

sec news digest

a daily summary from the securities and exchange commission

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April 27, 1973

RULE PROPOSALS AND ADOPTIONS

AMENDMENT OF RULE 3a11-1. The Commission announced the amendment of Rule 3a11-1 under the Securities Exchange Act of 1934 (Act) effective April 27, 1973. Rule 3a11-1 has been amended as originally proposed in Release No. 34-9929 (January 29, 1973). The amendment clarifies the term "equity security" under the Act to specifically include calls and puts ("options").

The principal effect of this amendment is to make it clear that the Federal Reserve Board has authority under Section 7(d) of the Act to regulate the extension or maintenance of credit by banks with respect to such options. (Rel. 34-10129)

CORRECTIONS RE PROPOSED AMENDMENTS TO REGULATION S-X. On April 12, 1973, the Commission proposed certain amendments to Regulation S-X in Securities Act Release No. 5384. There was an error in the third from the last paragraph of the released proposal which should be changed to read as follows (changes underlined):

The Commission has issued these proposed rule changes and guidelines to clarify and provide guidance for compliance with the objectives of disclosure of restricted funds and the effective cost of borrowing. All interested persons are invited to submit their views and comments with respect to the foregoing proposals to amend Rules 5-02-1, 5-02-25, 5-02-29, 5-02-30 and 5-02-32 and with respect to associated guidelines and interpretations set forth therein on or before June 15, 1973. All such views and comments should be submitted to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549. Such communications should refer to File No. S7-481. All such communications will be available for public inspection. (Rel. 33-5384A)

COMMISSION ANNOUNCEMENTS

TRADING SUSPENDED IN NINE COMPANIES. The SEC has ordered the temporary suspension of over-the-counter trading in the securities of Administrative Systems, Inc., Mineola, New York; Custer Channel Wing Corporation, Enid, Oklahoma; Cosmos Industries, Inc., Brooklyn, New York; Transvac, Inc., Plainview, New York; Georgia Factors, Inc., Atlanta, Georgia; Taco King, Inc., St. Louis, Missouri; Jefferson National Equities Corp., Birmingham, Alabama; Belair Financial Corp., Beverly Hills, California; and Standard Motels, Inc., Los Angeles, California, for one ten-day period commencing at 10:00 a.m. (EST) on April 26, 1973 and terminating on May 5, 1973.

The Commission ordered the suspension of trading because of the lack of adequate and accurate public information concerning these companies which have failed to timely and properly file certain annual and quarterly reports with the Commission on Forms 10-K and 10-Q. (Rel. 34-10128)

COURT ENFORCEMENT ACTIONS

ANGELA DEAN & COMPANY PERMANENTLY ENJOINED. The SEC New York Regional Office announced that on March 21 the Federal court in New York entered an order on consent permanently enjoining Angela Deane & Co., Inc., a New York broker-dealer, from violations of the Commission's net capital and supplemental notice and reporting requirements. Angela Deane, president, was also permanently enjoined from aiding and abetting violations. (LR-5865)

EUGENE C. SIT AND JAMES R. JUNDT ENJOINED. The SEC New York Regional Office announced on April 27 that the Federal court in New York permanently enjoined Eugene C. Sit and James R. Jundt, two portfolio managers employed by Investors Diversified Services, Inc. (IDS), a Minneapolis-based manager of seven mutual funds. The judgments, which were entered with the consent of Sit and Jundt, arose out of the Commission's case against Lum's, Inc. (now known as Caesars World, Inc.) and others, based upon the alleged transmission and use on January 8, 1970 of adverse, non-public (inside) information concerning projected earnings for Lum's second fiscal quarter ended January 31, 1970. The Commission's complaint alleged that IDS sold on behalf of the two mutual funds managed by Sit and Jundt, approximately 83,000 shares of Lum's based upon the adverse information.

The judgments were entered without Sit and Jundt admitting or denying the Commission's allegations and they permanently enjoin Sit and Jundt from using material, non-public corporate information, with respect to any securities, in violation of the anti-fraud provisions of Rule 10b-5 promulgated under Section 10(b) of the Securities Exchange Act of 1934.

Sit and Jundt have filed applications with the Commission seeking an Order of Permanent Exemption from the provisions of Section 9(a) of the Investment Company Act of 1940 in connection with the above permanent injunctions. The Act prohibits IDS from having in its employ as investment advisers for the mutual funds, persons subject to an injunction. It was also announced that the Commission has issued an order temporarily exempting Sit and Jundt from the provisions of Section 9(a) pending final determination of the applications, thereby permitting Sit and Jundt to continue to service the mutual funds under their control. (LR-5868)

NATIONAL BANK & TRUST CO., LTD., OTHERS RESTRAINED; CERTAIN DEFENDANTS ARRESTED. The SEC Chicago Regional Office announced that on April 18 the Federal court in Detroit entered an order temporarily restraining National Bank & Trust Co. Limited; Emmanuel Levy, also known as Wayne Squibb, and also known as M.E.L. Agencies; Gerald G. Donsky, also known as Mel Lenny, and also known as M.E.L. Agencies; and Frank Blaney, also known as George Koffman, from violations of the antifraud provisions of the Federal securities laws in the offer and sale of stock of American Telephone & Telegraph Corporation. The court ordered the defendants to appear on April 23 to show cause why a preliminary injunction should not be entered.

On April 17, defendants Levy, Donsky and Blaney were arrested in Detroit by agents of the U. S. Postal Inspection Service, following the signing of complaints by a Postal Inspector alleging mail fraud. The defendants were jailed in lieu of \$25,000 cash or surety bonds. A preliminary examination has been scheduled for April 27 on the mail fraud charges. All defendants reside in the Toronto, Ontario, Canada area and defendants Blaney and Levy are also citizens of Canada. (LR-5863)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY. The SEC has issued a notice giving interested persons until May 24 to request a hearing upon a proposal of Consolidated Natural Gas Company, New York, New York holding company, to issue and sell subject to competitive bidding, \$50,000,000 of debentures, due 1998. The bonds will be subject to a sinking fund commencing June 1, 1978, designed to retire 80% of the aggregate principal amount thereof by maturity. The proceeds will be used to finance, in part, the 1973 capital expenditures of Consolidated's subsidiary companies (estimated at \$167,000,000). (Rel. 35-17942)

THE COLUMBIA GAS SYSTEM. The SEC has issued an order authorizing proposals of The Columbia Gas System of Wilmington, Del., and its wholly-owned subsidiaries. The subsidiaries propose to issue and sell to Columbia prior to April 1, 1974 unsecured installment notes and common stock, at par value; and Columbia proposes to make advances on open account to certain of the subsidiary companies. The proceeds from the issue and sale of the notes and common stock will be used to finance a part of the respective subsidiary companies' construction programs, and the proceeds of the open account advances will be used by the subsidiary companies to finance the purchase of winter service gas, current inventories and other short-term seasonal purposes. (Rel. 35-17943)

ARKANSAS-MISSOURI POWER CO. The SEC has issued a memorandum opinion and order granting an exception from competitive bidding for the sale of the common stock of Associated Natural Gas Company by Arkansas-Missouri Power Company, a subsidiary of Middle South Utilities, Inc. The sale of stock is incident to Arkansas-Missouri's commitment to dispose of its gas utility properties. The Cities of Kennett, Sikeston, Malden and Oran, Missouri, filed a petition to intervene in the proceeding objecting to an unconditional exception from competitive bidding. The Commission, in denying the imposition of the Cities' requested conditions, noted that exceptions of this nature had been previously found appropriate and that, since Arkansas-Missouri Power Company is obliged to maintain competitive conditions of sale with respect to the gas properties, the essential purpose of the Cities' petition, i.e., to enable them to succeed in purchasing certain of the properties, was prematurely raised. (Rel. 35-17944)

SECURITIES ACT REGISTRATIONS FILED

THE COCA-COLA BOTTLING COMPANY OF NEW YORK, INC. 425 East 34th Street, New York, N.Y. 10016 - 176,264 shares of common stock, which may be offered for sale from time to time by certain shareholders at prices prevailing at the time of sale (* \$20.125 per share maximum). (File 2-47613 - Apr 6)

THE ML CORPORATE INCOME FUND, SIXTH MONTHLY PAYMENT SERIES. One Liberty Plaza, New York, N.Y. 10006 - \$31,500,000 of units. The Fund was created under Massachusetts law by a trust agreement between Merrill Lynch, Pierce, Fenner & Smith, Inc. as sponsor, The Bank of New York and The National Shawmut Bank of Boston as trustees, and Interactive Data Services, Inc. as evaluator. The Fund was formed for the purpose of obtaining a high level of current income through investment in a fixed portfolio of long term debt obligations rated "BBB" or better by Standard & Poor's Corporation or Fitch Investors Service, Inc. or "Baa" or better by Moody's Investors Service or having, in the opinion of the sponsor, similar credit characteristics. (File 2-47631 - Apr 10)

INTERNATIONAL CHEMICAL & NUCLEAR CORPORATION, 2727 Campus Drive, Irvine, Calif. 92664 - 1,500,000 shares of common stock, of which 809,170 shares may be offered for sale from time to time by certain shareholders at prices current at the time of sale (* \$13.75 per share maximum). Of the remaining shares, 488,702 may be offered by the company from time to time in connection with future acquisitions and 202,128 shares upon conversion of notes issued to Dow Banking Corporation, a Swiss corporation, by ICN International Finance, N.V., a Netherlands Antilles company and a wholly owned subsidiary of the company. The company manufactures and markets pharmaceuticals and related items, biochemicals, radioactive compounds, radioactive sources and related instrumentation, and is engaged in the wholesale distribution and merchandising of health and beauty aids and housewares. (File 2-47635 - Apr 10)

CALIFORNIA COMPUTER PRODUCTS, INC., 2411 W. La Palma Avenue, Anaheim, Calif. 92801 - 80,000 shares of common stock, which may be offered for sale from time to time by certain shareholders at prices prevailing at the time of sale (* \$10.25 per share maximum). (File 2-47641 - Apr 11)

ELI LILLY AND COMPANY, 307 East McCarty Street, Indianapolis, Indiana 46225 - 950,000 shares of common stock, to be offered for sale by the Ruth Allison Lilly Estate, the selling shareholder (* at \$81.25 per share maximum) through underwriters headed by Morgan Stanley & Co., 2 Wall Street, New York, N.Y. 10005. (File 2-47645 - Apr 11)

AMF INCORPORATED, 777 Westchester Avenue, White Plains, New York 10604 - 54,100 shares of common stock, which may be offered for sale from time to time by certain shareholders at prices prevailing at the time of sale or at negotiated prices (* \$31.125 per share maximum). (File 2-47651 - Apr 11)

THE MUNICIPAL BOND FUND, SERIES 8. \$25,000,000 of units. The Fund was created pursuant to a trust indenture and agreement between Dean Witter & Co., Inc., Paine, Webber, Jackson & Curtis, Inc., and Reynolds Securities as sponsors, United States Trust Company of New York as trustee, and Standard & Poor's Corporation as evaluator. The Fund consists of interest bearing obligations issued by or on behalf of states, counties, municipalities, and territorial possessions of the United States, and authorities, agencies and other political subdivisions thereof, the interest income on which, in the opinion of counsel or by ruling of the Internal Revenue Service, is exempt from present Federal income taxes. The minimum rating of the Bonds is Standard & Poor's Corporation's rating "BBB" or Moody's Investors Service, Inc.'s rating "Baa." (File 2-47653 - Apr 11)

ORANGE AND ROCKLAND UTILITIES, INC., 75 West Route 59, Spring Valley, New York 10977 - \$25 million of first mortgage bonds, Series M, due 2003, to be offered for sale at competitive bidding. Net proceeds will be used to reduce outstanding short-term indebtedness incurred in connection with the company's construction program. Construction expenditures are estimated at \$319 million for the period 1973 through 1977. (File 2-47654 - Apr 11)

MISCELLANEOUS

RECENT FORM 8-K 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; and any newly enacted requirements effecting registrant's business.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item on the 8K form numbered in the parentheses. 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 several items of the form was included in Monday's News Digest.

8K REPORTS FOR MARCH 1973

Safeco Corp (3)	1-6563-2	Southwestern Group Investors	
B.F. Saul Real Estate Invest Trust (7)	0-3356-2	(7)	0-6082-2
Seaboard Allied Milling Corp (13)	1-3390-2	Spartan Drug Products Inc.	
Seaboard Oil & Gas Co. (3,4,7,8,10)	0-6061-2	(2,10,13,14)	0-5282-2
Sealed Air Corp (3)	0-3030-2	Staco Inc. (6)	0-1900-2
Seco Life Insurance Company (13,14)	2-46200-2	Standard Dredging Corp (7,9,11)	1-2973-2
Sedco Inc. (13)	1-5981-2	Standard Microsystems Corporation (7)	2-44126-2
Seneca Foods Corporation (2,3,4,7,8,9,14)	0-1989-2	Standun, Inc. (7)	0-6101-2
Servo Corp of America (7,8,13)	1-3925-2	J P Stevens & Co., Inc. (11,14)	1-3434-2
Shastina Properties Inc. (3)	2-41734-2	Suburban Bancorporation (11,14)	0-6462-2
Showboat, Inc. (13)	1-7123-2	Sunshine-Fifty Inc. (11)	0-4318-2
Singer Company (13,14)	1-4327-2	Swift & Co. (11,14)	1-5929-2
Sonesta International Hotels Corp (3)	1-3466-2	Szabo Food Service Inc. (2,13)	1-72-2
Sossin System Inc. (2)	2-30606-2	Tappan Company (4,7,14)	1-6001-2
South Central Bell Telephone Co. (11)	1-6507-2	Tejon Agricultural Partners (13,14)	2-44212-2
Southeastern Michigan Gas Co. (7)	0-1307-2	Telesciences Inc. (7,13)	2-31676-2
Southern Bell Tel & Tel Co. (7,11,14)	1-1049-2	Terramar Corporation (7)	0-6698-2
Southern Realty & Utilities Corp (7,11,14)	1-4253-2	Texfi Industries, Inc. (11,14)	1-6797-2
Southland Financial Corp (8)	0-6259-2	Textured Products, Inc. (3)	2-44268-2
Southwest Leasing Corporation (11,14)	0-6424-2	Tia Maria, Inc. (10,14)	2-44450-2
		Trailer Train Co. (11,14)	2-20540-2
		Trans Atlas Corporation (2,7,12,14)	2-38189-2
		Trans Delta Corp (2)	0-4347-2
		Trans-Sonics, Inc. (11,13)	0-2618-2
		Transamerica Financial Corp (8)	1-6798-2

8K REPORTS FOR MARCH 1973 CONT.

Trans-Canada Pipe Lines, Ltd. (7,8)	2-12927-2	Visual Electronics Corp (3,14)	1-5460-2
Transport Data Communications Inc.(12,13,14)	2-39554-2	Vogue Instrument Corp (7)	0-2967-2
Tri-South Mortgage Investors (7)	1-6913-2	Volt Information Sciences, Inc. (11,14)	0-3932-2
Trio Laboratories, Inc.(11,14)	1-6158-2	Volunteer Natural Gas Co.(12)	0-652-2
Turf Paradise, Inc.(8)	0-1923-2	Weco Development Corp (3,13)	0-6607-2
USM Corp (10,14)	1-1599-2	Weight Watchers International, Inc. (11,13,14)	0-3389-2
USP Real Estate Investment Trust (2,14)	2-37029-2	Weibilt Corporation (3)	1-586-2
Unagusta Corporation (3,7,13,14)	2-34415-2	Welded Tube Co. of America (7,8,13,14)	1-5461-2
Uniroyal, Inc.(7,14)	1-62-2	Wellington Management Company (3,8)	0-163-2
United Communities Corp (2)	0-3611-2	Wells Fargo & Co. (13)	1-6214-2
United Financial Corp of California (2,7)	1-4557-2	Western Air Lines Inc.(13)	1-1521-2
United Park City Mines Co. (2,7)	1-3753-2	Western Union Corp (7,8)	1-6310-2
U.S. Reduction Co. (3)	1-5328-2	Wheelabrator-Frye Inc.(7,8,14)	1-2278-2
U.S. Filter Corp (10,14)	1-4097-2	White Motor Corporation (10,14)	1-1363-2
University Computing Co.(10,14)	1-7001-2	The Wiener Corporation (13)	0-3682-2
The Upjohn Company (3,13)	1-4147-2	Willner Industries (2)	1-6213-2
		Windecker Industries Inc.(13)	0-5689-2
		Wyle Laboratories (2,14)	1-5374-2
		Wyoming Industrial Development Corp (11)	2-26917-2
Utah International, Inc.(7,14)	1-5874-2	Xiox International Inc.(7)	2-28544-2
VWR United Corporation (3)	1-5858-2	Youngstown Sheet & Tube Co. (10,14)	1-6080-2
Vail Associates, Inc.(2)	0-2984-2		
Varadyne Industries Inc.(12)	0-3243-2		
Verit Industries (11,13)	1-6301-2		
Vernitron Corp (3,9,14)	1-5665-2		
Vetco Offshore Industries, Inc. (7,13,14)	1-5889-2		

SUSPENSION OF TRADING IN TRIONICS STOCK CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the common stock of Trionics Engineering Corp. for a further ten-day period from April 27 through May 6, 1973. (Rel. 34-10130)

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of Equity Funding Corporation of America and over-the-counter trading in the securities of Clinton Oil Company and Industries International, Inc. for the further ten-day period April 27 through May 6, inclusive.

SECURITIES ACT REGISTRATIONS. Effective April 26: Allegheny Airlines, Inc., 2-47466; Ceco Corporation, 2-47520; Colgate-Palmolive Co., 2-47583; Eli Lilly and Company, 2-47645; Florida Gulf Realty Trust, 2-47070 (July 25); Gannett Co., Inc., 2-47414; Industrial National Corporation, 2-47580; Philip Morris, Inc., 2-47222; Raytheon Company, 2-47582; TRW Inc., 2-47665 and 2-47612; Wango Incorporated, 2-47671; Wickes Corp., 2-47596; Zenith United Corporation, 2-47423.

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

*As estimated for purposes of computing the registration fee.

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Copies of registration statements may be ordered from the Commission's Public Reference Section. All other referenced material is available in the issue of the SEC Docket indicated in parentheses below the News Digest Issue No. Both the News Digest (\$33.00 a year, first class mail; \$8.25 additional for foreign mailing; \$25.00 additional for air mail) and the SEC Docket (\$17.00 a year, first class mail; \$4.25 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.