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CHAIRMAN SPEAKS

THE INDIVIDUAL INVESTOR AND THE
STOCK MARKETS -- SOME OBSERVATIONS

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Whether it is any of the government's business if the stock market is up or down, it becomes a public problem where depressed prices and activity threaten the ability of American industry to raise capital, Chairman Ray Garrett, Jr. told a group of women investment brokers in New York May 2. Speaking of the withdrawal of the individual investor from the market, Chairman Garrett said that the SEC has been officially indifferent to the relative prosperity of broker-dealers so long as they don't go broke in a manner that hurts their customers. "This official indifference, however, becomes inappropriate in the face of the possibility that the entire industry might collapse," he continued. "It seems self-evident that our economy needs a healthy securities industry, whether or not it requires that any given person or firm remain in the industry. . . . it becomes a public problem where depressed prices and activity threaten the ability of American industry to raise capital."

After noting several causes of the retreat of the individual investor from the market, which are "far beyond the competence of the SEC as to remedial action," Chairman Garrett spoke of other factors relating generally to confidence in the fairness and efficiency of our markets. "Along with the stock exchanges and the NASD and the accounting profession, we (the SEC) are carrying on the campaign to increase the investor's confidence that he or his advisor has access to all material information about stocks as nearly as may be on a parity, both as to quality and time, with the institutional investor--to put to rest as far as humanly possible the oft-repeated observation that the individual investor is the last to know."

Looking to the future, the Chairman pointed out that the central market system would increase the efficiency of our markets to handle large transactions without abrupt price fluctuations by providing greater access by would-be large sellers to all potential marketmakers. While admitting that the unfixing of commission rates next May Day may bring higher commissions to the small investor, Chairman Garrett said, "We think the individual investor as a class will be better served if his business is profitable to his broker. . . . there is good reason to believe that higher rates will not deter the individual from returning to our equity markets as a direct investor, if other conditions are favorable, and if he is welcome, indeed courted, by his broker with genuine enthusiasm."

RULES AND RELATED MATTERS

PROPOSED AMENDMENTS TO REGULATION S-X RELATING
TO DISCLOSURE OF CONTRACT ACTIVITIES ANNOUNCED

The Commission today issued for public comment proposed amendments to Rules 5-02.3 and 5-02.6 of Regulation S-X which would require more detailed disclosure of the components of accounts receivable and inventories and the accounting policies and assumptions upon which the amounts are based. The principal thrust of the proposals is directed toward meaningful disclosure of defense and other long-term contract activities, which traditionally are characterized by greater degrees of risk and uncertainty than are manufacturing and service operations. Regarding receivables, the proposals would call for disclosure pertaining to retainage under contracts, unbilled receivables and contract claims. The proposed inventory rules

call for disclosure of amounts of contract work in process expected to be matched against future orders and the assumptions underlying the deferral of such costs: the components of claims included in inventory; the amounts of manufacturing cost carried forward on a "learning curve" concept; the amount of progress payments netted against inventory; and the amount of inventory title to which is vested in customers. Also, as a revision of part of an earlier proposal (Release 33-5427, October 4, 1973) the current proposal would require disclosure of the amounts of general and administrative or research and development costs incurred during the year and charged to the inventory account.

Interested persons are invited to submit written comments to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D. C. 20549 on or before July 15, 1974. Such communications should refer to File No. S7-523. All such communications will be available for public inspection. (Rel. 33-5492)

COMMISSION ANNOUNCEMENTS

REGULATION A EXEMPTION OF PETROLEUM ENERGY INVESTORS, LTD. SUSPENDED

An order has been issued temporarily suspending the Regulation A exemption from registration under the Securities Act of 1933 with respect to the offer and sale of limited partnership units in Petroleum Energy Investors, Ltd. (Petroleum) of Palo Alto, California. Miller Management Services, Inc. (MMS) of Palo Alto, California, was to act as general partner for Petroleum. Under a notification filed on July 18, 1973, MMS offered 100 partnership units at \$5,000 per unit. The proceedings are based on staff allegations that (a) the notification and offering circular of MMS contain untrue statements of material facts and omit to state material facts necessary to make the statements made not misleading, particularly with respect to the failure to disclose all promoters and affiliates; the failure to disclose a temporary restraining order and subsequent preliminary injunction against the issuer and its president; the failure to disclose the sale of unregistered securities; (b) the terms and conditions of Regulation A have not been complied with, particularly with respect to the unavailability of the Regulation A exemption in that MMS, Follis O. Miller, and Sant Pallan, an affiliate of MMS, are subject to a decree of a court of competent jurisdiction of the State of California preliminarily enjoining and restraining such persons from engaging in any violations of the California Securities Act; and (c) the proposed offering, if made, would be in violation of the antifraud provisions of the securities laws. (Rel. 33-5493)

HOLDING COMPANY ACT RELEASES

ALABAMA POWER COMPANY

A notice has been issued giving interested persons until May 28 to request a hearing on a proposal of Alabama Power Company, subsidiary of The Southern Company, to sell up to \$100 million of first mortgage bonds at competitive bidding. The proceeds will be used to retire short-term debt, to finance Alabama's 1974 construction program, and for other corporate purposes. (Rel. 35-18402)

SECURITIES ACT REGISTRATIONS

(S-1) DONBAR DEVELOPMENT CORP.

405 Lexington Ave., New York, N. Y. 10017 - 700,000 shares of common stock, to be offered for sale through underwriters headed by Philips, Appel & Walden, Inc., 111 Broadway, New York, N. Y. 10006. The company is engaged in the limited production and licensing of a heat transfer device known as a rotary heat exchanger. (File 2-50896 - Apr 29)

(S-7) FLORIDA POWER CORPORATION

3201 34th St., South, St. Petersburg, Fla. 33711 - 500,000 shares of cumulative preferred stock, to be offered for sale at competitive bidding. The company is engaged in the electric utility business. (File 2-50889 - Apr 26)

(S-1) VOLT INFORMATION SCIENCES, INC.

1221 Avenue of the Americas, New York, N. Y. 10020 - \$2,250,000 of 10% subordinated debentures, to be offered in exchange for outstanding shares of common stock at the rate of \$2.25 face amount of debentures for each share of common stock. Volt provides technical services, places temporary personnel, and manufactures and sells computerized typesetting equipment. (File 2-50906 - Apr 30)

(S-10) BTA OIL PRODUCERS

104 South Pecos St., Midland, Tex. 79701 - 100 units of fractional and undivided nonproducing working interests in oil and gas leases located in Lea County, New Mexico, to be offered for sale at \$8,100 per smallest unit. BTA is a general partnership engaged in oil and gas exploration and development. (File 2-50908 - Apr 29)

(S-1) GRAN-DEL FARMS, LTD. (the Partnership)

c/o The General Partner, Rocking K Cattle Corporation, 3034 East Commercial Blvd., Fort Lauderdale, Fla. 33308 - 3,500 limited partnership interests, to be offered for sale at \$1,000 per interest with a minimum investment of five interests by selected NASD members. The Partnership intends to engage in breeding and marketing purebred and 15/16 Charolais cattle. (File 2-50911 - Apr 30)

(S-1) PETROLEUM RESOURCES COMPANY (the General Partner)

2021 Hennepin Ave. East, Minneapolis, Minn. 55413 - \$2 million of partnership interests, to be offered for sale at \$5,000 per unit, with a minimum sale of one unit. The offering will be made by selected dealers headed by Midland Management Corp. as Dealer-Manager, 800 Southgate Office Plaza, Minneapolis, Minn. 55437. The company is a wholly-owned petroleum exploration, development and refining subsidiary of Midland Cooperatives, Incorporated, Minneapolis, Minnesota. (File 2-50917 - Apr 29)

(S-3) GOLD AND MINERALS COMPANY, INC.

1522 K St., N.W., Washington, D.C. 20005 - 300,000 shares of common stock, to be offered for sale at \$2.50 per share through Bronwen Corporation, 1831 M St., N.W., Washington, D.C. 20036. The company intends to explore two placer mining properties in Alaska mainly for gold. (File 2-50918 - Apr 30)

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:

Richmond Corp., Richmond, Va. (File 2-50898 - Apr. 29) - 120,000 shares

W.R. Grace & Co., New York, N. Y. (File 2-50899 - Apr. 29) - 100,000 shares

Western Gear Corp., Lynwood, Cal. (File 2-50902 - Apr. 30) - 140,000 shares,

(File 2-50903 - Apr. 30) - \$3,000,000 of interests & (File 2-50904 - Apr. 30) - 175,000 shares

Jack's Food Systems, Inc., New York, N. Y. (File 2-50910 - Apr. 30) - 35,000 shares

Sun Electric Corp., Chicago, Ill. (File 2-50913 - Apr. 29) - 50,000 shares

First Maryland Bancorp, Baltimore, Md. (File 2-50919 - Apr. 30) - 110,000 shares

Kit Manufacturing Company, Long Beach, Cal. (File 2-50905 - Apr. 30) - 132,450 shares

Merck & Co., Inc., Rahway, N. J. (File 2-50907 - Apr. 30) - 100,000 shares

United States Filter Corp., New York, N. Y. (File 2-50909 - Apr. 30) - 32,650 shares

Third National Corp., Nashville, Tenn. (File 2-50914 - Apr. 30) - 500,000 shares
 Hammermill Paper Company, Erie, Pa. (File 2-50920 - Apr. 29) - 327,096 shares
 Presto Products Inc., Appleton, Wis. (File 2-50921 - Apr. 29) - 40,000 shares
 United Aircraft Corp., East Hartford, Conn. (File 2-50922 - Apr. 29) - 600,000 shares

REGISTRATIONS EFFECTIVE

May 2: Dun & Bradstreet Companies, Inc., 2-50492; Southeast Banking Corp., 2-50782.
May 3: ACF Industries Inc., 2-50491; Allied Artists Pictures Corp., 2-50793; Armada Corp., 2-50494; Bell & Howell Company, 2-50707; Borne Chemical Company, Inc., 2-48155; Carolina Power & Light Company, 2-50714 & 2-50715; Continental Telephone Corp., 2-50784; EG&G Inc., 2-50849; Jos. Schlitz Brewing Company, 2-50818; PPG Industries, Inc., 2-50806; The Hanna Mining Company, 2-50775; Uniroyal, Inc., 2-50844; Warner-Lambert Company, 2-50580; Westland Realty Trust, 2-49595 (90 days); Wometco Enterprises, Inc., 2-50821; Work Wear Corp., 2-50812.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown in parentheses after the name of the issuer.

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- | | |
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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. Revaluation of Assets or Restatement of Capital Share Account</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> | |

The companies listed below have filed 8-K reports for the month 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 month and year of report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	MONTH
INTERNATIONAL MINERALS & CHEMICAL CORP	NO ITEMS	02/74
MIDWESTERN FIDELITY CORP OF OHIO	10,14	03/74
AMENDMENTS TO REPORTS ON FORM 8-K		
PLASTICS DEVELOPMENT CORP OF AMERICA	10,14	02/74
SEAPORT CORP	10,14	12/73
SUN OIL CO	3	12/73
UNICORN INDUSTRIES	14	03/74
UNITED ALABAMA BANCSHARES INC	2	02/74
USP REAL ESTATE INVESTMENT TRUST	13	01/74

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 15¢ per page plus postage for mailing within four days (\$2 minimum) and 30¢ 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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 SEC DOCKET is published weekly. Subscription rates: \$21.35/yr in U.S. first class mail, \$26.70 elsewhere. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.