

# sec news digest

U.S. SECURITIES & EXCHANGE COMMISSION

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Issue 74-121

(SEC Docket, Vol. 4, No. 13 - July 2)

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June 21, 1974

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## COMMISSION ANNOUNCEMENTS

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### CAPITALIZATION OF INTEREST CHARGES

Reacting to its concern that an increasing number of public companies have begun to adopt a policy of capitalizing certain interest costs, the Commission today proposed to prohibit companies, after June 21, 1974, from adopting a policy of capitalizing interest charges. Companies which at that date were capitalizing interest costs would be permitted to continue that policy. It also proposed to require certain disclosures by companies (with the exception of electric, gas and water utilities) which capitalize interest charges. When the Financial Accounting Standards Board has developed standards in this area, the Commission expects to reconsider this matter. Comments on the proposals should be submitted by August 31, 1974. (Rel. 33-5505)

### CORRECTIONS RE NOTICE OF AMENDMENTS TO FORMS

S-1, S-7, S-8, S-9, S-11, 10, 12, 8-K, 10-K, 11-K, 12-K and U5S, and Regulation S-X

An errata sheet has been released with respect to the above notice (Rel. ASR-155), which was reported in the News Digest on April 25, 1974. (Rel. ASR-155A)

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## COURT ENFORCEMENT ACTIONS

### BRENNAN FINANCIAL SERVICES, INC., OTHERS, ENJOINED

The Los Angeles Regional Office and the San Francisco Branch Office announced that on June 10 the Federal court for California preliminarily enjoined the following from violations of the registration and antifraud provisions of the securities laws in the formation, sale and management of real estate limited partnership syndications: Brennan Financial Services, Inc., The Whitney Properties Corporation, T. J. Smith and Associates, Whitney Enterprises of L.A., T. J. Smith and Associates of L.A., The James E. Brennan Corporation, Milo Whitney Smith, Terry J. Smith, and James E. Brennan.

In addition, the defendants were ordered to submit, within thirty days, an accounting of personal or corporate finances for each year end from May 1969 to December 31, 1973 and the four month period ending April 30, 1974. (LR-6405)

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## INVESTMENT COMPANY ACT RELEASES

### AMERICAN GENERAL LIFE INSURANCE COMPANY

An order has been issued on an application of American General Life Insurance Company and American General Life Insurance Company Separate Account B, a registered unit investment trust, exempting applicants from certain provisions of the Act to permit (a) the sale of variable annuity contracts without sales and administrative charges in certain circumstances and (b) the insurance company to hold the assets of the separate account. (Rel. IC-8392)

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## HOLDING COMPANY ACT RELEASES

### CONSOLIDATED NATURAL GAS COMPANY

The SEC has authorized the 1974 financing program of Consolidated Natural Gas Company and its subsidiary companies. The 1974 financing program contemplates the following transactions: (a) a short-term bank loan by Consolidated of up to \$60 million, the proceeds to be advanced to the subsidiaries to finance gas storage inventories; (b)

the sale by Consolidated of up to \$50 million in commercial paper, the proceeds to provide working capital advances to subsidiaries; (c) a back-up \$30 million line of credit from a commercial bank; (d) long-term loans by Consolidated of \$43.5 million to subsidiaries to finance, in part, their 1974 capital expenditures (estimated at approximately \$195 million); and (e) the purchase by Consolidated of \$32.8 million par value of capital stock of subsidiary companies. (Rel. 35-18466)

#### PENNSYLVANIA ELECTRIC COMPANY

A supplemental order has been issued correcting an error in the order authorizing the sale of first mortgage bonds at competitive bidding. The figure "\$5,000" appearing in the fourth paragraph of that order is incorrect and is amended to read "\$21,000". (Rel. 35-18465)

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## TRADING SUSPENSIONS

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#### ADDITIONAL ACTION ON SEVEN TRADING SUSPENSIONS

The SEC has announced the suspension of (a) exchange and over-the-counter trading in the securities of Equity Funding Corp., and over-the-counter trading in the securities of Zenith Development Corp. and Industries International Inc. for the further ten-day period June 21-30, inclusive; and (b) exchange and over-the-counter trading in the securities of Stratton Group, Ltd., and over-the-counter trading in the securities of Franklin New York Corp., Franklin National Bank and Continental Vending Machines, Inc. for the further ten-day period June 24-July 3, inclusive.

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## SECURITIES ACT REGISTRATIONS

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#### (S-7) WEIL-MCLAIN COMPANY, INC.

10400 North Central Expressway, Dallas, Tex. 75231 - 361,326 common shares, issuable pursuant to options granted or which may hereafter be granted under the company's Stock Option and Incentive Compensation Stock Unit Plans. The company is a diversified manufacturer of heating and cooling equipment, fluid systems, housing, air handling equipment and out-door lighting. (File 2-51353 - June 19)

#### (S-1) MID-CONTINENT, INC.

310 Mid-Continent Plaza, West Memphis, Ark. 72301 - 25,000,000 shares of common stock. It is proposed to offer these shares to the stockholders of Mid-Continent, Inc. and Seago Enterprises, Inc. in connection with the proposed merger of the companies into Mid-Continent, Inc., a new Delaware corporation. The conversion rate for Mid-Continent shareholders is 1.2523 shares of survivor for each common share of Mid-Continent, Inc.; the conversion rate for Seago shareholders is 250 shares of the survivor for each Seago common share. Mid-Continent, Inc. is a truck stop franchisor and motor carrier service company, and Seago is a marketer of petroleum products in the Southeast U.S. (File 2-51354 - June 19)

#### (S-16) XEROX CORPORATION

Stamford, Conn. 06904 - 506,756 shares of common stock, issuable upon conversion (on or after January 1, 1975) of outstanding 5% convertible subordinated debentures, due 1988. Xerox develops, manufactures and markets business products, principally xerographic copiers and duplicators, and related supplies and services. (File 2-51357 - June 19)

#### 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:

- Intersil, Inc., Cupertino, Cal. (File 2-51346 - June 18) - 200,000 shares
- Gulf Oil Corporation, Pittsburgh, Pa. (File 2-51348 - June 18) - 4,000,000 shares
- Spartan Food Systems, Inc., Spartanburg, S.C. (File 2-51349 - June 18) - 79,758 shares
- Corning Glass Works, Corning, N.Y. (File 2-51351 - June 19) - 200,000 shares
- The Anaconda Company, New York, N. Y. (File 2-51355 - June 19) - 800,000 shares

REGISTRATIONS EFFECTIVE

June 20: Bluebird Inc., 2-51004; Canaveral International Corp., 2-41994; Florida Power Corp., 2-50890; Gold and Minerals Company, Inc., 2-50918 (90 days); Holding Trust, 2-50503; Leisures Activities Corporation of America, 2-47557; The Perkin Elmer Corp., 2-51172; Telescience, Inc., 2-50257; Vico Corp., 2-51027.  
 June 21: Service Corporation International, 2-50721.

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
TEXAS ELECTRIC SERVICE CO	11	05/74
TEXAS POWER & LIGHT CO	11	05/74
TILAR INDUSTRIES INC	3	05/74
TRIANGLE INDUSTRIES INC	11,13,14	05/74
TUCSON GAS & ELECTRIC CO	11,14	05/74
UNIONAMERICA INC	9,11	05/74
UNIVERSAL RUNDLE CORP	11,14	05/74
VALERON CORP	7,14	05/74
VAUGHAN JACKLIN CORP	13,14	05/74
VICTOR COMPTOMETER CORP	11,14	05/74
WARNER COMMUNICATIONS INC	11,13,14	05/74
WASHINGTON NATURAL GAS CO	13	05/74
WATERS ASSOCIATES INC	9,11,14	05/74
WEST KNITTING CORP	8	05/74
WESTON ROY F INC	2,11,13,14	05/74
WHITTAKER CORP	4,10,13,14	05/74
WOMETCO ENTERPRISES INC	7	05/74
WOODWARD & LOTHROP INC	3,14	05/74
XEROX CORP	11	05/74
AAR CORP	4,7,14	05/74
AIR KING CORP	11,13	05/74
AIRBORNE FREIGHT CORP	11,13,14	05/74
AIRWICK INDUSTRIES INC	11,14	05/74
ALBERTSONS INC	9,11,13	05/74
AMCORD INC	11,13,14	05/74
AMERICAN AGRONOMICS CORP	9,11,12	05/74
AMERICAN BAKERIES CO	13	05/74
AMERICAN FINANCIAL CORP	7,8,11	05/74
AMERICAN HOUSING PARTNERS	13	05/74
AMERICAN INTERNATIONAL GROUP INC	3	05/74
AMERICAN MOTORS CORP	3	05/74
AMERICAN SHIP BUILDING CO	3	05/74
ANACONDA CO	7,11,13,14	05/74
ARABIAN SHIELD DEVELOPMENT CO	7	05/74
ARDEN MAYFAIR INC	11	05/74
ARLEN REALTY & DEVELOPMENT CORP	NO ITEMS	05/74
ARROW ELECTRONICS INC	11,14	05/74
ARTS WAY MANUFACTURING CO INC	13	05/74
ASTRONICS CORP	11	05/74
ATLANTIC DEPARTMENT STORES INC	1,3	05/74
AUTHENTICOLOR INC	3,14	05/74
AVIS INC	7,14	05/74
BANK OF NEW YORK CO INC	3	05/74
BANKERS UNION LIFE INSURANCE CO	3	05/74
BELL & HOWELL CO	11,14	05/74

RECENT 8K FILINGS CONT.

BERNZOMATIC CORP	3	05/74
BLISS & LAUGHLIN INDUSTRIES INC	4,11,14	05/74
BLOCK ENGINEERING INC	13,14	05/74
BOOTH NEWSPAPERS INC	11	05/74
BRADFORD COMPUTER & SYSTEMS INC	2,11	05/74
BRANIFF AIRWAYS INC	7	05/74
BRANIFF INTERNATIONAL CORP	11	05/74
BUCYRUS ERIE CO	2	05/74
BUNDY CORP	2,8,14	05/74
CALIFORNIA LIFE CORP	3,4,7,9,11,13,14	05/74
CALIFORNIA WINDSOR CO	8,10,11,13,14	05/74
CAPITAL PLANNING RESOURCES	2,13	05/74
CARLYLE REAL ESTATE LTD PARTNERSHIP 72	2,14	05/74
CECO CORP	3	05/74
CERRO CORP	11	05/74
CF&I STEEL CORP	8	05/74
CHAMPION HOME BUILDERS CO	3	05/74
CHARLES RIVER BREEDING LABORATORIES INC	2,14	05/74
CHARTER HAWLEY HALE STORES INC	11,14	05/74
CHASE MANHATTAN MORTGAGE & REALTY TRUST	7,14	05/74
CHEMETRON CORP	7,14	05/74
CHEMICAL NEW YORK CORP	13	05/74
CHESSCO INDUSTRIES INC	2,14	05/74
CHILD WORLD INC	11	04/74
CIG INTERNATIONAL CAPITAL CORP	2,14	06/74
CLOROX CO	7,14	05/74
CLUETT PEABODY & CO INC	11,14	05/74
COMARCO INC	11	05/74
COMMERCE BANCSHARES INC	14	05/74
COMMODORE CORP	13,14	05/74
CONSOLIDATED EDISON CO OF NEW YORK INC	3,11,14	05/74
CONTINENTAL CAN CO INC	3,7,8,14	05/74
CONTROL DATA CORP	3	05/74
COOK TREADWELL & HARRY INC	12	05/74
COOPER LABORATORIES INC	4,7,14	05/74
CORDIS CORP	13	05/74
CP REALTY TRUST	2,14	05/74
CUMMINS ENGINE CO INC	13,14	05/74
CURTIS PUBLISHING CO	11	05/74
CV AMERICAN CORP	12,14	05/74
DATA PLEX SYSTEMS INC	7,9,13,14	05/74
DELTA CALIFORNIA INDUSTRIES	11,14	05/74
DETECTO SCALES INC	11	05/74
DETROIT EDISON CO	13,14	05/74
DIAMONDHEAD CORP	11,13	05/74
DIVERSIFIED INDUSTRIES INC	2,10,11,13,14	05/74
DRESSER INDUSTRIES INC	2,7,11,14	05/74
DRIVER HARRIS CO	11	06/74
DUDDYS INC	9,13,14	05/74
EAGLE GENERAL CORP	2,14	05/74
EATON CORP	8	05/74
ELECTRONIC RESEARCH ASSOCIATES INC	13	05/74
ESB INC	13	05/74

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 (\$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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