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sec news digest

U.S. SECURITIES & EXCHANGE COMMISSION
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MAY 8 1975

May 7, 1975

RULES AND RELATED MATTERS

LIBRARY

COMMISSION ADOPTS AMENDMENTS TO RULE 146

The Commission today adopted several amendments to Rule 146, "Transactions by an Issuer Deemed Not to Involve Any Public Offering." Rule 146 is designed to provide more objective standards for determining when offers or sales of securities by an issuer would be deemed to be transactions not involving any public offering within the meaning of Section 4(2) of the Securities Act of 1933 and thus exempt from registration under the Act. Generally, the amendments do the following: (1) delete the undertaking requirement from subparagraph (c)(3), "Limitations on Manner of Offering"; (2) amend subparagraph (e)(1), "Access to or Furnishing of Information," to revise the information requirements for non-reporting issuers to allow for omission of non-material information and condensation, to not require financial schedules of the type specified in Part II of a registration statement, and to allow Regulation A financial statements to be used under certain circumstances; (3) expand the definition of business combination in paragraph (f), "Business Combination," to include exchange offers; and (4) amend paragraph (g), "Number of Purchasers," to change the limitation on thirty-five purchasers from an absolute one to one dependent on the issuer having reasonable grounds to believe, and after reasonable inquiry, believing, that there are no more than thirty-five purchasers. In addition, there are several technical amendments reflecting the material ones described above. The Commission adopted these amendments without public comment because Rule 146 has been subject to extensive public comment and the amendments generally have the effect of making the rule less restrictive. The amendments will become effective upon publication in the Federal Register. (Rel. 33-5585)

AMENDMENT TO RULE 17a-3(a)(12)(A)(8) PROPOSED

The Commission announced today a proposal to amend Rule 17a-3(a)(12)(A)(8) under the Securities Exchange Act of 1934. Rule 17a-3(a)(12)(A)(8) presently requires the maintenance of a record of any arrests, indictments or convictions for any felony or misdemeanor, other than minor traffic offenses, of any associated person of a brokerage firm. The Commission proposes to amend the Rule to limit the requirement concerning arrest or indictment records to crimes which are of such a nature as to impact directly on the safe operation of the securities business. The Rule will continue to require employers in the securities industry to maintain records of all convictions, other than minor traffic offenses, of their associated persons. (Rel. 34-11402)

RESPONSES FROM NATIONAL SECURITIES EXCHANGE WITH RESPECT TO THE SEC'S REQUEST FOR ELIMINATION OF RULES AND PRACTICES RESTRICTING ACCESS TO OR USE OF QUOTATION INFORMATION

The Securities and Exchange Commission today announced that it had received responses from all registered national securities exchanges to its March 11, 1975 requests, made pursuant to Section 19(b) and various other Sections under the Securities Exchange Act of 1934, that national securities exchanges eliminate those of their rules and practice which restrict access to or use of quotation information disseminated by such exchanges. All exchanges either have taken the action requested by the Commission or have informed the Commission that they have no rules or practices which restrict access to or use of such information. (34-11406)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

DECISION REVOKING REGISTRATIONS OF INTERSEARCH TECHNOLOGY, INC., AND INTERSEARCH PUBLICATIONS, INCORPORATED, AND BARRING JESSE B. REID FINAL

The decision of an administrative law judge revoking the investment adviser registrations of the New York City firms of Intersearch Technology, Inc. and Intersearch

Publications, Incorporated, and barring Jesse B. Reid, who controlled both firms, from association with an investment adviser, has become final.

According to the decision, the firms, aided and abetted by Reid, violated the Investment Advisers Act's antifraud provisions. The fraud had two aspects. One was deceptive advertising. The other was the firms' failure to disclose their insolvency to subscribers and potential subscribers to their publications, Interscan and the Reid Report. (Rel. IA-457)

COMMISSION ANNOUNCEMENTS

REQUEST UNDER THE FREEDOM OF INFORMATION ACT DENIED

The Commission denied the appeal of Medic-Home Enterprises, Inc. from denial of its request for a copy of the staff memorandum upon which the Commission determined to enter an order of investigation relating to Medic-Home. This investigation is continuing and no judgment has been made whether to recommend the institution of enforcement action. (Medic-Home has previously publicly disclosed to its shareholders the fact that it is being investigated by the Commission.) In these circumstances, the Commission believes that the requested memorandum is exempt from the disclosure requirements of the FOIA by virtue of the exemptions for intra-agency memoranda and investigatory records. (Rel. FOIA-5)

TRADING SUSPENSIONS

TRADING SUSPENDED IN UNICEPT, INC. AND PITTSBURGH & LAKE ERIE RAILROAD CO.

Over-the-counter trading has been suspended in the common stock of Unicept, Incorporated (Unicept), a Utah corporation located in Salt Lake City, Utah, for the ten-day period beginning on May 6 and terminating at midnight (EDT) on May 15, 1975, and in the common stock of Pittsburgh & Lake Erie Railroad Co., a Delaware corporation located in Pittsburgh, Pa., for the six-day period beginning on May 6 and terminating at midnight (EDT) on May 11, 1975.

The suspension of Unicept was initiated because current accurate information concerning the financial condition and assets of Unicept is unavailable to the public. (Rel. 34-11400)

The Commission initiated the trading suspension in Pittsburgh and Lake Erie to allow time for the dissemination of news concerning a proposed settlement of several legal actions whereby the minority shareholders of the company will receive approximately \$20 per share in a cash distribution. (Rel. 34-11401)

ADDITIONAL ACTION ON FOUR TRADING SUSPENSIONS

The SEC has announced the suspension of 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., Industries International, Inc. and Westgate California Corp. for the further ten-day period May 7 - 16, inclusive.

COURT ENFORCEMENT ACTIONS

LYNN H. ZEMP ENJOINED

The Denver Regional Office announced that on March 27 the Honorable Willis W. Ritter, U.S. District Chief Judge for the District of Utah, entered an order of default judgment enjoining Lynn H. Zemp from violations of the registration and antifraud provisions of the securities laws in the offer and sale of securities of Universal Trade Corporation of Provo, Utah, namely investment contracts, certificates of interest or participation in profit sharing agreements, evidences of indebtedness or interests or instruments commonly known as a security relating to an investment in silver or any other security of any issuer whatsoever. For further information see Litigation Release Nos. 6606 and 6696. (SEC v. Douglass S. Warren, et al., (D. Utah Civil Action No. C-74-362). (LR-6866)

GEORGE E. TWIBEY ENJOINED

The Denver Regional Office announced that on April 16 U.S. District Judge Willis W. Ritter, signed a consent judgment of permanent injunction against George E. Twibey, NEWS DIGEST, May 7, 1975

defendant in the Commission's injunctive action against Silver Mint Mortgage Co., Ltd., et al. The judgment permanently enjoins George E. Twibey from violating the registration and antifraud provisions of the securities laws with respect to the offer and sale of investment contracts, certificates of interest or participation in profit sharing agreement, evidence of indebtedness or interests or instruments commonly known as a security in the form of silver investment agreements or any other securities of any issuer whatsoever. The defendant consented to the entry of the permanent injunction without admitting or denying the allegations in the complaint. For further information see Litigation Release Nos. 6585 and 6682. (SEC v. Silver Mint Mortgage Co., Ltd., et al. (D. Utah C-74-353). (LR-6871)

INJUNCTIVE ACTION COMMENCED AGAINST HORVAT, MANISCALCO & CO., OTHERS

The New York Regional Office announced that on April 25 an injunctive action was commenced against Horvat, Maniscalco & Co., a broker-dealer located in Bergenfield, New Jersey, and Peter John Horvat, its general partner, seeking to enjoin them from violations of the antifraud provisions of the securities laws, and seeking to enjoin Horvat, Maniscalco and Co. from violating, and Peter John Horvat from aiding and abetting violations of, the net capital, bookkeeping, segregation, examination, supplemental reporting and financial reporting requirements of the securities laws. (SEC v. Horvat, Maniscalco & Co., et al., D. N.J.). (LR-6868)

HOLDING COMPANY ACT RELEASES

OHIO POWER COMPANY

An order has been issued authorizing Ohio Power Company, subsidiary of American Electric Power Company, Inc., to increase the aggregate maximum amount of short-term indebtedness from \$215 million to \$270 million. (Rel. 35-18970 - May 6)

TRUST INDENTURE ACT RELEASES

JONES & LAUGHLIN STEEL CORPORATION

An order has been issued under the Trust Indenture Act on application of Jones & Laughlin Steel Corporation that the trusteeship of Mellon Bank N. A. under two indentures is not so likely to involve a material conflict of interest as to make it necessary to disqualify Mellon Bank N. A. from acting as trustee. (Rel. 39-394)

SECURITIES ACT REGISTRATIONS

(S-1) NCR CORPORATION

Main and K Sts., Dayton, Ohio 45479 - \$75 million of sinking fund debentures, due 2000, and \$75 million of notes, due 1985, to be offered for sale by underwriters led by Dillon, Read & Co. Inc., 46 William St., New York, N.Y. 10005. The company primarily develops, produces, markets and services business equipment and machines. (File 2-53469 - Apr. 25)

(S-7) ALUMINUM COMPANY OF AMERICA

1501 Alcoa Bldg., Pittsburgh, Pa. 15219 - \$150 million of sinking fund debentures, due 2000, to be offered for sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N.Y. 10005. Aluminum Company of America is a producer of primary aluminum and fabricated aluminum products. (File 2-53475 - Apr. 25)

(S-7) VIRGINIA ELECTRIC AND POWER COMPANY

700 East Franklin St., Richmond, Va. 23261 - 400,000 shares of common stock, to be offered in connection with the company's Automatic Dividend Reinvestment Plan. The company is an electric and gas utility operating company. (File 2-53479 - Apr. 25)

(S-1) FIRST NATIONAL CHARTER CORPORATION

500 TenMain Center, P.O. Box 38, Kansas City, Mo. 64141 - 55,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding capital shares of The Aurora Bank, Aurora, Mo., and its affiliate, Aurora Building and Investment Company. First National Charter Corporation is a bank holding company which controls 15 commercial banks located in the State of Missouri. (File 2-53491 - Apr. 28)

(S-7) MCDONALD'S CORPORATION

McDonald's Plaza, 2111 Enco Dr., Oak Brook, Ill. 60521 - 873,410 shares of common stock, to be offered for sale for the accounts of certain stockholders, at a price which has not yet been determined, through underwriters headed by Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N.Y. 10005. McDonald's and its subsidiaries develop, operate or license, and service a system of more than 3,300 self service restaurants. (File 2-53567 - May 2)

(S-7) OHIO POWER COMPANY

301 Cleveland Ave., S.W., Canton, Ohio 44702 - 400,000 shares of cumulative preferred stock (\$100 par), to be offered for sale at competitive bidding. The company is an electric utility operating company serving extensive territory in Ohio. (File 2-53569 - May 5)

(S-7) APPALACHIAN POWER COMPANY

40 Franklin Rd., Roanoke, Va. 24009 - \$50 million of first mortgage bonds, due 1982, to be offered for sale at competitive bidding. The company is an electric utility operating company serving portions of Virginia, West Virginia and Tennessee. (File 2-53570 - May 5)

(S-7) THE DOW CHEMICAL COMPANY

2030 Dow Center, Midland, Mich. 48640 - 525,000 shares of common stock, to be offered to its employees at a price of \$68.75 per share via installment purchase. Dow manufactures and sells chemicals, metals, plastic materials and products and pharmaceutical, agricultural and consumer products, and performs certain specialized services. (File 2-53280 - Apr. 8)

In a separate statement the company seeks registration of 30,000 shares of common stock to be offered by Dow Badische Company to certain employees of Dow Badische and of a subsidiary of Dow Badische at a price of \$68.75 per share via installment purchase. (File 2-53395 - Apr. 18)

In a third statement the company seeks registration of 7,500 shares of common stock, to be offered by Gruppo Lepetit S.p.A. to certain employees of Gruppo Lepetit and of certain of its subsidiaries at a price of \$68.75 per share via installment purchase. (File 2-53396 - Apr. 18)

(S-6) CORPORATE INVESTMENT TRUST FUND,
ELEVENTH MONTHLY PAYMENT SERIES

\$12.1 million of units. The Trust will be created under a trust agreement under which Bache & Co. Incorporated will act as sponsor, United States Trust Company of New York as trustee, New England Merchants National Bank as co-trustee and Interactive Data Services, Inc. as evaluator. It will consist of a diversified portfolio of long-term debt obligations rated "BBB" or better by Standard & Poor's Corporation or Fitch Investors Services, Inc. or "Baa" or better by Moody's Investors Service, Inc. (File 2-53513 - Apr. 29)

(S-14) AUTOMATIC DATA PROCESSING, INC.

405 Route 3, Clifton, N.J. 07015 - up to 590,000 shares of common stock. It is proposed to offer these shares in connection with the acquisition by Automatic of The Cyphernetics Corporation through the merger of a wholly-owned subsidiary of Automatic with and into Cyphernetics, at the rate of .267 Automatic shares for each Cyphernetics common share and .027 Automatic shares for each Cyphernetics preferred share. Automatic is a computer service firm offering a broad range of data processing services from its network of data centers. (File 2-53571 - May 5)

(S-1) ADOLPH COORS COMPANY

Golden, Colo. 80401 - 4,100,000 shares of Class B common stock (non-voting), to be offered for sale by certain selling stockholders at a price to be negotiated immediately prior to the offering, through underwriters headed by Dillon, Read & Co. Inc., 46 William St., New York, N.Y. 10005. The company is the fourth largest brewing company in the United States. (File 2-53573 - May 5)

(S-7) REVLON, INC.

767 Fifth Ave., New York, N.Y. 10022 - \$100 million of notes, due 1985, to be offered for sale through underwriters headed by Lazard Freres & Co., One Rockefeller Plaza, New York, N.Y. and Lehman Brothers Incorporated, One Williams St., New York, N.Y.

Revlon is a multi-national company which manufactures and distributes beauty and health products, including cosmetics, ethical pharmaceuticals and proprietary drugs and toiletries. (File 2-53585 - May 5)

(S-7) W. W. GRAINGER, INC.

5959 West Howard St., Chicago, Ill. 60648 - 1,240,000 shares of common stock, to be offered for sale by the company and certain shareholders through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York, N.Y. 10005. The company principally distributes electrical motors and related products nationally. (File 2-53587 - May 5)

(S-7) BRISTOL-MYERS COMPANY

345 Park Ave., New York, N.Y. 10022 - 1,640,594 shares of common stock. Of these shares, 1,500,000 are reserved for issuance upon exercise of options which may be granted by the company under its 1975 Stock Option Plan and 140,594 may be offered for sale from time to time by certain selling stockholders at prices current at the time of sale. The company, through its divisions and subsidiaries, produces and distributes toiletries, proprietary medicines, hair care and hair coloring products, household and specialty products, nutritional products and prescription medicines. (File 2-53589 - May 5)

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:

Chicago Pneumatic Tool Co., New York, N.Y. (File 2-53519 - Apr. 30) - \$2,800,000 of interests

General Mills, Inc., Minneapolis, Minn. (File 2-53523 - Apr. 30) - 100,000 shares

Tasty Baking Co., Philadelphia, Pa. (File 2-53525 - Apr. 30) - 100,000 shares

Warner Communications Inc., New York, N.Y. (File 2-53528 - Apr. 30) - 50,000 shares

Sterling Drug Inc., New York, N.Y. (File 2-53529 - Apr. 30) - 450,000 shares

Garlock Inc., Rochester, N.Y. (File 2-53531 - Apr. 30) - 37,500 shares

Goulds Pumps, Inc., Seneca Falls, N.Y. (File 2-53532 - Apr. 30) - 25,000 shares, and (File 2-53533 - Apr. 30) - 25,000 shares

Mine Safety Applicances Co., Pittsburgh, Pa. (File 2-53540 - May 1) - 50,000 shares

J. C. Penney Co., Inc., New York, N.Y. (File 2-53543 - May 1) - 802,000 shares

The Interpublic Group of Companies, Inc., New York, N.Y. (File 2-53544 - May 1) - 150,000 shares

International Business Machines Corp., Armonk, N.Y. (File 2-53547 - May 1) - 1,800,000 shares

The Carborundum Co., Niagara Falls, N.Y. (File 2-53548 - May 1) - 407,887 shares

Airborne Freight Corp., Seattle, Wash. (File 2-53555 - May 2) - 100,000 shares

Metpath Inc., Hackensack, N.J. (File 2-53556 - May 1) - 33,077 shares

American General Insurance Co., Houston, Tex. (File 2-53557 - May 1) - \$14,012,500 of participations

Pneumo Corp., Boston, Mass. (File 2-53561 - May 1) - 135,000 shares

The Hanna Mining Co., Cleveland, Ohio (File 2-53562 - May 2) - 100,000 shares

The Oil Shale Corp., Los Angeles, Cal. (File 2-53563 - May 2) - 2,132,188 shares

Beneficial Thrift Plan, Wilmington, Del. (File 2-53564 - May 2) - \$50,000,000 thrift accounts

F & M National Corp., Winchester, Va. (File 2-53565 - Apr. 28) - 15,000 shares, and (File 2-53566 - Apr. 28) - 105,400 shares

Republic New York Corp., New York, N.Y. (File 2-53568 - May 2) - 115,302 shares

Revell, Inc., Venice, Cal. (File 2-53572 - May 5) - 65,000 shares

EG&G, Inc., Bedford, Mass. (File 2-53574 - May 5) - 250,000 shares

American Standard Inc., New York, N.Y. (File 2-53575 - May 1) 860,000 shares

National Steel Corp., Pittsburgh, Pa. (File 2-53576 - May 1) - 700,000 shares

Inland Heritage Corp., Wauwatosa, Wis. (File 2-53577 - May 1) - 31,400 shares

Snap-On Tools Corp., Kenosha, Wis. (File 2-53578 - May 1) - 100,000 shares

Becton, Dickinson and Co., Rutherford, N.J. (File 2-53579 - May 5) - \$4,375,000 of participations

Dorchester Gas Corp., Dallas, Tex. (File 2-53580 - May 2) - 390,000 shares

Ferro Corp., Cleveland, Ohio (File 2-53581 - May 2) - 209,765 shares

Comtech Laboratories, Inc., Smithtown, N.Y. (File 2-53582 - May 5) - 325,000 shares

Kansas City Power & Light Co., Kansas City, Mo. (File 2-53583 - May 5) - 50,000 shares

Trust Company of Georgia, Atlanta, Ga. (File 2-53586 - May 2) - 154,000 shares

Hoerner Waldorf Corp., Saint Paul, Minn. (File 2-53588 - May 2) - 600,000 shares

Firstmark Corp., Buffalo, N.Y. (File 2-53595 - May 5) - 25,000 shares

REGISTRATIONS EFFECTIVE

May 5: Inter-Regional Financial Group, Inc., 2-53419; Philadelphia Electric Co., 2-53214.

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
ACOUSTICON SYSTEMS CORP	13,14	03/75
MORTGAGEBANQUE INC	4,11,14	03/75
NEXUS INDUSTRIES INC	2,7,9,11,14	03/75
PETRO LEWIS OIL INCOME PROGRAM	13,14	03/75
ROSE INTERNATIONAL INC	2,7,11,14	03/75
ALDEN ELECTRONIC & IMPULSE RECORDING EQU	8,11,14	03/75
AMERICAN REALTY TRUST	2,14	04/75
CARLSBERG INCOME PROPERTIES LTD 72	2,10,13,14	03/75
EAGLE PICHER INDUSTRIES INC	7	04/75
EXXON CORP	3	03/75
FIFTH THIRD BANCORP	1,2,4,11	04/75
FILIGREE FOODS INC	3	02/75
FIRST HOME INVESTMENT CORP OF KANSAS INC	3,8,14	03/75
FIRST RESOURCES PREFERENCE PROGRAM	3,13	03/75
GENERAL CAPITAL CORP	3,7,8,14	06/74
GENERAL EXPLORATION CO	3	03/75
GOLDEN STATE HEALTH CENTERS INC	9	03/75
GRANITE MANAGEMENT SERVICES INC	7,14	03/75
HARTFORD NATIONAL CORP	11	04/75
IC PRODUCTS CO	3	03/75
IC PRODUCTS CO	3	03/75
ILLINOIS CENTRAL GULF RAILROAD CO	13,14	03/75
IMPERIAL AMERICAN RESOURCES FUND INC	3,14	03/75
INTERPROVINCIAL PIPE LINE LTD	11	04/75
INTROL CORP	2	03/75
KANCO TECH INC	1,3,14	03/75
KIDDE WALTER & CO INC	11,14	04/75
KOOLY KUPP INC	13	02/75
LAWYERS FINANCIAL CORP	2,14	10/73
LIL CHAMP FOOD STORES INC	13,14	03/75
LITTLE MIAMI RAILROAD CO	11,13	04/75
MARIFARMS INC	9,13,14	03/75
OLSON FARMS INC	NO ITEMS	03/75
ROVAC CORP	3,8,13,14	04/75
SOUTHLAND CORP	11	04/75
TRI STATE MOTOR TRANSIT CO	11	04/75
WEST VIRGINIA ACCEPTANCE CO	13	03/75
WHITING CORP	3	03/75
AMENDMENTS TO REPORTS ON FORM 8-K		
FLORIDA CAPITAL CORP	13	01/75
FLORIDA CAPITAL CORP	13	02/75
GSC ENTERPRISES INC	10	01/75
KAISER STEEL CORP	7,8	01/75
ROMAN COMPANIES INC	13	02/75
SIMPLEX INDUSTRIES INC	10,14	02/75
UNITED AIR LINES INC	8	11/74
VALLEY FORGE CORP	13	03/75
WHITE MOTOR CORP	14	02/75

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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