

sec news digest

a daily summary from the securities and exchange commission

Issue 73-174

(SEC Docket, Vol. 2, No. 12 - Sept. 18)

September 7, 1973

RULE PROPOSALS AND ADOPTIONS

RULE 239 PROPOSED FOR ADOPTION. The SEC today announced for public comment proposed Rule 239 under the Securities Act of 1933, which would provide an exemption pursuant to Section 3(b) of that Act for certain promissory notes directly secured by a first lien on a parcel of residential real estate.

Proposed Rule 239 sets forth five requirements for determining the availability of the Section 3(b) exemption: (1) the aggregate unpaid principal amount of the notes and the aggregate offering price to the public cannot exceed \$500,000; (2) the aggregate unpaid debt secured by the lien cannot exceed 95% of the property's appraised valuation; (3) the promissory notes secured by the lien on the property must have been originated by a savings or loan association, savings bank, commercial bank, or similar regulated mortgagee; (4) the unpaid principal amount of each note cannot be less than \$15,000; and (5) the notes shall be sold for cash or purchasers' obligations to pay cash within 60 days after sale.

Public comments on the proposed rule should be addressed to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D. C. 20549. All comments should be in writing, should be received by the Commission on or before October 11, 1973, and should refer to File No. S7-493. All such comments will be available for public inspection. (Rel. 33-5419).

PROPOSAL TO AMEND RULE 17g-1 REVISED. The SEC today announced that it has revised its proposal of April 5, 1972 (Rel. IC-7107) to amend Rule 17g-1 under the Investment Company Act, which provides for the bonding of officers and employees of registered management investment companies who have access to securities or funds of such companies. The proposed amendment to Rule 17g-1, as revised, would, among other things, (1) limit the types of persons who may be covered under a joint bond with a registered management investment company; (2) set forth minimum required amounts of coverage for investment companies; and (3) require that any bond covering an investment company and one or more other insureds must provide for certain new notification requirements.

All interested persons are invited to submit comments on the proposed amendment, as revised, to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D. C. 20549, on or before October 17, 1973. Please refer to File No. S7-435 in any communications. (Rel. IC-7980)

COMMISSION ANNOUNCEMENTS

HARVEY PITT NAMED EXECUTIVE ASSISTANT TO CHAIRMAN. Chairman Ray Garrett, Jr. announced today that Harvey L. Pitt joined the staff of the Office of the Chairman as an Executive Assistant to the Chairman. In this position, Mr. Pitt will be responsible for assisting the Chairman in connection with the legal issues and related policy questions considered by the Commission. He will also serve as the Chairman's liaison with the Commission's staff on legal and policy issues arising out of the Commission's administration of the federal securities laws.

Mr. Pitt first joined the SEC in 1968 as an attorney with the Office of General Counsel after graduating from St. John's University School of Law with honors. Since that time, he has served as Legal Assistant to former Commissioner Francis M. Wheat; an editor of the Commission's Institutional Investor Study Report; and Special Counsel in the Commission's Office of General Counsel. In August, 1972, Mr. Pitt was appointed the first Chief Counsel of the newly-created Division of Market Regulation, where he served for over one year.

STRATTON GROUP SECURITIES SUSPENDED FROM TRADING. The SEC announced the temporary suspension of exchange and over-the-counter trading in the common stock of Stratton Group, Ltd. of Hicksville, N.Y., for the ten day period commencing 10:00 am (EDT) on September 7 and continuing through midnight on September 16, 1973.

The Commission initiated the suspension at the request of Stratton. The company states that irregularities in accounting entries which would materially affect its reported operating results for 1972, and perhaps for subsequent periods, appear to have occurred and that the auditor's certificate for the 1972 financial statements will be withdrawn. (Rel. 34-10378)

INVESTMENT COMPANY ACT RELEASES

WADE FUND. A notice has been issued giving interested persons until October 4 to request a hearing on an application of Wade Fund of Memphis, Tennessee, for a temporary exemption, not to exceed 90 days, from the provisions of the Act making it unlawful for any person to serve as investment adviser to a registered investment company except pursuant to a written contract approved by a majority of the outstanding voting securities of such registered company. (Rel. IC-7979)

THE EBERSTADT FUND. An order has been issued on an application of Eberstadt Fund, Inc., a diversified, open-end management company, and F. Eberstadt & Co., Managers & Distributors, investment adviser to Eberstadt. They request exemption from certain provisions of the Act so as to permit the following: the exchange without any sales charges of shares of Eberstadt for shares of Surveyor Fund, Inc., a closed-end management investment company, upon the merger of Surveyor into Eberstadt; the succession by Eberstadt, for a period of 30 days subsequent to the merger, to various obligations on certain convertible debentures previously issued by Surveyor; and the assumption by Manager of the obligations of Surveyor under a lease between Surveyor and Control Data Corporation. (Rel. IC-7981)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY. An order has been issued authorizing Consolidated Natural Gas Company, New York holding company, to make \$16,315,000 of non-interest bearing cash advances to its non-utility subsidiary, CNG Producing Company. The proceeds will be used for the subsidiary's recent acquisition of oil-gas leases in and around the Gulf of Mexico and other corporate purposes. (Rel. 35-18085).

SECURITIES ACT REGISTRATIONS FILED

(Note: "Per share maximum" prices referred to in the following summaries of registration statements are prices estimated for the purpose of computing the registration fee and are not necessarily prices at which the securities will be sold.)

ADRs FILED. First National City Bank, 111 Wall St., New York, N.Y. 10015, filed five registration statements seeking registration of 100,000 American Depositary Receipts each for ordinary shares of the following companies:

- (a) Scottish and Universal Investments Limited, a United Kingdom corporation - (File 2-48748 - July 31)
- (b) Redland Limited, a United Kingdom corporation - (File 2-48749 - July 31)
- (c) Blyvooruitzicht Gold Mining Company, a South African corporation - (File 2-48750 - July 31)
- (d) Carpets International Limited, a United Kingdom corporation - (File 2-48758 - Aug. 2)
- (e) House of Fraser Limited, a Scottish corporation - (File 2-48759 - Aug 2)

UTAH POWER & LIGHT COMPANY, 1407 West North Temple St., P. O. Box 899, Salt Lake City, Utah 84110 - 800,000 shares of common stock, to be offered for sale at competitive bidding. Net proceeds will be used to pay a portion of bank notes and commercial paper expected to aggregate \$35 million by September 18 and incurred for construction purposes. (File 2-48751 - Aug 1)

MUNICIPAL INVESTMENT TRUST FUND, SIXTEENTH MONTHLY PAYMENT SERIES - \$36,750,000 of units. The Fund was created by a trust agreement among Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bache & Co. Incorporated and duPont Walston Incorporated as sponsors, The Bank of New York as trustee and Standard & Poor's Corporation as evaluator. The Fund is a unit investment trust formed for the purpose of obtaining tax exempt income through investment in interest-bearing state, municipal and public authority bonds, the interest on which is, in the opinion of recognized bond counsel, exempt from all Federal income tax under existing law. (File 2-47853 - Aug 1).

DYCO PETROLEUM CORPORATION, 1300 South Second St., Hopkins, Minn. 55343 - \$1,500,000 of units of participation in the company's 1973 Year-End Program (a general partnership), to be offered for sale at \$5,000 per unit with a minimum subscription of two units. The offering is to be made by Dain, Kalman & Quail, Inc., as dealer-manager, and selected NASD members. The Program will conduct oil and gas drilling and related operations. (File 2-48754 - Aug 1).

NEW YORK TELEPHONE COMPANY, 140 West St., New York, N.Y. 10007 - \$300 million of refunding mortgage bonds, Series W, due 2012, to be offered for sale through underwriters headed by Morgan Stanley & Co. Inc., 2 Wall St., New York, N.Y. Of the net proceeds, \$8 million will be invested in Empire City Subway Company, a wholly-owned subsidiary, and the balance will be applied toward repayment of interim debt expected to be about \$405 million. Construction expenditures are estimated at \$990 million for 1973 and \$900 million for 1974. (File 2-48755 - Aug. 1)

ALTEC CORPORATION, First Bank & Trust Bldg., Richardson, Tex. (mailing address: P. O. Box 30385, Dallas, Tex. 75230) - 30,000 shares of common stock, which are issuable pursuant to warrants or stock options or are outstanding shares which may be offered for sale by certain shareholders. The company produces and sells sound and communication equipment and traffic control and safety equipment, sells and services environmental test and power conversion equipment and provides theatrical and related services. (File 2-48756 - Aug 2)

SECURITIES ACT REGISTRATIONS. Effective September 6: Camco Financial Corp., 2-47541; Colgate-Palmolive Co., 2-48852; Damson 1973-A Exploration Fund, 2-47417; De Vegh Mutual Fund, Inc., 2-48948; Diversified Industries, Inc., 2-48739; Fred's International Imports, Inc., 2-47483; Hanover Planning Company, Inc., 2-48599; John Nuveen & Co., 2-48398; Presidio Oil Funds, Inc., 2-48162; Technomic Research Associates, Inc., 2-48930; ADR's for Venterspost Gold Mining Company Limited, 2-48921.

MISCELLANEOUS

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspensions of (a) exchange and over-the-counter trading in the securities of Koracorp Industries and over-the-counter trading in the securities of Home-Stake Production Co. and Continental Vending Machines Corp. for the further ten-day period September 7-16, inclusive; (b) over-the-counter trading in the securities of Royal Properties, Inc. for the further ten-day period September 10-19, inclusive; and (c) exchange and over-the-counter trading in the securities of BBI, Inc. and U. S. Financial, Inc., and over-the-counter trading in the securities of Aztec Products, Inc., Beneficial Laboratories, and Triex International Corp. for the further ten-day period September 11-20, inclusive.

UNLISTED TRADING GRANTED. An order has been issued granting an application of the PBW Stock Exchange, Inc. for unlisted trading privileges in the common stocks of the following companies: Hughes Tool Company; Robintech, Inc.; Sambo's Restaurants, Inc.; Sternco Industries, Inc.; and Vetco Offshore Industries, Inc. (Rel. 34-10337)

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
ADAMS DRUG CO INC	7,14	07/73
AIR SPRINGS INC	2,10	07/73
ALJOIN INDUSTRIES INC	1,13,14	07/73
AMERICAN METAL CLIMAX INC	3	08/73
AMERICAN UNITED INNS INC	2,14	07/73
ANTILLES BREWING CO INC	13	08/73
ASI COMMUNICATIONS INC	8	05/73
ASSOCIATES CORP OF NORTH AMERICA	7,10	08/73
ASSOCIATES FIRST CAPITAL CORP	7,10	08/73
BAVCSHAKES OF NORTH CAROLINA INC	10,14	08/72
BARRIS CHUCK PRODUCTIONS INC	3,10	01/73
BE LU INC	11	07/73
CINCINNATI ECONOMY DRUG CO	11	06/73
COLUMBIA NATIONAL CORP	13,14	07/73
DELPHI GROUP INC	2,3,7,8,13,14	07/73
DEVLON INTERNATIONAL CORP	3	07/73
ELECTRONIC TABULATING CORP	8,9	07/73
FIBERSTATICS CORP INC	6	07/73
FIRST GENERAL RESOURCES CO	2,11	07/73
FIRST PENNSYLVANIA MORTGAGE TRUST	14	07/73
FIRST TEXAS FINANCIAL CORP	13	08/73
FLAHS INC	2,11,13	07/73
FOUNDERS PREFERRED LIFE INSURANCE CO	2,7,11,14	07/73
GENERAL COMPUTING CORP	13,14	08/73
GIANT FOOD INC	4,8,11,14	07/73
GIDDINGS & LEWIS INC	8	07/73
GODDARD INDUSTRIES INC	2,14	06/73
GODDYS FOOD SYSTEMS INC	12,14	04/73
GRAPHIC SCANNING CORP	3	06/73
GREAT EASTERN MANAGEMENT CORP	7	06/73
HAMPSHIRE FUNDING INC	7	07/73
HARWOOD COMPANIES INC	4,7,8,14	08/73
HAWAII CORP	10,14	07/73
HOUSE OF FABRICS INC	13	08/73
ILLUSTRATED WORLD ENCYCLOPEAIA INC	2,4,7,13,14	07/73
INFORMATICS INC	13	06/73
LAFAYETTE FUNDS INC	7,14	07/73
LEISURE DYNAMICS INC	3,14	06/73
LUS ANGELES AIRWAYS INC	13,14	07/73
MISS PAT	2,3,10,11,14	07/73
MLS INDUSTRIES INC	13	07/73
MONTANA CORP	8,9	07/73
MUSIC FAIR ENTERPRISES INC	7,14	07/73
NATIONAL MOBILE DEVELOPMENT CO	2,11,13,14	07/73
NATIONWIDE INDUSTRIES INC	7,11	07/73

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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 (\$33.00 a year, first class mail, \$8.25 additional for foreign mailing, \$25.00 additional for air mail) and the SEC Docket (\$17.00 a year, first class mail, \$4.25 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.