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January 10, 1974

RULE PROPOSALS AND ADOPTIONS

ANNUAL REPORTS TO SECURITY HOLDERS. The SEC today released for public comment proposed amendments to its Proxy and Information Statement Rules under the Securities Exchange Act of 1934, as such rules relate to annual reports furnished to security holders pursuant to those rules. The proposed amendments would (1) require more meaningful disclosure in annual reports furnished to security holders, including a brief description of business, line of business and summary of operations data as they appear in the issuer's Form 10-K filed with the Commission, two years of certified financial statements, identification of directors and executive officers, and information about the liquidity and working capital requirements of the issuer and about the historical market performance of the issuer's securities; (2) require issuers to provide copies of their annual reports on Form 10-K to security holders on request; and (3) require issuers to supply record holders of their voting securities with sufficient copies of proxy material and annual reports to security holders to enable the record holders to transmit copies to the beneficial owners. Under the Commission's proposals, the annual report to security holders would continue to be a "non-filed" document under the Exchange Act and would continue not to be subject to pre-filing review by the staff.

All interested persons are invited to submit their views and comments on the above proposals, in writing, to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D. C. 20549, on or before March 15, 1974. Reference should be made to File No. S7-504. All comments will be available for public inspection. (Rel. 34-10591)

DECISIONS IN ADMINISTRATIVE PROCEEDING

SPRAYREGEN & CO., INC. AND SUBSIDIARY SUSPENDED, CHAIRMAN BARRED. An order has been issued suspending the broker-dealer registrations of Sprayregen & Co., Inc. and its wholly owned subsidiary, Sprayregen Securities, Inc., New York City, barring their chairman of the board, Gerald Sprayregen, from association with any broker-dealer, and barring all three from serving as an investment adviser. After two years, Gerald Sprayregen may apply for permission to reenter the business of broker-dealer. According to the decision, from August-October 1968 Gerald Sprayregen offered and sold unregistered securities in the form of limited partnership interests, and from January 1969 to November 1972, he, together with the two broker-dealers named above, among other things, effected transactions in unregistered securities for those partnerships and failed to disclose affiliations and adverse interests relating to the partnerships' purchases of securities. In connection with the settlement, respondents have agreed to escrow \$50,000 for distribution to the limited partners.

The Commission's order was issued pursuant to an offer of settlement in which respondents, without admitting or denying the allegations of the order for proceedings, consented to the findings and indicated sanctions. (Rel. 34-10582)

CLARK DARRELL CHYTRAUS BARRED FROM ASSOCIATION WITH BROKER-DEALER. An order has been issued barring Clark Darrell Chytraus, former president and a principal shareholder of Comstock Securities, Ltd., of Salt Lake City, Utah, from being associated with a broker-dealer. The Comstock firm is in liquidation under the Securities Investor Protection Act. The order was based on findings that during 1972 Chytraus aided and abetted violations of various provisions of the Securities Exchange Act, including antifraud provisions and broker-dealer reporting, record-keeping and credit-extension requirements.

Chytraus, without admitting or denying the charges against him, consented to the findings made and sanction imposed against him. (Rel. 34-10583)

MORGAN, KENNEDY REVOKED. An order has been issued revoking the broker-dealer registration of Morgan, Kennedy & Co., Inc., a New York City broker-dealer which is being liquidated by a trustee appointed under the Securities Investor Protection Act. The order was based on findings that from October 1969 - September 1971, Morgan Kennedy violated registration provisions of the Securities Act in the offer and sale of common stock of Spectrum, Ltd.

The trustee consented to the findings made and the sanction imposed, without admitting or denying the allegations in the order for proceedings. (Rel. 34-10584)

LAWRENCE A. GOLDFARB BARRED. An order has been issued barring Lawrence A. Goldfarb of Skokie, Illinois, a registered representative with a broker-dealer, from association with a registered broker-dealer, investment adviser, investment company or affiliate, thereof, with the proviso that after two years he may apply to become associated with any of such entities in a non-supervisory capacity upon an appropriate showing that he will be adequately supervised.

The sanction was based upon findings that from about September 1970 to about March 22, 1973, Goldfarb offered and sold unregistered shares of the common stock of Contemporary Environments, Inc. and made material misrepresentations concerning among other things, the financial condition, business and operations, and management of Contemporary Environments. Goldfarb submitted an offer of settlement agreeing to the findings and sanctions without admitting or denying the allegations contained in the order for proceedings. (Rel. 34-10585)

COMMISSION ANNOUNCEMENTS

PHILIPSBORN TRADING BANNED. Over-the-counter trading in all of the securities of Philipsborn Incorporated, of Forestville, Maryland, has been suspended for a ten-day period beginning January 9 and continuing through midnight (EDT) January 18, 1974.

The Commission initiated the suspension because Philipsborn's 10-K for the fiscal year ended July 31, 1973, which has not yet been filed, will reflect a net loss of approximately \$1.6 million as a result of closing and liquidating 15 large stores in the New Jersey, Pennsylvania and Baltimore areas. Further, the Company's long-term creditors under outstanding subordinated notes have notified the Company of an "Event of Default." The Commission has been advised that Philipsborn is considering a Chapter XI filing under the U.S. Bankruptcy laws or sale of its business. The company has requested the Commission to suspend trading in its securities and has advised the Commission that it is prepared to issue a letter to shareholders and a press release setting forth these facts on January 9, 1974. (Rel. 34-10589)

COURT ENFORCEMENT ACTIONS

BELLIS & CO., H.A. BELLIS ENJOINED. The SEC Fort Worth Regional Office announced that on December 27, 1973, the Federal District Court at San Antonio, Texas permanently enjoined Bellis & Company, a Midland, Texas broker-dealer, and Harold A. Bellis, Phoenix, Arizona, formerly of Midland, from violations of the record keeping and financial responsibility provisions of the securities laws. The defendants consented to the entry of the order without admitting or denying the allegations in the complaint. (LR-6196)

INVESTMENT COMPANY ACT RELEASES

MARKET GROWTH FUND. A notice has been issued giving interested persons until February 4 to request a hearing on a proposal of the Commission to declare that Market Growth Fund, Inc., an open-end, non-diversified management investment company, has ceased to be an investment company. (Rel. IC-8167)

FIRST SECURITY GROWTH FUND. A notice has been issued giving interested persons until February 4 to request a hearing on a proposal of the Commission to declare that First Security Growth Fund, Inc., an open-end, diversified management investment company, has ceased to be an investment company. (Rel. IC-8168)

PEOPLES EQUITY CORP. A notice has been issued giving interested persons until February 4, to request a hearing on a proposal by the Commission to issue on its own motion an order declaring that Peoples Equity Corp. is no longer an investment company as defined in the Act. (Rel. IC-8170)

THE AMERICAN OPTION WRITERS INCOME FUND. The SEC has issued an order declaring on its own motion that The American Option Writers Income Fund, Inc. of New York, New York has ceased to be an investment company. (Rel. IC-8171)

GOLDEN GATE INCOME SECURITIES. An order has been issued on an application filed by Golden Gate Income Securities, Inc., a registered closed-end investment company, and Richard H. Holton declaring that Richard H. Holton shall not be deemed an "interested person" of that company. (Rel. IC-8172)

BONDQUEST DEBENTURE FUND. An order has been issued declaring that Bondquest Debenture Fund, Inc., of New York, New York, has ceased to be an investment company. (Rel. IC-8169)

SECURITIES ACT REGISTRATIONS FILED

(S-6) E. F. HUTTON TAX-EXEMPT FUND, NEW YORK SERIES 5, One Battery Park Plaza, New York, N.Y. 10004 - \$5 million of units. The Fund is one of a series of unit investment trusts created under a trust indenture and agreement between E. F. Hutton & Co., Inc., as sponsor, and United States Trust Company of New York, as trustee. The Fund consists of interest-bearing obligations of the State of New York, counties, municipalities, authorities or political subdivisions thereof or of certain territories or possessions of the United States, the interest on which is in the opinion of bond counsel, exempt from Federal and New York income tax under existing law. (File 2-49815 - Dec. 7)

(S-16) AMERICAN STERILIZER COMPANY (AMSCO), 2222 West Grandview Boulevard, Erie, Pa. 16512 - 67,800 shares of common stock. All of such shares were issued in connection with an acquisition and may be offered for sale (or donated to charity) from time to time by certain shareholders at prices current at the time of sale. Amsco is a manufacturer and producer of goods and services in the health care field. (File 2-49876 - Dec. 18)

(S-5) OPPENHEIMER FINANCIAL BRIDGE FUND, INC., One New York Plaza, New York, N.Y. 10004 - 500,000 shares of capital stock, to be offered for sale at the initial offering price of \$10 per share. Oppenheimer Management Corporation, One New York Plaza, New York, N.Y. 10004 is the underwriter. The Fund will operate as a non-diversified open-end investment company with investments limited to short-term government and corporate debt securities. (File 2-49887 - Dec. 19)

(S-1) 1974 HANOVER DRILLING PROGRAM, SERIES 11, LTD. (a limited partnership) to be formed by Hanover Planning Company, Inc., 5 Hanover Sq., New York, N.Y. 10004 - \$20 million of units representing limited partners' capital contributions in 1974 Hanover Drilling Program, Series 11, Ltd., at \$5,000 per unit. Selhan, Inc., 5 Hanover Sq., New York, N.Y. 10004, a wholly-owned subsidiary of the company, is the principal underwriter. The partnership is to be formed for the purpose of exploring for oil and gas. (File 2-49905 - Dec. 21)

(S-14) UNITED AIRCRAFT CORPORATION, 400 Main St., East Hartford, Conn. 06108 - 552,887 shares of \$2.84 cumulative dividend convertible prior preferred stock, (\$1 par); 3,708,897 shares of \$8 cumulative dividend convertible preferred stock, (\$1 par). It is proposed to exchange the shares of \$2.84 and the \$8 preferred stock, in conjunction with the merger of Essex International, Inc. into a wholly-owned subsidiary of United for shares of Essex \$2.84 Series A dividend cumulative convertible preferred stock (\$1 par) and for Essex common stock respectively. The company primarily designs, develops and manufactures complex high technology products and manufactures parts for products manufactured in the past, as well as current production programs. The Company is engaged in three lines of business: Power, for flight, industrial and manufactured applications; Flight Systems, including helicopter and airborne equipment; and Space and Rocketry. (File 2-49912 - Dec. 21)

St. Paul Life Insurance Company, as depositor, filed three registration statements as follows:

(S-6) ST. PAUL VARIABLE ANNUITY FUND A, 385 Washington, St., St. Paul, Minn. 55102 - \$3 million of individual variable annuity contracts, for retirement programs for individuals. (File 2-49915 - Dec. 21)

(S-6) ST. PAUL VARIABLE ANNUITY FUND B - \$5 million of individual variable annuity contracts, for qualified employer pension and profit sharing plans, for annuity purchase plans adopted by public school systems and certain tax exempt organizations and for group pension and profit sharing plans. (File 2-49913 - Dec. 21)

(S-6) ST. PAUL VARIABLE ANNUITY FUND B - \$2 million of group variable annuity contracts, for qualified employer pension and profit sharing plans, for annuity purchase plans adopted by public school systems and certain tax exempt organizations and for group pension and profit sharing plans. (File 2-49914 - Dec. 21)

SECURITIES ACT REGISTRATIONS. Effective January 9: Equitable Petroleum Corp. and I.E.S. Income, Inc., 2-49156; Florida Power & Light Co., 2-49726; Potomac Electric Power Co., 2-49803; The Sixty-Seven Twenty Fund, Inc., 2-49024.

MISCELLANEOUS

TRADING SUSPENSIONS. The SEC has announced the suspension of over-the-counter trading in the securities of Patterson Corp. and Westgate California Corp. for the further ten-day period January 10-19, inclusive.

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 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
FIRST DYNA CORP	10	11/73
FLORIDA INVESTMENT TRUST	13	11/73
GAC CORP	6,13	11/73
GLUCKIN WILLIAM CO LTD	3,13	11/73
HAVATAMPA CIGAR CORP	11	05/73
HELLEK WALTER E & CO	7,14	11/73
HODGES WILLIAM & CO INC	1,12,14	11/73
HOUSING SYSTEMS INC NEW YORK	10,13	11/73
HYDR0 MED SCIENCES INC	13,14	12/73
HYNES & HOWES SECURITIES CO	3,13,14	11/73
INSTRUMENT SYSTEMS CORP	3,13,14	11/73
INSYTE CORP	13	11/73
INTERNATIONAL MULTIFOODS CORP	7,13,14	11/73
INVESTORS SYNDICATE OF AMERICA INC	2,14	11/73
ION EQUIPMENT CORP	7,9,14	07/73
LEXTER ANCIKA REAL ESTATE FUND LTD 1972	3	11/73
LIPPINCOTT J & CO	8,14	11/73
LITRONIX INC	3	11/73
LSB INDUSTRIES INC	7,10,13,14	11/73
MAGNETIC HEAD CORP	6	11/73
MCCOLLUCH BIL CORP	13,14	11/73
MINI MART CORP	2	11/73
MOLYBDENUM CORP OF AMERICA	8	06/73
MPC INC	2,14	11/73
MYLES LEE CORP	11	11/73
NATHANS FAMOUS INC	1,14	11/73
NEUTLC CORP	2,14	11/73
NEW ENGLAND BANCORP INC	2,13,14	11/73
NEWCOR INC	2,14	11/73
NORTH AMERICAN CAR CORP	7,14	11/73
NORTHERN STATES BANCORPORATION INC	7,13,14	11/73
OHIO REAL ESTATE EQUITIES CO	3,14	11/73
OHIO REAL ESTATE INVESTMENT CO	3,14	11/73
ON LINE SYSTEMS INC	14	09/73
OSK CORP	2,13,14	11/73
PENN PACIFIC CORP	7,13,14	11/73
PENNCIL OFFSHORE GAS OPERATORS INC	2,7,8,14	11/73
PERFORMANCE SYSTEMS INC	13	11/73
PIONEER SYSTEMS INC	10	11/73
PITNEY BOWES INC	10,14	11/73
PLANTRONICS INC	7	11/73
POWER SKI CORP	7,13	11/73
PRICE T ROWE ASSOCIATES INC	2,3,14	11/73
PULLMAN INC	2,7,8,13,14	11/73

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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 (\$35.45 a year, first class mail; \$8.90 additional for foreign mailing) and the SEC Docket (\$21.35 a year, first class mail; \$5.35 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.