstrong, Inc. (the Company) pursuant to Section 12(h) of the Securities Exchange Act of 1934 for an order exempting the Company from filing the quarterly reports on Form 10-Q required by Sections 13 and 15(d) of the Act. The Company believes that, since its shares are owned only by its employees and no purchase decisions are made on the basis of quarterly financial statements, the filing of quarterly reports is not necessary for the public interest or the protection of investors. (Rel. 34-11998)

SECURITIES ACT REGISTRATIONS

(S-7) THE KANSAS POWER AND LIGHT COMPANY

818 Kansas Ave., Topeka, Kan. 66601 - 800,000 shares of preferred stock, to be offered for sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York, N.Y. 10005. The company is an operating public utility. (File 2-55299 - Jan. 7)

(S-14) FMB CORPORATION

201 McDonald St., Midland, Mich. 48640 - 222,300 shares of common stock, to be offered in connection with the proposed consolidation of First MBT Bank, Midland, Mich., a wholly-owned banking subsidiary (in organization) of FMB Corporation, into First National Bank and Trust Company of Midland, Midland, Mich. The stock conversion ratio will be two shares of FMB Corporation common stock for each share of First National Bank and Trust Company common stock. In connection with the consolidation First National Bank and Trust Company is changing from a national charter to a Michigan state charter and changing its name to First Midland Bank & Trust Company. When the proposed consolidation becomes effective, FMB Corporation will be a bank holding company with First Midland Bank & Trust Company as its only bank subsidiary. (File 2-55300 - Jan. 7)

RECENT 8K 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 |
|--|----------|-------|
| MEAD CORP | 7,8,14 | 11/75 |
| MOBILE COMMUNICATIONS CORP OF AMERICA | 6 | 03/75 |
| NATIONAL COLOR LABORATORIES INC | 2 | 07/75 |
| NOLEX CORP | 13 | 11/75 |
| PFIZER INC | 3 | 10/75 |
| REALTY & MORTGAGE INVESTORS OF THE PACIF | 14 | 11/75 |
| UARCO INC | 3,8 | 05/75 |

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.

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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.