

# sec news digest

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## CHAIRMAN SPEAKS

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TWO CHICAGO PROFESSIONAL GROUPS HEAR CHAIRMAN'S VIEWS  
ON THE ROLE OF FINANCIAL PUBLIC RELATIONS AND  
IMPROVING DISCLOSURES TO INVESTORS

Chairman Ray Garrett, Jr., addressed two professional groups in Chicago yesterday. In speaking before a luncheon gathering of the Chicago Publicity Club, he discussed the increasingly important role of the financial public relations practitioner in the dissemination of corporate information to the American investor. He said that in order to maintain our capital market system in a fair and efficient manner, the continued availability of material corporate information is essential. In citing the Commission's recent release which proposes to amend the rules relating to the annual report, Chairman Garrett said, "We are not proposing to make the annual report to shareholders a filed and processed document. While we propose to require that certain additional information be included in it, we are not proposing to mandate the exclusion of anything else that management wants to say, save only that it not be false and misleading." He said that the best communications system we have is through the various media and the voluntary dissemination by corporations. He urged the public relations professional to take his responsibilities for public information seriously. "Honesty, frankness, and completeness -- telling the man whose money is at stake the whole story, the good with the bad -- is the proper guide for today. No other way will work for very long. Any other way is fraught with dangers to yourselves as well as to your clients," Mr. Garrett concluded.

In a second address in Chicago yesterday evening, Chairman Garrett told a group of corporate secretaries, "the single document providing information with respect to an issuer that by far gets the widest dissemination and is by far the most likely to be available to anybody faced with an investment decision is management's annual report to shareholders . . . it is perhaps ironic that this is the one document that our federal securities law system presently neither requires nor regulates in any respect except through our proxy rules." "Technically," Mr. Garrett pointed out, "it is not correct to say that this information must be in the annual report to shareholders. The requirement is that it be furnished to shareholders prior to or concurrently with the solicitation of proxies."

The SEC's current proposals on the contents of annual reports to shareholders are contained in a recent release\*which has a March 15 deadline for comments. "Since we do not have express authority under the periodic reporting provisions of the Securities Exchange Act to require the direct dissemination of annual reports to shareholders, we are once more piggybacking on the company's annual report as a condition to the solicitation of proxies," the Chairman said.

"The objective of wide dissemination of annual reports could most easily be achieved by requiring that the company send a copy of its annual report on Form 10-K to all shareholders and other interested persons," Mr. Garrett said. However, the SEC is "conscious of the cost and trouble that our requirements may impose upon issuers," he continued, "and we are reluctant to go this far. Instead, we have proposed in our recent release that the company's proxy statement indicate that the company will send a copy of the annual report on Form 10-K to shareholders on request." The SEC staff has indicated that it would not object to an annual report to securityholders

being filed to satisfy the 10-K filing requirement if certain standards are met. The staff's December 11, 1973 letter to Teradyne, Inc. sets forth the standards which should be followed if the annual report is to be accepted as a 10-K.

\*See Rel. 34-10591

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## **RULES AND RELATED MATTERS**

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### **AMENDMENT TO RULE 17g-1 ADOPTED**

The SEC today announced that it has adopted an amendment to Rule 17g-1 under the Investment Company Act, which provides for the bonding of officers and employees of registered management investment companies who have access to securities or funds of such companies. The amendment to Rule 17g-1, among other things, (1) limits the type of persons who may be covered under a joint bond with a registered management investment company; (2) sets forth minimum required amounts of coverage for investment companies; and (3) requires that any bond covering an investment company and one or more other insureds must provide for certain new notification requirements. (Rel. IC-8267)

### **RULE 17d-1 AMENDMENT PROPOSED**

The SEC today announced that it has proposed an amendment to Rule 17d-1 under the Investment Company Act which would provide an exemption from the application requirements of the Rule for certain joint transactions involving registered investment companies, including small business investment companies (SBICs). Proposed new subparagraphs (4) and (5) of paragraph (d) of Rule 17d-1 would exempt from the application filing requirements of Rule 17d-1 the issuance by SBICs of qualified stock options and joint arrangements involving SBICs and other registered investment companies in which certain persons designated in the proposed amendment are not participants.

All interested persons are invited to submit written comments on these proposals to George Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549, on or before May 10, 1974. Please refer to File No. S7-518 in any communications. (Rel. IC-8273)

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## **TRADING SUSPENSIONS**

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### **TRADING BAN IN SEABOARD CORP. TO TERMINATE**

The SEC has announced that the suspension of over-the-counter trading in all securities of Seaboard Corporation, of Beverly Hills, California will terminate at midnight (EDT) on March 16, 1974.

The Commission initiated the suspension on October 18, 1973 because of questions concerning: (a) the adequacy and accuracy of disclosures made in its Form S-1 registration statement covering the sale of 500,000 Seaboard units effective January 27, 1970, and in subsequent filings with the Commission; (b) certain activities engaged in by Seaboard in its management of four registered investment companies (Admiralty Fund, Inc., Competitive Capital Fund, Seaboard Leverage Fund, Inc. and The Income Fund of Boston); and (c) the possible termination by the aforementioned investment companies of their investment contracts with Seaboard. (Rel. 34-10680)

## HOLDING COMPANY ACT RELEASES

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### OHIO POWER COMPANY

A notice has been issued giving interested persons until April 4 to request a hearing on a proposal of Ohio Power Company, subsidiary of American Electric Power Company, to increase the amount of outstanding short-term notes to banks and commercial paper dealers, including the issuance of \$70,000,000 of new demand notes to banks. (Rel. 35-18320)

### NEW ENGLAND POWER COMPANY

A notice has been issued giving interested persons until April 5 to request a hearing on a proposal of New England Power Company (NEPCO), subsidiary of New England Electric System, to amend its by-laws to increase from 1,000,000 to 1,500,000 shares the aggregate number of shares of preferred stock that may be issued without a vote of shareholders. An order has also been issued authorizing the solicitation of proxies in connection therewith. (Rel. 35-18321)

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## SECURITIES ACT REGISTRATIONS

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### (S-1) REMBRANDT ENTERPRISES, INC.

3434 Heritage Dr., Edina, Minn. 55435 - \$2,127,700 subordinated loan certificates, due 1976 - 1998, to be offered for sale through officers of the company and selected NASD members on a "best efforts" basis at 100% of face amount for cash and in exchange for certain outstanding mortgage bonds of Heritage of Bridgeport, Heritage of Geneva and Heritage of Fairbury nursing homes assumed by Heritage Health Care Centers, Inc. Rembrandt Enterprises is a diversified company primarily engaged in the nursing home, retirement home and granite monument business. (File 2-50333 - Mar. 1)

### (S-11) LEXTON-ANCIRA REAL ESTATE INCOME PARTNERS, LTD., 1974-A, (the Partnership)

4901 Main St., Kansas City, Mo. 64112 - \$15 million of partnership interests to be offered for sale by selected NASD members. The partnership is to be formed to invest in income producing properties. Lexton Corporation is the General Partner. (File 2-50381 - Mar. 8)

### (S-1) HOMCO INTERNATIONAL, INC.

3701 Holmes Rd., P. O. Box 2442, Houston, Tex. 77001 - 550,000 shares of common stock, to be offered by the company and selling stockholders through underwriters headed by Rauscher Pierce Securities Corporation, 1200 Mercantile Dallas Building, Dallas, Tex. 75201. The company furnishes oil field services and rents and sells oil field equipment. (File 2-50385 - Mar 11)

### (S-1) FIRST HUNTSVILLE CORPORATION

1220 11th St., Huntsville, Tex. 77340 - 40,000 shares of common stock. It is proposed to offer these shares for subscription by common stockholders at the rate of one share for each 2.5 shares held, and at \$40.00 per share. Any shares not subscribed for will be offered to persons other than the stockholders of the company. The company is a bank holding company which owns substantially all of the outstanding stock of First National Bank of Huntsville, Texas. (File 2-50389 - Mar 11)

(S-14) CHARTER NEW YORK CORPORATION

One Wall St., New York, N. Y. 10005 - 32,000 shares of common stock. It is proposed to offer these shares in exchange for all of the outstanding shares of capital stock of The First National Bank of Marion, Marion, New York, at the rate of 32 Charter shares for each Marion share outstanding upon the consummation of the merger of The First National Bank of Marion into Central Trust Company Rochester N.Y., an affiliate bank of Charter. Charter is a bank holding company. (File 2-50393 - Mar 11)

(S-16) HOERNER WALDORF CORPORATION

2250 Wabash St., St. Paul, Minn. 55114 - 184,562 shares of common stock, (giving effect to stock split to be effective March 22, 1974) which may be offered for sale from time to time by certain shareholders at prices current at the time of sale. Hoerner Waldorf is an integrated manufacturer of paperboard and paperboard products. (File 2-50394 - Mar 11)

(S-16) EMERSON ELECTRIC CO.

8100 Florissant Ave., St. Louis, Mo. 63136 - 70,000 shares of common stock, which may be offered for sale from time to time during the 60 days following the effective date of the registration statement by certain shareholders at prices current at the time of sale. Emerson designs, manufactures and sells a broad range of electrical-electronic products and systems. (File 2-50395 - Mar 11)

(S-5) FIDELITY DAILY INCOME TRUST (the Trust)

35 Congress St., Boston, Mass. 02109 - \$20 million of shares of beneficial interest, to be offered for sale at net asset value (\$1 per share) with no sales charge. The Trust is a diversified, open-end investment company, whose objective is to seek as high a level of current income as is consistent with the preservation of capital and liquidity by investing in certain money market instruments. Fidelity Management & Research Company is the investment adviser. (File 2-50318 - Mar 1)

(S-1) R & D ASSOCIATES

525 Wilshire Blvd., Santa Monica, Cal. - 1,607,000 shares of common stock. Of these shares, 1,007,000 are outstanding shares, which the company offers to repurchase from the holders at the price initially paid plus 6% per annum interest. Of the remaining shares, 450,000 are issuable under stock option plans and 150,000 may be offered from time to time in acquisitions of other businesses by the company. R & D Associates provides technical support to agencies of the U. S. Government on strategic and tactical defense matters. (File 2-50386 - Mar 11)

(S-1) GENERAL TELEPHONE COMPANY OF UPSTATE NEW YORK, INC.

850 Harrison Street Extension, Johnstown, N. Y. 12095 - \$14 million of first mortgage bonds, due 2004, to be offered for sale at competitive bidding. The company provides telephone services within the State of New York. (File 2-50397 - Mar 12)

(S-14) UTAH BANCORPORATION

80 West Broadway, Salt Lake City, Utah 84101 - 76,655 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of Utah Investment Company of Salt Lake City, Utah, at the rate of 5.25 Utah Bancorporation shares for each Utah Investment share, and the shares may be offered for sale (or pledged) from time to time by certain stockholders at prices current at the time of sale. Utah Bancorporation is a bank holding company which controls one bank. (File 2-50398 - Mar 12)

(S-1) ST. REGIS PAPER COMPANY

150 East 42nd St., New York, N. Y. 10017 - 540,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of Michigan Carton Co., at the rate of 1.35 St. Regis shares for each Michigan share. Michigan manufactures and sells folding grades of combination paperboard and folding paperboard cartons. (File 2-50399 - Mar 12)

EUROPEAN COAL AND STEEL COMMUNITY

Centre Europeen, Luxembourg, Luxembourg - \$25 million of sinking fund bonds, due 1994, and \$25 million of notes, due 1979, to be offered for sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York, N. Y., The First Boston Corporation, 20 Exchange Place, New York, N. Y. and Lazard Freres & Co., One Rockefeller Plaza, New York, N. Y. The Community was established as a sovereign entity by the Treaty of Paris in 1951 and has as members Belgium, France, the Federal Republic of Germany, Italy, Luxembourg and The Netherlands; the Community's purpose is to aid the development of the economies of the member states through the creation of a common market for coal and steel. (File 2-50400 - Mar. 12)

(S-7) ALABAMA POWER COMPANY

600 North 18th St., Birmingham, Ala. 35291 - 350,000 shares of cumulative preferred stock (\$100 par), to be offered for sale at competitive bidding. The company is an electric utility. (File 2-50401 - Mar. 13)

REGISTRATIONS EFFECTIVE

March 13: Credithrift Financial, Inc., 2-50314; NFG Gas Corporation, 2-50266.

REGISTRATIONS WITHDRAWN

March 13: American Bank Trust Shares, Inc., 2-48482; Carnation Company, 2-49890.

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**ACQUISITIONS OF SECURITIES**

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Companies and individuals must report to the Commission on Schedule 13D the acquisition of more than 5% of the equity securities of another company within 10 days of the acquisition. The following companies or individuals filed Schedule 13D's regarding the acquisition of stock of other companies during the period Feb. 11 - March 7.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
Bryan S. Reid, Jr.	Globe-Amerada Glass Co. Common Stock - 82,045 shs.	2-11-74
S. H. Scheuer	American Dredging Co. Capital Stock - 32,459 shs.	2-22-74
Life Investors Development Co.	Executive Data Systems, Inc. Common Stock - 1,377,500 shs. Conv. Preferred -160,000 shs. (Above constitutes approximately 86.3% of the voting securities)	2-27-74
Ampco-Pittsburgh Corp.	Pittsburgh Forgings Co. Common Stock - 414,968 shs.	2-27-74
United Cable Corp Group	Cadillac Cable Corp. Common Stock - 1,532,755 shs.	2-28-74

## ACQUISITION REPORTS CONT.

Park International Inc. Richard L. Rubin	New Dimensions in Education, Inc. Common Stock - 129,400 shs. (Mr. Rubin is President and owner of all outstanding Capital stock of Park)	2-28-74
* Gulf & Western Industries, Inc.	Simmons Co. Common Stock - 620,500 shs.	2-28-74
Joel Greenberg	Bluebird, Inc. Common Stock - 274,500 shs.	2-28-74
Martin J. Wygod	Volt Information Sciences, Inc. Common Stock - 250,000 shs. on exercise of option	3-1-74
Japan International Technology Corp.	INC Magnetics Corp. Common Stock - 36,300 shs. Common Stock - 200,000 shs. on conversion of Note	3-1-74
Keystone Custodian Fund, Series S-4	Pickwick International, Inc. Common Stock - 232,400 shs.	3-1-74
Henry H. Russell	Context Industries, Inc. Common Stock - 200,000 shs.	3-1-74
William M. Porter	Context Industries, Inc. Common Stock - 200,000 shs.	3-1-74
Wisconsin Securities Co. of Delaware	American Appraisal Associates, Inc. Common Stock - 100,000 shs.	3-1-74
* Keuffel & Esser Co.	Laser Systems and Electronics, Inc. Common Stock - 2,554,334 shs. (Above shares constitute approximately 79% of the outstanding common shares. Keuffer also has majority representation on the Board of Directors)	3-1-74
Keystone Custodian Fund, Series S-4	Reserve Oil & Minerals Corp. Common Stock - 83,500 shs.	3-4-74
* DPF Inc.	Scot Lad Foods, Inc. Common Stock - 175,000 shs.	3-4-74
Province of British Columbia	Westcoast Transmission Co. Ltd Common Stock - 1,157,125 shs.	3-4-74
Trustee in Reorganization of Bankers Trust, et al	Founders Real Estate Investment Trust Shares of Beneficial Int. - 25,456 shs.	3-4-74
* Loews Corp.	Wheeling-Pittsburgh Steel Corp. Common Stock - 739,100 shs. (Above shares are owned by Lawton General Corp., a wholly-owned second- tier subsidiary of Loews.)	3-5-74
Joseph H. Frost	Datapoint Corp. Common Stock - 264,509 shs.	3-5-74
* Wheeler, Munger & Co.	New America Fund, Inc. Common Stock - 382,820 shs.	3-5-74
* First Manhattan Co.	Lea-Ronal, Inc. Common Stock - 108,769 shs.	3-6-74

ACQUISITION REPORTS CONT.

* First Manhattan Co.	Turner Construction Co. Common Stock - 51,517 shs.	3-6-74
* Fitzwilton Ltd.	National Mine Service Co. Common Stock - 207,735 shs.	3-6-74
* Amended Acquisition Report		

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER &amp; NUMBER OF SHARES TO BE TENDERED</u>	<u>DATE FILED</u>
Akard Co.	Nardis of Dallas, Inc. Common Stock - All outstanding shares for cash at \$6.50 net per share	2-27-74
Beker Industries Corp.	Commercial Solvents Corp. Common Stock - 800,000 shs. for cash at \$26.50 net per share	2-28-74
D. H. Baldwin Co.	Central Colorado Bancorp, Inc. Common Stock - All outstanding shares in exchange for 77,588 shares of Conv. Pfd at a ratio of .22 shares for each share common	3-1-74
Nortek, Inc.	Towle Manufacturing Co. Common Stock - 255,000 shs. for cash at \$11.50 net per share	3-6-74
Ropa Anstalt (Leichtenstein)	Hotel Corporation of Israel Common Stock - All outstanding shares for cash at \$12.25 net per share including shares that may be issued upon conversion of Debenture	3-6-74
International Minerals & Chemical Corp.	Commercial Solvents Corp. Common Stock - 700,000 shs. for cash at \$30.00 net per share	3-7-74

**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
ALLIED EQUITIES CORP	3	11/73
ATLANTIC RICHFIELD CO	3,13,14	01/74
CONSOLIDATED PRODUCTION CORP	13,14	11/73
CP REALTY TRUST	13,14	01/74

RECENT 8K FILINGS CONT.

CUTLER FEDERAL INC	2,14	02/74
DANKER & WOHLK INC	13,14	01/74
DIONICS INC	2	12/73
DREXEL INDUSTRIES INC	13	01/74
EL TRONICS INC	2,13,14	01/74
FBT BANCORP INC	11	01/74
FIRST COMBINED ENTERPRISES INC	2,14	04/73
FIRST COMBINED ENTERPRISES INC	2,14	08/73
GELMAN INSTRUMENT CO	6,10,13,14	01/74
GENERAL AIRCRAFT CORP	13	11/73
GENERAL AIRCRAFT CORP	13	01/74
GREAT AMERICAN MORTGAGE INVESTORS	13,14	01/74
HALLAMORE HOMES INC	11	01/74
HOUSTON OIL & MINERALS CORP	7	02/74
LEASCO CAPITAL EQUIPMENT CORP	11	12/73
LMF CORP	7	01/74
LUMIDOR INDUSTRIES INC	3,10,14	01/74
MULTIVEST REAL ESTATE FUND LTD SERIES 6	2,14	06/73
NATIONAL SYSTEMS CORP	13	02/74
NEUTROGENA CORP	11	02/74
NORTH AMERICAN ROYALTIES INC	4,7,8,14	02/74
NORTH PITTSBURGH TELEPHONE CO	7,14	12/73
RUSCO INDUSTRIES INC	4,14	01/74
STERLING PRECISION CORP	7,9,14	01/74
TOKHEIM CORP	10,14	09/73
UNIVEST CORP OF PENNSYLVANIA	2,7,14	09/73
VANCE SANDERS & CO INC	8,11	01/74
VENICE INDUSTRIES INC	3	01/74
A ONE KOTZIN CO	11	02/73
AHMANSON H F & CO	13,14	02/74
AMERICAN RECREATION GROUP INC	7,14	12/72
ARA SERVICES INC	8	01/74
ARABIAN SHIELD DEVELOPMENT CO	9,14	12/73
ASSOCIATED SPRING CORP	12,14	02/74
ATLANTA GAS LIGHT CO	11	02/74
ATLANTIC GULFSTREAM CORP	7	02/74
CAREER ACADEMY INC	13	01/74
CCI LIFE SYSTEMS INC	7,13,14	01/74
CLAYTON CORP	10,14	01/74
COLE NATIONAL CORP	7,11,14	02/74
COMMERCIAL BANCORPORATION OF COLORADO	2,7,14	02/74
COMMERCIAL INCOME PROPERTIES FUND LTD	2	09/73
COMMUNITY PSYCHIATRIC CENTERS	13,14	01/74
CUNNINGHAM DRUG STORES INC	11,14	02/74
CYBERMATICS INC	13,14	12/73
DYNELL ELECTRONICS CORP	7,11,14	02/74
ELIAS BROTHERS RESTAURANTS INC	1,11	01/74
FEDERAL SIGN & SIGNAL CORP	8	01/74
FINNIGAN CORP	8	02/74
FIRECO SALES LTD	11	02/74
FIRST SURETY CORP	13	02/74

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 12¢ per page plus postage for mailing within four days (\$2 minimum) and 25¢ per page plus postage for over-night mailing (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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