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November 14, 1974

RULES AND RELATED MATTERS

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CAPITALIZATION OF INTEREST BY COMPANIES OTHER THAN PUBLIC UTILITIES

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The SEC adopted a rule which sets a moratorium on capitalization of interest by companies other than electric, gas, water and telephone utilities, retail land sales companies and savings and loan associations and which requires increased disclosure of capitalized interest costs by companies other than electric, gas, water and telephone utilities.

Under the new rule, companies other than electric, gas, water and telephone utilities, retail land sales companies and savings and loan associations which had not, as of June 21, 1974, publicly disclosed an accounting policy of capitalizing interest costs may not follow such a policy in financial statements filed with the Commission covering fiscal periods ending after June 21, 1974. Companies which capitalize interest costs will be required to disclose in the face of the income statement the amount capitalized in each year an income statement is presented. In addition, companies other than electric, gas, water and telephone utilities will be required to state the reason for the policy of interest capitalization and the way in which the amount to be capitalized is determined and to disclose the effect on net income of this accounting policy as compared to a policy of charging interest to expense as accrued. In response to comments received on the original proposal of this rule, certain interpretive guidelines have been included in an appendix to the release.

The rule will be applicable to all financial statements filed with the Commission or on after January 1, 1975. (ASR-163)

AMENDMENT TO CODE OF FEDERAL REGULATION CONCERNING DELEGATION OF AUTHORITY TO DIRECTOR OF DIVISION OF MARKET REGULATION ANNOUNCED

The Commission announced today the amendment of 17 CFR 200.30-3 by adding a new subparagraph (11) to paragraph (a) thereunder. The amendment provides for the delegation of authority by the Commission to the Director of the Division of Market Regulation to designate certain broker-dealer accounts, maintained to effect accommodation transfers or other similar purposes, as control locations for the purposes of the possession and control requirements of Rule 15c3-3. The release enumerates preliminary guidelines for applications for control locations to be utilized for the purposes of accommodation transfers. (Rel. 34-11102)

COMMISSION ANNOUNCEMENTS

MICRO COMPUTER CORPORATION

The SEC has issued a notice of application and opportunity for hearing concerning the application under Section 12(h) of the Securities Exchange Act of 1934 of Micro Computer Corporation (the Corporation) for exemption from the registration requirements of Section 12(g) of the Act. The Corporation is engaged in the computer leasing business. The Corporation contends that it met the total assets and number of equity security shareholders standard sufficient to require registration under Section 12(g) due to the fact that a principal loaned the Corporation over \$1 million; that the funds were to be used in an acquisition or merger which was never consummated; that the funds were returned since no acquisition was being contemplated; that the Corporation was in the position of having assets exceeding \$1 million for a short period of time, on a transitory basis; and that under such conditions it would appear that it is not inconsistent with the public interest or the protection of the investors to grant the exemption in this case.

Notice was further given that any interested person not later than December 6, 1974 may submit to the Commission in writing his views or any substantial facts bearing on this application or the desirability of a hearing thereon. Any such communication or request should be addressed: Secretary, Securities and Exchange Commission, 500 North Capitol Street, N.W., Washington, D.C. 20549, and should state briefly the nature of the interest of the person submitting such information or requesting the hearing, the reason for such request, and the issues of fact and law raised by the application which he desires to controvert. At any time after said date, an order granting the application may be issued upon request or upon the Commission's own motion. (Rel. 34-11101)

TRADING SUSPENSIONS

TRADING SUSPENDED IN SECURITIES OF FOUR COMPANIES

Exchange and over-the-counter trading has been suspended for a ten-day period beginning on November 13 and terminating at midnight (EST) on November 22, 1974 of all securities of the following companies which have failed to file with the Commission the indicated reports: AERO Resources, Inc., of El Segundo, California (10-K annual reports for fiscal years ending December 31, 1972 and December 31, 1973; 10-Q quarterly reports for 1972, 1973 and 1974) (traded over-the-counter); Avien, Inc., of Woodside, New York (10-K annual reports for fiscal years ended June 28, 1971, June 28, 1972, June 28, 1973 and June 28, 1974) (listed AMEX); Carolina Caribbean Corp., of Banner-Elk, North Carolina (10-K annual report for fiscal year ended March 31, 1974 and 10-Q quarterly report for fiscal quarter ended June 30, 1974) (traded over-the-counter); and D. C. Transit System Inc., of Washington, D.C. (10-K annual report for fiscal year ended December 31, 1973; 10-Q quarterly reports for fiscal quarters ended March 31, 1974 and June 30, 1974) (listed Philadelphia-Baltimore-Washington).

The Commission initiated the suspensions because the companies failed to comply with the reporting provisions of the Exchange Act resulting in the lack of current and accurate information available to the public. (Rel. 34-11099)

ADDITIONAL ACTION ON THREE TRADING SUSPENSIONS

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Canadian Javelin Ltd., and over-the-counter trading in the securities of Winner Industries, Inc. and Royal Properties, Inc. for the further ten-day period November 14 - 23, inclusive.

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES READEX ELECTRONICS, INC., OTHERS

The New York Regional Office announced that on November 1 the Commission filed a complaint in the U.S. District Court for the Western District of New York against Readex Electronics, Inc., a New York corporation with its principal office in Honeoye Falls, New York, Wallace R. Straight, a resident of Honeoye Falls, New York, and president and chairman of the board of directors of Readex, and Herbert D. Becks, a resident of Rochester, New York and a former officer and director of Readex, seeking final judgments of permanent injunction for violations and aiding and abetting violations of the registration provisions of the securities laws in the offer, sale and issuance of the corporation's common stock and warrants. Among other things, the Commission's complaint alleges that in a series of offerings, sales and issuances commencing on or about January 1, 1970 to on or about September 15, 1972, the defendants offered and sold approximately 350,000 shares of unregistered common stock to approximately 1,100 persons for total proceeds of approximately \$1.5 million. The complaint also requests the Court to order certain ancillary relief for the protection of Readex shareholders and public investors. (SEC v. Readex Electronics, Inc., et al., W.D.N.Y.). (LR-6582)

HOLDING COMPANY ACT RELEASES

MONONGAHELA POWER COMPANY

An order has been issued authorizing Monongahela Power Company (Monongahela), subsidiary of Allegheny Power System, Inc., to issue and sell up to \$25 million of first mortgage bonds at competitive bidding. (Rel. 35-18654 - Nov. 13)

DELMARVA POWER & LIGHT COMPANY

An order has been issued regarding Delmarva Power & Light Company, a public-utility company and a registered holding company, releasing jurisdiction over the terms and conditions of the sale by Delmarva of 1,500,000 shares of common stock to underwriters on a negotiated basis for public offering. (Rel. 35-18655 - Nov. 13)

AMERICAN NATURAL GAS COMPANY

A notice has been issued giving interested persons until December 5 to request a hearing regarding a proposal by American Natural Gas Company, a registered holding company, to purchase up to \$1 million par amount of the stock of a newly-organized company, American Natural Gas Arctic Company (Arctic). Arctic is one of six partners in Northern Border Pipeline Company, organized for the purpose of ultimately constructing and financing a \$1.8 billion pipeline for supplying natural gas originating in Alaska and northern Canada to certain markets in the lower 48 states of the United States. (Rel. 35-18656 - Nov. 13)

DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until November 27 to request a hearing on an application of the Pacific Stock Exchange, Inc. for unlisted trading privileges in the common stock of the following companies: American Electric Power Company, Inc.; American Home Products Corporation; Beatrice Foods Company; Chase Manhattan Corporation; Coastal States Gas Corporation; Colgate-Palmolive Company; Duke Power Company; Houston Lighting & Power Company; Howard Johnson Company; The Louisiana Land and Exploration Company; Manufacturers Hanover Corporation; J. P. Morgan & Co. Incorporated; Philadelphia Electric Company; Public Service Electric and Gas Company; Virginia Electric and Power Company. (Rel. 34-11103)

SECURITIES ACT REGISTRATIONS

(S-6) THE CORPORATE INCOME FUND, TWELFTH MONTHLY PAYMENT SERIES

\$15 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, 125 High St., Boston, Mass. 02110. The Fund, a Unit Investment Trust, was created by a trust agreement among Merrill Lynch, as Sponsor, The Bank of New York and The National Shawmut Bank of Boston, as Trustees, and Interactive Data Services, Inc., as Evaluator. The Fund's primary objective is providing a high level of current income through investment in a fixed portfolio of long-term debt obligations, issued primarily by corporations. (File 2-52307 - Nov. 8)

(S-7) ARCO PIPE LINE COMPANY - ATLANTIC RICHFIELD COMPANY

ARCO Bldg., Independence, Kan. 67301 - \$200 million of 8.70% guaranteed notes, due 1981, to be issued by ARCO and unconditionally guaranteed by Atlantic Richfield Company. The notes are being offered at par through underwriters headed by Smith, Barney & Co. Incorporated, 20 Broad St., New York, N.Y. 10005. ARCO, a wholly-owned subsidiary of Atlantic Richfield Company, operates common carrier crude oil and provides pipelines. (File 2-52162 - Oct. 17)

(S-14) FLORIDA CAPITAL CORPORATION

26 Broadway, New York, N.Y. 10004 - \$860,235 of 12% subordinated debentures, due 1989. It is proposed to offer these debentures in exchange for 162,047 shares of common stock of Jack's Food Systems, Inc. (a 72% owned subsidiary) in connection with the merger of Jack's Food System and a wholly-owned subsidiary of Florida Capital and upon the exercise of warrants to purchase common stock of Jack's Food Systems. Florida Capital is a holding company which, through its subsidiaries, operates and franchises fast-food restaurants and manufacturers, purchases, sells and leases meat processing machinery and systems. (File 2-52180 - Oct. 18)

(S-16) AUTOMATIC DATA PROCESSING, INC.

405 Route 3, Clifton, N.J. 07015 - 44,000 shares of common stock, which may be offered for sale, through Kuhn, Loeb & Co., 40 Wall St., New York, N.Y. 10005, acting as broker, from time to time by certain shareholders at prices current at the time of sale. The company is primarily in the electronic data processing services business. (File 2-52190 - Oct. 22)

(S-16) CONSOLIDATED FOODS CORPORATION

135 South LaSalle St., Chicago, Ill. 60603 - 144,894 shares of common stock, which may be offered for sale (or pledged) from time to time by certain selling shareholders at prices current at the time of sale. Consolidated Foods produces and distributes household products, apparel, soft drinks, confections, commercial and industrial products; processes and markets branded frozen and processed foods; and operates various industrial and consumer services businesses. (File 2-52220 - Oct. 29)

(S-1) CARDIAC RESUSCITATOR CORPORATION

Suite E 2323 First National Bank Tower, Portland, Ore. 97201 - 100,000 shares of common stock, to be offered for sale at \$5 per share by the company. The company develops cardiac automatic resuscitative devices and sensing mechanisms pertaining thereto. (File 2-52253 - Oct. 25)

REGISTRATIONS EFFECTIVE

Nov. 13: Amarex Exploratory Program, Ltd., 2-51679; American Telephone & Telegraph Co., 2-52163; Delmarva Power & Light Co., 2-51931; Perini Corp., 2-51927.
Nov. 14: Halliburton Co., 2-52271.

REGISTRATIONS WITHDRAWN

Nov. 8: Mortgage Associates, Inc., 2-43257.
Nov. 11: Metal Sales Manufacturing Corp., 2-49531; Titlesearch Inc., 2-48855, 2-48927.
Nov. 12: American Continent Fund, Inc., 2-36019; Beauty Bonus Club, Inc., 2-47153; General Geothermal, Inc., 2-49981; Iowa Power & Light Co., 2-51540; Polydex Chemicals Ltd., 2-49452.

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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