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GARRETT OUTLINES SEC'S PROGRAM TO SECURITIES REGULATION INSTITUTE

The immediate program of the Commission is to carry through the many projects begun by our predecessors, Chairman Ray Garrett, Jr. told a meeting of the Securities Regulation Institute in San Diego yesterday. "We don't need any more grand visions until the projects presently afoot are either completed or abandoned," he said. "...We are acting during a time when I think we should avoid unnecessary disruption through changes in policy, goals and methods."

Some of the projects the Commission presently has underway or contemplates work on were enumerated by the Chairman:

- (1) The "140" series of rules under the Securities Act, which is nearing completion;
- (2) The SEC intends to proceed with a rule on the use of projections;
- (3) The SEC intends to propose guidelines for corporate directors and on the use of nonpublic information; and
- (4) The SEC has accepted the program for the development of a central market system.

In addition, Mr. Garrett pointed out that an unusual number of bills are pending in Congress affecting the federal securities laws and markets and still more are said to be coming. "We are trying to construct and adhere to a consistent policy, bending occasionally to the realities of what is possible, Mr. Garrett averred.

"Historically, the SEC has concentrated its efforts on promoting 'fairness'," the Chairman continued. There are some thinkers on the industry side who have concluded that perhaps a new commission is needed to take over nurturing of the efficient factor in our capital markets--that the Commission's approach is too legalistic, with too little regard for the economic results of the positions we take. "Certainly the positions we are taking on problems of market structure are intended to promote healthy capital markets and enable members of the securities industry to achieve reasonable profitability and attract sufficient capital to perform their vital economic function in the years ahead," Mr. Garrett admitted. The adoption of the program for the central market system and the SEC's position on related programs are not intended to reflect legalistic views unrelated to economic consequences, he argued.

"Confidence in our capital markets," he noted, "is essential to their efficiency." The individual investor must have confidence in the integrity of his broker, in the quality, completeness and timeliness of information available to him, that his order will be fairly handled and that his cost for the transaction is reasonable and not made unnecessarily high because of the antiquated procedures and equipment or artificially pegged because of considerations unrelated to the value of the service sought and received--if he is to put his savings back into corporate equities, he explained. "Hence, I submit that confidence is an efficient factor of top magnitude."

In conclusion, Mr. Garrett assured the industry that the Commission is studying all proposals that it can and should do more, alone or in conjunction with other branches or agencies of the government. "The present state of poor and falling health is a severe challenge to the industry and the government. We intend to do our part in meeting this challenge," he said.

COMMISSIONER EVANS DISCUSSES COMPOSITE TAPE PLAN

Commissioner John R. Evans speaking before the Financial Management Division of the Securities Industry Association in New York yesterday outlined some of the major differences between the SEC and the securities industry in the implementation of the composite tape and the central market concept. The principal differences raised included (1) whether the plan should provide for the Commission to approve amendments it deems necessary or appropriate in the public interest, and (2) the degree to which all markets should be subject to equal regulation before the tape begins operations.

With respect to the first point, Commissioner Evans pointed out that, "In adopting Rule 17a-15, the Commission intended to make clear its determination to exercise its authority and responsibility to oversee the development and administration of a composite last sale reporting system. For this reason, the Rule provides the Commission with flexibility to vary the terms of a plan submitted pursuant to the Rule." The plan submitted to the SEC by the self-regulatory bodies established a system whereby the New York Stock Exchange and the American Stock Exchange would each, by virtue of their market

activity in securities to be reported on the tape, have veto power over amendments to the plan which could be submitted to the Commission. "We have suggested that a reasonable solution to this proposal is to permit the voting scheme contained in the plan to remain but with Commission oversight and authority to approve amendments to the plan proposed by the plan's sponsors and to require changes in the plan which we deem to be necessary or appropriate for the maintenance of fair and orderly markets, the public interest, or the protection of investors."

"As to the second point, Mr. Evans said, "The Commission has repeatedly committed itself to the proposition that regulation of equals should be equal. It follows that regulation of competing market participants should be equalized in direct proportion to the degree that they are able to provide competition, as barriers are removed and as central market facilities become operative. Equally important as the nature of the regulation to be adopted, is the question of the timing of its adoption."

The Commissioner noted, "Many have disagreed with our views on the question of timing and have argued that equalization of regulation must take place prior to the introduction of the composite tape. While we believe that there can be agreement on most of the groundwork for the central market system's regulatory structure prior to the introduction of the composite tape, we cannot agree that implementation of the entire panoply of regulation must precede the tape's introduction."

In conclusion, Mr. Evans said, "Unless the industry group finds it possible to move forward on the composite last sale reporting system on terms acceptable to the Commission in the very near future, I would support direct action by the Commission, and I believe that the Commission, in the public interest, will take measures requiring the parties involved to establish such a system. In the interest of self-determination by the industry and its self-regulators, I sincerely hope that this will not be necessary."

DECISIONS IN ADMINISTRATIVE PROCEEDING

THOMAS J. DONAHUE, JR. SUSPENDED. The SEC has suspended Thomas J. Donahue, Jr., of Philadelphia, from being associated with any broker, dealer, investment company or investment adviser for 15 days, following which he may become so associated in a nonproprietary and supervised capacity. The sanction begins January 28.

According to the decision, Donahue participated in activities involving the establishment and manipulation of the market for the common stock of Pied Piper Yacht Charters Corporation, and the quotation of prices which were not related to the supply and demand for the stock or its intrinsic value; and he effected transactions when he made no inquiry into Pied Piper's affairs and knew nothing about its business.

The Commission's order was based on an offer of settlement in which Donahue, without admitting or denying the charges, consented to the findings and sanction. (Rel. 34-10594)

COMMISSION ANNOUNCEMENTS

PROCEEDINGS AGAINST HENRY ALAN ALPERT DISMISSED. The Commission has amended its order for proceedings in the matter of Fiduciary Capital Corp., et al. so as to delete all charges against Henry Alan Alpert, of New York City, and to dismiss the proceedings as to him. The Commission took this action at its staff's request. The proceedings are based on Fiduciary Capital Corp.'s failure to file a financial report. According to the Commission's order, "Alpert, the firm's former secretary, severed his association with it approximately a year before the report in question was due." (Rel. 34-10603)

INVESTMENT COMPANY ACT RELEASES

FRANKLIN CUSTODIAN FUNDS, INC. AND FRANKLIN DISTRIBUTORS, INC. A notice has been issued giving interested persons until February 11 to request a hearing on an application of Franklin Custodian Funds, Inc. and Franklin Distributors, Inc., for an exemption from Section 22(d) to permit the sale of Fund shares at net asset value without a sales load under a proposed one-time privilege to Fund shareholders to reinvest proceeds from redeemed shares within 15 days from the date of redemption. (Rel. IC-8185)

AMERICAN REPUBLIC ASSURANCE COMPANY. A notice has been issued giving interested persons until February 11 to request a hearing on an application of American Republic Assurance Company, and American Republic Assurance Company Separate Accounts B and C, management open-end diversified investment companies registered under the Act, for an order to permit the elimination of sales and administrative charges on amounts derived from death benefits payable or values accumulated under insurance policies and annuity contracts issued by American Republic Assurance Company and affiliated insurance companies when such amounts are used to purchase variable annuity contracts issued by Accounts B and C. (Rel. IC-8186)

AVIATION GROWTH INVESTMENTS. A notice has been issued giving interested persons until February 14 to request a hearing on a proposal of the Commission to declare that Aviation Growth Investments, Inc., a closed-end, non-diversified management investment company, has ceased to be an investment company. (Rel. IC-8187)

HOME LIFE INSURANCE COMPANY, HOME LIFE SEPARATE ACCOUNT D. A notice has been issued giving interested persons until February 7 to request a hearing on an application by Home Life Insurance Company of New York and Home Life Separate Account D, a registered unit investment trust, for an exemption from Section 22(d) of the Act in connection with the transfer of sums accumulated under or death benefits derived from insurance policies or annuity contracts issued by Home Life, which sums are used to purchase a single payment deferred annuity contract issued by Account D. (Rel. IC-8178)

SECURITIES ACT REGISTRATIONS FILED

(S-14) FIDELITY AMERICAN BANKSHARES, INC., 828 Main St., Lynchburg, Va. 24504 - 422,206 shares of common stock. It is proposed to offer such shares in exchange for common stock of Security Finance Corporation of Spartanburg pursuant to a merger agreement, under which Security Finance would merge with and into FAB-Security Corporation, a wholly-owned subsidiary of Fidelity American. Under the merger each Security Finance stockholder would receive 0.59325 common shares of Fidelity American for each share of Security Finance. Fidelity American is a bank holding company which controls 13 Virginia banks. (File 2-49979 - Dec. 28)

(S-7) BALTIMORE GAS AND ELECTRIC COMPANY, Gas and Electric Bldg., Charles Center, Baltimore, MD. 21203 - \$75 million of first refunding mortgage bonds, due 2004, to be offered at competitive bidding. An operating public utility, the company primarily produces, purchases and sells electricity, and purchases and sells natural gas. (File 2-50001 - Jan. 4)

(S-9) HOUSTON LIGHTING & POWER COMPANY, 611 Walker, Ave., Houston, Tex. 77002 - \$100 million of first mortgage bonds, due 2004, to be offered for sale at competitive bidding. The company is an electric utility company serving the Texas Gulf Coast Region. (File 2-50004 - Jan. 4)

(S-16) W. R. GRACE & CO., 1114 Avenue of the Americas, New York, N. Y. - 103,822 shares of common stock, which may be offered for sale from time to time by certain stockholders at prices current at the time of sale. The company is a diversified company with interests in chemically based products and services, consumer products and services and natural resources. (File 2-50005 - Jan. 7)

(S-9) UNITED STATES GYPSUM COMPANY, 101 South Wacker Dr., Chicago, Ill., 60606 - \$75 million of sinking fund debentures, due 2004, to be offered for sale through underwriters headed by Kidder, Peabody & Co. Inc., 10 Hanover Square, New York, N. Y. 10005. The Company manufactures building materials and is a producer of gypsum products. (File 2-50006 - Jan. 4)

(S-9) PUBLIC SERVICE COMPANY OF INDIANA, INC., 1000 East Main St., Plainfield, IN. 46168 - \$50 million first mortgage bonds, Series T, to be offered at competitive bidding. The company produces, purchases, transmits, distributes and sells electricity as a public utility. (File 2-50007 - Jan. 7)

(S-1) BORG-WARNER ACCEPTANCE CORPORATION, One IBM Plaza, Chicago, Ill. 60611 - \$50 million of senior debentures, due 1999, to be offered for sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N. Y. 10004. The company is principally in the finance business, consisting of wholesale financing, retail sales financing, receivables financing, leasing and commercial financing, and the making of personal loans. (File 2-50009 - Jan. 8)

(S-1) RIDGE LAND AND DEVELOPMENT COMPANY, 695 Summer St., Stamford, Conn. 06901 - 100,000 shares of common stock. It is proposed to offer these shares for subscription by the common stockholders of Stamford Water Company at the rate of one share for each one share of Stamford Water Company stock held and at a subscription price of \$4.25 per share. The company principally sells or develops and improves for resale or lease the various real properties that it now owns. (File 2-50012 - Jan. 8)

(S-1) ENTERTAINMENT COMMUNICATIONS, INC., 555 City Line Ave., 6th Floor, Bala Cynwyd, Pa. 19004 - 100,000 units, each consisting of one share of common stock and one callable warrant to purchase one share of common stock, to be offered for sale through underwriters headed by Babbitt, Meyers and Waddell, Union Trust Bldg., Pittsburgh, Pa. 15219. The company owns and operates radio broadcasting stations. (File 2-49963 - Dec. 28)

(S-1) DON HIRSCHHORN INCORPORATED, 185 Bethpage Sweet Hollow Rd., Old Bethpage, N. Y. 11804 - 56,014 shares of common stock which may be offered for sale from time to time by a selling shareholder at prices current at the time of sale. The company primarily manufactures and distributes stamp and coin collecting products and souvenir and novelty items. (File 2-49972 - Dec. 28)

(S-1) CAPITAL FIRST CORPORATION, 1700 Market St., Philadelphia, Pa. 19103 - \$5 million of convertible subordinated debentures, due 1994, to be offered for sale through underwriters headed by Katz, Needelman & Co., Inc., 600 New Hampshire Ave., N. W., Washington, D. C. 20037. The company is a bank holding company and also engages in equipment lease financing. (File 2-49977 - Dec. 28)

(S-14) WORLCO, INC., 550 West DeKalb Pike, King of Prussia, Pa. 19406 - 2,611,225 shares of Class A common stock, to be offered in connection with the statutory merger of Selected Investment Corporation, Mechanicsburg, Pa. into Worlco, Inc. The Company is an insurance holding company with subsidiaries also engaged in computer services, travel, motel operations and offset printing. (File 2-49978 - Dec. 28)

(S-1) NATIONWIDE NURSING CENTERS, INC., 1623 Washington Ave., Alton, Ill. 62002 - 100,000 shares of Class B convertible preferred stock and the 400,000 underlying common shares. These shares are to be offered solely to existing Serial Income Bond holders of the company in exchange for the bonds held, to be converted at a rate of one preferred share for each \$10 of outstanding principal or accrued interest. The company operates nursing homes and extended care facilities. (File 2-49994 - Jan. 3)

(S-12g) IRVING TRUST COMPANY, One Wall St., New York, N. Y., on January 2 filed 2 registration statements for Fosco Minsep Limited seeking registration of:

- (a) 250,000 American Depositary Receipts (File 2-49989)
- (b) 1,000,000 American Depositary Receipts (File 2-49997)

Irving Trust Company also filed 3 statements on January 2 each seeking registration of 1,000,000 American Depositary Receipts, for the following companies:

- (a) Fisons Limited (File 2-49993)
- (b) Great Universal Stores Limited (File 2-49995 and File 2-49996)

(S-12) ADRs FOR THE MITSUBISHI TRUST AND BANKING CORPORATION, Morgan Guaranty Trust Company of New York, 23 Wall St., New York, N. Y. 10015, filed a registration statement seeking registration of 100,000 American Depositary Receipts for Dollar Validated common stock of The Mitsubishi Trust and Banking Corporation, a Japanese corporation. (File 2-49998 - Jan. 2)

SECURITIES ACT REGISTRATIONS. Effective January 16: American Medical Building Guild, Inc., 2-44321 and 2-44322; Ashland Oil Canada Limited, 2-50002; Bankers Trust New York Corporation, 2-49922; Farmland Industries, Inc., 2-49793; Ford Motor Company, 2-49895; Great American Corporation, 2-49869; E. F. Hutton Tax-Exempt Fund, New York Series 5, 2-49815; Joy Manufacturing Company, 2-49756; Kedco Management Corporation, 2-48999 (90 days); Northern States Bancorporation, Inc., 2-49834; PBT Tax-Exempt Bond Fund, 2-49272; Schering-Plough Corporation, 2-49969.

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

MISCELLANEOUS

TRADING SUSPENSIONS. The SEC has announced the suspension of over-the-counter trading in the securities of Seaboard American Corp. and Technical Resources Inc. for the further ten-day period January 17-26, inclusive.

COMPANIES WHICH RECENTLY ACQUIRED STOCK OF OTHER COMPANIES. Companies and individuals must report to the Commission on Schedule 13D the acquisition of more than 5% of the stock of another company within 10 days of the acquisition. During the period December 3-January 7 the following companies or individuals filed Schedule 13D's regarding the acquisition of stock of other companies.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
* Patrick J. Frawley, Jr.	Frawley Enterprises, Inc. Common Stock - 497,063 shs.	12- 3-73
* Patrick J. Frawley, Jr.	Schick Investment Co. Common Stock - 16,262 shs.	12- 3-73
* Edward E. Ettinger	Schick Investment Co. Common Stock - 102,000 shs. Common Stock - 53,333 shs. on conversion of Debentures	12- 3-73
G. Peter Fleck et al	Geotel, Inc. Common Stock - 312,600 shs. Common Stock - 312,102 shs. on conversion of Debentures & exercise of Warrants	12-17-73
Robert A. Waller Gross and Co., Inc.	Walker-Scott Corp. Common Stock - 39,150 shs. Common Stock - 1,281 shs. on conversion of Debentures	12-20-73
Leonard G. Rogers	Todhunter International, Inc. Common Stock - 50,103 shs. Common Stock - 1,000 shs. on exercise of Warrants	12-20-73
Kelly Associates, Ltd.	Todhunter International, Inc. Common Stock - 100,188 shs. Common Stock - 1,975 shs. on exercise of Warrants	12-21-73
E. W. Kelly	Todhunter International, Inc. Common Stock - 41,897 shs. (Mr. Kelly presently owns approximately 71% of the beneficial interest in Kelly Associates, Ltd. (see above entry)	12-21-73

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
* Arnold E. Johns, Jr.	Southland Investment Corp. Common Stock - 107,185 shs. Common Stock - 38,500 shs. on exercise of Options	12-21-73
Jordan Co.	Equity National Industries Common Stock - 365,927 shs.	12-26-73
Alabama Farm Bureau Mutual Casualty Insurance Co., Inc.	American Fidelity Life Insurance Co. Common Stock - 138,680 shs.	12-26-73
* Howard E. and Ruth Mary Solomon	Venus Drug Distributors, Inc. Common Stock - 411,527 shs. (In addition, Howard E. Solomon owns 25,000 shs. of Common Stock)	12-26-73
Viking, Inc.	Sycor, Inc. Common Stock - 250,000 shs.	12-27-73
Sierra Pacific Industries	Welsh Corp. Common Stock - 35,500 shs.	12-27-73
Great American Insurance Co.	Fairmont Foods Co. Common Stock - 233,000 shs.	12-28-73
* Gulf & Western Ind., Inc.	Kayser-Roth Corp. Common Stock - 1,400,000 shs.	12-28-73
United Funds, Inc.	International Tel. & Tel. Corp. Cumulative Pfd Stock - 117,700 shs.	12-28-73
Central Bank, National Assn.	Computer Dynamics, Inc. Capital Stock - 1,043,287 shs. (Above shs. purchased pursuant to a tender offer and represent approximately 93.9% of the outstanding shares)	1- 2-74
Interstate Securities Co. Employees Thrift Plan	ISC Industries Inc. Common Stock - 124,251 shs.	1- 2-74
Mrs. C. A. Johnson	Central Securities Corp. Common Stock - 246,312 shs. Common Stock - 36,063 on conversion of Preference	1- 2-74
* W. B. Collett	Beaver Creek Industries, Inc. Common Stock - 1,444,321 shs. Common Stock - 3,000,000 shs. on conversion of Preferred (40.97% of the outstanding voting securities are held by Mr. Collett)	1- 2-74
* Samuel A. Klurman	Medic-Home Enterprises Inc. Common Stock - 263,749 shs.	1- 2-74
Englehard Hanovia, Inc.	Polychrome Corp. Common Stock - 198,966 shs.	1- 2-74
City Investing Co.	Cayman Corp. Common Stock - 921,052 shs. on conversion of Note	1- 2-74
Mose Waldinger	Gable Industries Common Stock - 139,683 shs.	1- 4-74
First Greystone Associates Farm & Ranch Life Insurance Company, Inc. Arthur J. Finston	Pacific Holding Corp. Common Stock - 84,946 shs.	1- 4-74

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
Equitable Life Assurance Society of the United States	Gulf Resources & Chemical Corp. Common Stock - 187,200 shs. on exercise of Warrants	1- 7-74
Aetna Life Insurance Corp.	Gulf Resources & Chemical Corp. Common Stock - 160,000 shs. on exercise of Warrants	1- 7-74
Paul Revere Investors Inc. Paul Revere Life Insurance Co.	Gulf Resources & Chemical Corp. Common Stock - 48,000 shs. on exercise of Warrants	1- 7-74
Leo Model	Geotel, Inc. Common Stock - 63,000 shs. Common Stock - 100,000 shs. on conversion of Debentures Common Stock - 4,841 shs. on exercise of Warrants	1- 7-74
Gerald O. Koop John F. Phillips Michael D. Calandra	Advanced Computer Techniques Corp. Common Stock - 220,000 shs.	1- 7-74
ESI Holding, Inc.	Expediter Systems, Inc. Common Stock - 354,600 shs. (Above shs. constitute approximately 42% of the outstanding shares)	1- 7-74
Fitzwilliam Resources Ltd. (Ireland)	Intercontinental Energy Corp. Common Stock - 134,000 shs.	1- 7-74

The following companies have made offers to acquire stock of companies listed below pursuant to tender offers as reported to the Commission on Schedule 13D:

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER & NUMBER OF SHARES TO BE TENDERED</u>	<u>DATE FILED</u>
Vulcan Life Insurance Co.	American Allied Life Insurance Co. Common Stock - all outstanding shs. on the basis of .8324 share of Vulcan common Stock for each share	12-27-73
National CSS, Inc.	TBS Computer Center Corp. Common Stock - 317,720 shs. for cash at \$9.00 net per share	12-28-73

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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.