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S.E.C. Activities

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SEEK GREATER CLARITY IN FINANCIAL REPORTING, SAYS CASEY

SEC Chairman William J. Casey told a group of financial analysts that the SEC, in order to discharge its obligations to investors, will have to be more active in calling for supplementary disclosures in the area of corporate financial reporting.

Speaking to a meeting of the Financial Executives Institute in Las Vegas yesterday, Mr. Casey said that in the more significant areas he would hope that the Commission would be able to establish clear and definite disclosure rules that can be reflected in the annual reports filed with the SEC and sent to stockholders for the calendar year 1972.

"To start off," he said, "I lean towards requiring a description of all significant accounting policies which would identify and describe accounting principles and their method of application that materially affect financial position, changes in financial position or results of operations. This would describe and quantify, to the extent material and possible, choices made from acceptable alternatives, principles and methods peculiar to an industry and unusual or innovative applications of generally accepted accounting principles."

"Going beyond accounting policies," he continued, "I believe there should be disclosure of all elections and assumptions which affect reported earnings in any material way. This requirement should reach tax elections, assumptions with respect to earnings on pension funds, production estimates on long-term contracts, decisions to invest in plant and equipment which will reduce the current year's taxes but have to justify themselves over a period of years and that sort of thing."

The Chairman said classification of accounts should be brought out in the same manner. "There has been a growing trend for corporations," he said, "to capitalize unusual items such as engineering costs, computer software development costs, basic research and development and questionable items of general overhead. Should a company be required to disclose in its statement of accounting policies or in a footnote all expenses that are capitalized as part of the company's inventory and the method and assumptions utilized to allocate this overhead to the inventory accounts?"

He suggested grouping of these elections and changes so they can be assessed and explained in one place rather than scattered among several footnotes. "I believe also," he added, "that the materiality of these matters should be assessed not item by item, but in the aggregate. Significant offsetting adjustments should be disclosed even though their net effect is small. Materiality should be judged in relationship not to total earnings but in terms of the contribution to increases in earnings or to offsetting decreases in earnings."

He continued: "Another disclosure we are looking at would spell out the differences between earnings reported for taxes and for financial reporting purposes. Tax deferrals resulting from legitimate differences between tax and shareholder reporting can give misleading impressions. Perhaps a tabular reconciliation of these differences would be useful, showing the reasons for the difference between taxable income and pretax income reported to shareholders. A presentation that indicates specifically the future periods in which currently deferred taxes will become payable might well alleviate confusion. The disclosure would also bring out whether changes in earning power, on which analysts and investors are so prone to predicate values, are derived from the improvement or deterioration of operating performance, or from some decision which may have no relevance to operating performance."

DECISION IN ADMINISTRATIVE PROCEEDING

STUART M. SPERLING BARRED. The SEC has issued an order barring Stuart M. Sperling, Evanston, Ill., from association with a broker or dealer. According to the decision, respondent, formerly the office manager of a registered broker-dealer, made false and misleading statements concerning the market price of United American Industries stock and prospective rise therein and his and his employer's purchases of such stock, executed sell orders on his and his employer's behalf while recommending the purchase of such shares to customers, and sold such securities at excessive and unreasonable prices. In addition he was found to have aided and abetted violations of the securities laws entailing improper credit extension, failure to confirm transactions properly, net capital deficiencies, failure to make, keep accurate, and preserve certain books and records, and the filing of an improperly certified financial report.

The respondent consented to the findings and sanctions without admitting or denying the allegations in the order for proceedings. (Rel. 34-9813)

COMMISSION ANNOUNCEMENTS

TRADING SUSPENDED IN MARKETING COMMUNICATIONS SECURITIES. The SEC has ordered the temporary suspension of trading in the over-the-counter market in the securities of Marketing Communications, Inc. of Wayne, N. J. pursuant to Section 15(c)(5) of the Securities Exchange Act of 1934. The suspension is to be effective for a ten-day period beginning October 17, 1972 through October 26, 1972. Marketing Communication's primary business activity is management consulting in the areas of marketing and public relations. The suspension was ordered because of the unavailability of adequate and accurate current information concerning the business operations of the company, the recent price decline from \$6 bid on October 11, 1972 to \$1 bid on October 12, 1972 as reflected in the "pink sheets" of the National Daily Quotation Service, Inc. and the lack of public information to account for the price decline. (Rel. 34-9826)

OVER

COURT ENFORCEMENT ACTION

COMPLAINT NAMES RETEX, INC.; D. A. DOUGHERTY. The SEC Boston Regional Office announced on October 13 the filing of a complaint in the Federal court in Concord, N. H., seeking to enjoin Retex, Inc. and Donald A. Dougherty, its president, of Exeter, N. H., from violations of the registration and antifraud provisions of the Federal securities laws in connection with the offer and sale of stock of Retex. (LR-5570)

INVESTMENT COMPANY ACT RELEASES

JOHN HANCOCK VARIABLE ACCOUNT A. The SEC has issued an order permitting proceeds of certain insurance policies issued by John Hancock Mutual Life Insurance Company, of Boston, to be applied to the purchase of variable annuity contracts of John Hancock Variable Account A without sales or administrative expense charges. (Rel. IC-7432)

NELSON FUND, INC. The SEC has issued an order declaring that Roy L. Reiferson shall not be deemed an interested person of Nelson Fund, Inc., New York mutual fund, as defined in the Act solely by reason of his status as a director of the Guardian Life Insurance Company of America. (Rel. IC-7431)

STATE STREET INVESTMENT CORPORATION. The SEC has issued a notice giving interested persons until November 10 to request a hearing on an application for an order permitting the sale of shares of State Street Investment Corporation, of Boston, without a sales charge, in exchange for the assets of The Connecticut Public Service Corporation, a personal holding company. (Rel. IC-7437)

SHAREHOLDERS MANAGEMENT COMPANY. The SEC has issued a notice giving interested persons until November 10 to request a hearing on an application filed by Shareholders Management Company, Enterprise Fund, Inc., Comstock Fund, Inc., Legal List Investments, Inc., Fletcher Fund, Inc., Harbor Fund, Inc., and Pace Fund, Inc. all of Los Angeles, for an order exempting applicants from certain provisions of the Act to permit, under certain circumstances, persons who redeem shares of a fund in the Shareholders Management Company complex to repurchase shares of that fund or another fund in the complex at net asset value, without a sales charge. (Rel. IC-7438)

FINEVEST FUND. The SEC has issued a notice giving interested persons until November 10 to request a hearing on an application filed by Finevest Fund, Inc., of New York, for an order declaring that it has ceased to be an investment company. (Rel. IC-7439)

SECURITIES ACT REGISTRATIONS

LACO GAS EXPLORATION, INC. AND LADD PETROLEUM CORPORATION, both of 830 Denver Club Bldg., Denver, Colo. 80202, filed a registration statement on October 4 seeking registration of \$12 million of convertible subordinated debentures, due 1980, and 600,000 shares of Class A common stock of Laco Gas, to be offered for public sale in units, each consisting of a \$1,000 debenture and 50 shares. The offering is to be made at \$1,500 per unit through underwriters headed by White, Weld & Co., Inc., 20 Broad St., and Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., both of New York. Laco Gas was recently formed by Ladd Petroleum primarily to engage in exploration for natural gas. Net proceeds will be used for working capital and other corporate purposes. (File 2-45968)

EPIC LIMITED PARTNERSHIP NO. 1, 7601 N. Federal Highway, Boca Raton, Fla. 33432, filed a registration statement on October 4 seeking registration of \$1,800,000 of partnership interests, to be offered for public sale at \$2,500 per unit by Consolidated Securities Corp., 920 N. Federal Highway, Pompano Beach, Fla. 33061. The Partnership was organized to own and operate an office building for investment. EPIC Corporation is the general partner. (File 2-45969)

PRIME FLORIDA REAL ESTATE INVESTMENT TRUST, 2636 Bayshore Blvd., Dunedin, Fla. 33528, filed a registration statement on October 4 seeking registration of 300,000 shares of beneficial interest, to be offered for public sale at \$22 per share by First Investors Corp., 120 Wall St., New York 10005. The Trust proposes to invest in the direct ownership of income producing properties. Prime Florida Management Corp. is investment adviser. (File 2-45970)

I.C.H. CORPORATION, 906 Grand Ave., Kansas City, Missouri 64106, filed a registration statement on October 4 seeking registration of 74,000 shares of common stock, issuable pursuant to the company's Employee Stock Purchase Thrift and Agent Stock Purchase Thrift Plans. (File 2-45971)

PORTLAND GENERAL ELECTRIC COMPANY, 621 S. W. Alder St., Portland, Ore. 97205, filed a registration statement on October 5 seeking registration of \$20 million of first mortgage bonds, due 2002, and 1,000,000 outstanding shares of common stock. The debentures are to be offered for public sale by the company and the shares by the holders thereof (*at \$21.50 per share maximum) through underwriters headed by Blyth Eastman Dillon & Co., One Chase Manhattan Plaza, New York 10005. Net proceeds will be used for construction and other corporate purposes, including repayment of short-term bank loans and commercial paper. Construction expenditures are estimated at \$105,700,000 for 1972. (File 2-45972)

SOUTHWESTERN PUBLIC SERVICE COMPANY, SPS Tower, 6th and Tyler Sts., Amarillo, Tex. 79101, filed a registration statement on October 4 seeking registration of \$20 million of first mortgage bonds, due 2002, to be offered for public sale through underwriters headed by Dillon, Read & Co. Inc., 46 William St., New York 10005. Of the net proceeds of its financing, \$17 million will be used to repay bank loans and the balance for other corporate purposes. Construction expenditures are estimated at \$35,200,000 for 1973. (File 2-45965)

HEUBLEIN, INC., 330 New Park Ave., Hartford, Conn. 06101, filed a registration statement on October 4 seeking registration of 411,274 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (* \$58 per share maximum). (File 2-45966)

THE SECURANCE CORPORATION, 315 Fifth Ave., New York 10016, filed a registration statement on September 28 seeking registration of 450,000 shares of common stock, to be offered for public sale (*at \$8 per share maximum) through underwriters headed by Allen & Co. Inc., 30 Broad St., New York 10004. The company is primarily engaged in the insurance agency-brokerage business through subsidiaries. Of the net proceeds of its stock sale, \$1 million will be credited to paid-in capital, \$2 million to paid-in surplus and the balance for working capital and other corporate purposes. (File 2-45892)

LEASCO FINANCIAL SERVICES CORPORATION, 280 Park Ave., New York 10017, filed a registration statement on September 28 seeking registration of \$50 million of sinking fund debentures, due 1992, to be offered for public sale through underwriters headed by White, Weld & Co. Inc., 20 Broad St., New York 10005. A wholly-owned subsidiary of Leasco Corporation, the company will principally engage in borrowing funds to be loaned to the parent. Of the net proceeds of its financing, \$48 million will be advanced to a subsidiary which in turn will use the proceeds to repay all of its outstanding indebtedness and the balance will be used by the company for other corporate purposes. (File 2-45893)

BURRIS INDUSTRIES, INC., P. O. Box 698, Lincolnton, N. C. 28092, filed a registration statement on September 28 seeking registration of 600,000 shares of common stock, of which 300,000 are to be offered for public sale by the company and 300,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$17.50 per share maximum) through underwriters headed by Reynolds Securities Inc., 120 Broadway, New York 10005, and Wheat, First Securities, Inc., 801 E. Main St., Richmond, Va. 23219. The company is engaged in the manufacture and sale of upholstered furniture, principally medium priced chairs that recline. Of the net proceeds of its stock sale, \$1,612,000 will be used for plant expansion and the balance for working capital and other corporate purposes. (File 2-45885)

SUNOCO EXPLORATION PARTNERSHIP, LTD. (the Partnership) and **SUN OPERATING PARTNERSHIP, LTD.**, both of 2300 Southland Center, Dallas, Tex. 75201, filed a registration statement on October 5 seeking registration of \$25 million of partnership interests. The offering (the 1973 units) is to be made at \$5,000 per unit initially to holders who purchased units in the 1972 offering up to the amount of the 1972 units purchased. Any unsubscribed units are to be offered for public sale on a best efforts basis by Blyth Eastman Dillon & Co. Inc., Smith, Barney & Co. Inc. and selected dealers. The Partnerships were organized for the purpose of exploration and development of oil and gas leases. Sunoco Operations, Inc., wholly-owned subsidiary of Sun Oil Company (Delaware), is the general partner. The Partnership is the limited partner and Sun Oil is the general partner of the Operating Partnership. (File 2-45978)

THE TAX-EXEMPT ENVIRONMENTAL BOND FUND, Monthly Income Series 1, filed a registration statement on October 5 seeking registration of \$31,500,000 of units. The Fund was created by a trust indenture with The First Boston Corporation, Blyth Eastman Dillon & Co. Inc., and E. F. Hutton & Company Inc., as sponsors, United States Trust Company of New York as trustee, and Standard & Poor's Corporation as evaluator. The Fund is a diversified portfolio of bonds, the interest on which is, in the opinion of recognized bond counsel, exempt from all Federal income taxes. Such bonds were issued to provide moneys to be used for the abatement of some form of environmental pollution, and related matters. (File 2-45981)

GIANT MASCOT MINES LIMITED, 700 West Georgia St., Vancouver 1, British Columbia, Canada, filed a registration statement on October 6 seeking registration of 1,000,000 shares of common stock, to be offered for public sale (*at U.S. \$5.35 per share maximum) through underwriters headed by Loeb, Rhoades & Co., 42 Wall St., New York 10005. The company is engaged in mining and concentrating nickel and copper ore and in exploration for various minerals. Of the net proceeds of its stock sale, U.S. \$2.8 million will be used for Panarctic exploration and the balance for other exploration. (File 2-45982)

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:

- Heublein, Inc., Hartford, Conn. (File 2-45967) - 500,000 shares
- Tyler Corporation, Dallas, Tex. (File 2-45974) - 200,000 shares
- Leisure Technology Corp., Lakewood, N. J. (File 2-45975) - 100,000 shares
- Slater Electric Inc., Glen Cove, L. I., New York (File 2-45979) - 40,000 shares
- Eastern Gas and Fuel Associates, Boston, Mass. (File 2-45980) - 100,000 shares
- MCI Communications Corporation, Washington, D. C. (File 2-45984) - 225,000 shares
- Acme Electric Corporation, Cuba, N. Y. (File 2-45985) - 130,000 shares
- Terminal Data Corporation, Van Nuys, Calif. (File 2-45998) - 48,550 shares

MISCELLANEOUS

RECENT FORM 8-K FILINGS. 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 the October 11 News Digest.

8K Reports for June 72

Control Data Corp (Del) (13)	1-1969-2	Halliburton Co. Jul 72 (7,14)	1-3492-2
Fairfield Communities Land Co. (2,13,14)	0-5698-2	Hawaiian Airlines, Inc. July 72 (3)	1-6434-2
Fairmont Foods Co. (11,12)	1-4100-2	Howell Industries, Inc. (2,7,14)	1-4615-2
Frostie Enterprises (11,13)	0-5034-2	Kampgrounds of America Inc. Mar 72 (7)	0-4675-2
Harvest Markets Inc. (13,14)	0-2786-2	Wickes Corp (Del) (11,12,13)	1-6761-2
Medco Jewelry Corp (Del) (12,13)	1-6107-2	Cousins Properties Inc. July 72 (7,14)	0-3576-2
Meridian Enterprises, Inc. July 72 (2,9,11,14)	1-6755-2	Cubb Pac Corp July 72 (11)	2-29553-2
Mountain States Tel & Tel Co. July 72 (7)	1-3040-2	Design Professions Insurance Co. May 72 (11)	2-35268-2
Pinkerton's Inc. (11,12,13)	0-3017-2	E.S.R. Inc. June 72 (11,14)	0-5075-2
Portec Inc. (13,14)	1-500-2	Lancer Homes, Inc. Dec 71 (3)	2-40646-2
Providence & Worcester Co. July 72 (3,12)	0-3960-2	Marshall Industries (13)	1-5441-2
Xiox International Inc. (2,12,13)	2-28544-2	New America Industries Inc. July 72 (11)	2-39231-2
Coleco Industries Inc. (7) July 72	1-5673-2	Niacara Mohawk Power Corp (13)	1-2987-2
Fay's Drug Co., Inc. July 72 (3)	0-5179-2	Odec, Inc. May 72 (4,7,8,11,13)	0-5877-2
Feld Leasing Co., Inc. July 72 (7,11,13)	0-3518-2	Yoo-Hoo Chocolate Beverage Corp (11)	1-5342-2
Filtrol Corp July 72 (3)	1-3724-2	H.J. Wilson Co., Inc. (2,7,13,14)	2-39582-2
Fuqua Industries Inc. Jul 72 (8)	1-5706-2	Zurn Industries Inc. (13,14)	1-5502-2
General Foods Corp July 72 (11,12,13)	1-1354-2		
Gulton Industries, Inc. (11,14)	1-5781-2		

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Clinton Oil Company for the further ten-day period October 19-28, inclusive.

SECURITIES ACT REGISTRATIONS. Effective October 17: 2001 Inc., 2-44636 (90 days); H. F. Ahmanson & Company, 2-45737 (Jan 15); American International Reinsurance Co., Inc., 2-44938; AMP Inc., Pancor, Inc., 2-45755; Central Telephone Co., 2-45897; Commercial-Income Properties Fund Ltd., 2-43163 (Jan 15); Docutel Corp., 2-45349; Fortune National Corp., 2-44941 (90 days); Hawaiian Electric Co., Inc., 2-45791; Jack's Food Systems, Inc., 2-45112 (Jan 15); Michigan Avenue Financial Group, Inc., 2-44206 (90 days); Michigan Fund, Tax-Exempt Municipal Investment Trust, First Series, 2-45134; Noble Affiliates, Inc., 2-45082 (Jan 15); Pennsylvania Power & Light Co., 2-45713; Southeast Banking Corp., 2-45719; Southwestern Public Service Co., 2-45965; Westinghouse Credit Corp., 2-45788; Witco Chemical Corp., 2-45914.

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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