

# sec news digest

a daily summary from the securities and exchange commission

Issue 73-194

(SEC Docket, Vol. 2, No. 16 - Oct. 16)

October 5, 1973

## RULE PROPOSALS AND ADOPTIONS

COMMENTS INVITED ON ACCOUNTING SERIES RELEASE NO. 146. The Commission today announced that it was inviting comments from all interested parties on the contents of Accounting Series Release (ASR) No. 146. That release, issued August 24, 1973, stated the Commission's policy in regard to accounting for subsequent business combinations by companies which had acquired their own shares in the two years prior to the combination. The release states that, until the comments invited have been considered and the Commission has stated its views thereon, the Commission will accept filings from registrants using principles of accounting for business combinations in accordance with practices deemed acceptable by public accountants prior to ASR No. 146.

The release indicates that the extent to which treasury shares acquired prior to the date of ASR No. 146 should be considered in the determination as to the applicability of pooling-of-interests accounting is among the matters about which the Commission invites comment. Comments should be submitted to John C. Burton, Chief Accountant, Securities and Exchange Commission, Washington, D. C. 20549, on or before November 15, 1973. (Rel. 33-5429)

AMENDMENTS TO REGULATION S-X REQUIRING IMPROVED DISCLOSURE OF LEASES ADOPTED. The Commission today adopted amendments to Rule 3-16 of Regulation S-X requiring increased disclosure of lease commitments by lessees in the footnotes to financial statements filed with the Commission. The proposal to amend Regulation S-X for this proposal was published for comment on June 6, 1973, and many letters of comment were received and considered.

In many respects, the disclosure requirements adopted conform substantially to those in Opinion No. 31 issued by the Accounting Principles Board of the American Institute of Certified Public Accountants. In addition, the amended rule requires disclosure of the present value of financing leases (as defined in the rule) and of the impact on net income if such leases were capitalized. The Commission believes the additional disclosures are necessary to enable investors to compare meaningfully the capital and asset structures and operating results of companies making use of different methods of acquiring and financing assets.

The Commission announced that it does not intend by adopting these amendments to prejudice the issues of lease accounting now being considered by the Financial Accounting Standards Board. At such time as that body develops improved standards of accounting for leases, the Commission expects to reconsider the need for the disclosures adopted today. (Rel. 33-5428)

AMENDMENTS TO REGULATION S-X ON PROPOSED DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES. The Commission on October 4 released for public comment proposed amendments to Regulation S-X Rules 3-08, 3-16, 5-02-6 and 5-02-20. The current proposals are substantially revised from a proposed amendment of Rule 3-08 issued for public comment on December 18, 1972. (Rel. 33-5343) In consideration of the large number of comments received which raised several technical objections, the current proposals define more specifically the disclosure required both in terms of the accounting areas covered and the data to be disclosed in each.

The proposed amended rules call for expanded disclosure of accounting followed with regard to depreciation, depletion, obsolescence and amortization; research and development, preoperating and similar costs; and inventories. A new rule (3-16(s)) calls for disclosure relating to finding costs for mineral resources companies. In some circumstances the inventory and research and development rules require disclosure of the impact on net income of principles followed when compared to an alternative principle, if practicable. Finally, the proposed rule requires that in the event of a change in the accounting principles followed, the impact of the change on net income (as compared to the former principle) shall be disclosed for two years.

Interested persons are invited to submit their views and comments on the proposed amendments to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D. C. 20549, on or before November 30, 1973. Comments should refer to File No. S7-497. (Rel. 33-5427)

## COURT ENFORCEMENT ACTIONS

PHILIP ZANE, JEROME SILVERMAN AND ROBERT PERSKY SENTENCED. On September 6, 1973, Philip Zane and Jerome E. Silverman, both certified public accountants, and Robert S. Persky, an attorney, were sentenced by the Federal District Court at New York City to be confined in prison for a period of four months, and thereafter to be placed on probation for two years. (LR-6085)

## INVESTMENT COMPANY ACT RELEASES

IDS LIFE VARIABLE ANNUITY FUND A. An order has been issued to IDS Life Variable Fund A and IDS Life Insurance Company permitting (1) an investor to transfer accumulated values under the retirement annuity contract from the fixed dollar account to the variable account without the imposition of an additional sales and administrative charge; (2) the usual decreasing sales and administrative charges on purchase of variable annuities to be assessed upon the basis of aggregate purchase payments received from an investor, irrespective of whether such payments are allocated to the fixed account, the variable account, or both; and (3) the beneficiary of an annuitant to elect to have the proceeds payable upon the death of the annuitant, including those not derived from the variable account, applied to a variable annuity without the imposition of a sales and administrative charge. (Rel. IC-8019)

DUPONT WALSTON INCORPORATED. A notice has been issued giving interested persons until October 25 to request a hearing on an application of DuPont Walston Incorporated for an order exempting it and its co-underwriters from certain provisions of the Act in their transactions incident to the proposed distribution of shares of common stock of Utility Shares of America, Inc., a registered closed-end investment company. (Rel. IC-8020)

AETNA INCOME FUND. A notice has been issued giving interested persons until October 29 to request a hearing on an application of Aetna Income Fund of Hartford, Connecticut for an order declaring that it has ceased to be an investment company. (Rel. IC-8021)

FUNDAMATIC INVESTORS. A notice has been issued giving interested persons until October 29 to request a hearing on an application of Fundamatic Investors, Inc., New York mutual fund, for an order permitting continued suspension of redemption and postponement of payment for shares tendered for redemption until December 31, 1973, when the Fund contends that it should be able to complete a plan of liquidation. A temporary order has been issued granting permission to the Fund to temporarily suspend redemption and to postpone payment until further order of the Commission. (Rel. IC-8022)

## SECURITIES ACT REGISTRATIONS FILED

PUBLISHING COMPUTER SERVICE, INC., 2461 Wisconsin Ave., N.W., Washington, D.C. - 296,100 shares of common stock. It is proposed to offer these shares to stockholders, at the rate of one share for each share held and at \$.50 per share. The company provides a variety of data processing services, primarily to the publishing industry. (File 2-49053 - Sept. 14)

ROY O. MARTIN INDUSTRIES, INC., P. O. Drawer 1110, Alexandria, La. 71301 - 407,000 shares of common stock, of which 250,000 are to be offered for sale by the company and 157,000 by certain shareholders. The offering is to be made through underwriters headed by duPont Walston Inc., 74 Wall St., New York, N.Y. 10005. The company manufactures lumber, sells lumber and construction related products and participates in commercial and residential building. (File 2-49054 - Sept. 14)

BTA OIL PRODUCERS and Carlton Beal, Carlton Beal, Jr. and Barry Beal, individually 104 South Pecos, Midland, Texas 79701 - \$1,870,000 of fractional undivided interests in oil and gas leases, to be offered for sale in minimum amounts of \$18,700. (File 2-49056 - Sept. 14)

FLORIDA POWER & LIGHT COMPANY, 4200 Flagler St., Miami, Fla. 33134 - 400,000 shares of Series G cumulative preferred stock (\$100 par), to be offered for sale at competitive bidding. (File 2-49052 - Sept. 14)

CITIBANC GROUP, INC., Wilbanks Bldg., Alexander City, Ala. 35010 - 253,251 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of five banks as follows: 9.319 shares for each Covington County Bank share, 6.566 shares for each City Bank of Goodwater share, 5.512 shares for each City Bank of Lineville share, 6.753 shares for each City Bank of Roanoke share and 7.619 shares for each City Bank of Tuskegee share. Organized in March 1972, Citibanc is a bank holding company. (File 2-49057 - Sept. 13)

TLC CATTLE CO., INC., P. O. Box 147, Stratford, Tex. 79084 - \$5 million of pre-organization subscriptions in partnerships to engage in cattle breeding and feeding programs, to be offered for sale in minimum amounts of \$5,000 through selected NASD members. (File 2-49060 - Sept. 17)

WISCONSIN POWER AND LIGHT COMPANY, 222 West Washington Ave., Madison, Wis. 53701 - 866,187 shares of common stock. It is proposed to offer these shares for subscription by common stockholders, at the rate of one share for each eight shares held. Any unsubscribed shares may be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., One Liberty Plaza, New York 10006. (File 2-49061 - Sept. 17)

CONTINENTAL INVESTMENT CORPORATION, 100 Federal St., Boston, Mass. 02110 - \$4,821,000 of 9% subordinated debentures, due 1985. It is proposed to offer these debentures in exchange for up to \$3,444,000 of the \$3,709,000 outstanding 9% convertible subordinated debentures, due 1990 (convertible on and after November 5, 1973), at the rate of \$1,400 of new debentures for each \$1,000 of old debentures. Hornblower & Weeks-Humphill, Noyes, will head a group of dealers, who have agreed to solicit acceptances of the exchange offer. The company through subsidiaries, operates primarily in the fields of mortgage insurance, life insurance, real estate investment trust management, mutual fund management and other financial services and in the development and sale of homesites for leisure use. (File 2-49062 - Sept. 17)

FLORIDA POWER AND LIGHT COMPANY, 4200 Flagler St., Miami, Fla. 33134 - 1,250,000 shares of common stock, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., One Liberty Plaza, New York, N.Y. 10006. (File 2-49063 - Sept. 17)

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:

Multimedia, Inc., Greenville, S. C. (File 2-49055) - 150,000 shares  
Narda Microwave Corporation, Plainview, N. Y. (File 2-49058) - 50,000 shares  
Flagstaff Corporation, New York, N. Y. (File 2-49059) - 187,500 shares  
Scott, Foresman and Company, Glenview, Ill. (File 2-49064) - 250,000 shares

SECURITIES ACT REGISTRATIONS. Effective October 4: Affiliated Bankshares of Colorado, Inc., 2-49194; American Financial Corp., 2-48180; Electronic Arrays, Inc., 2-48250 (Jan 2); Horizon Corp., 2-49042; Kerr-McGee Corp., 2-49244; Puget Sound Power & Light Co., 2-49029; Texas Commerce Bancshares, Inc., 2-49161; Troporo Oil & Gas Co., 2-48474 (90 days).

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 CONTINUED. The SEC has initiated the suspension of exchange and over-the-counter trading in the securities of Stratton Group Ltd., TelePrompter Corp. and 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 October 7-16, inclusive.

UNLISTED TRADING SOUGHT. Notices have been issued giving interested persons until October 18 to request a hearing upon applications of the following exchanges for unlisted trading privileges in the common stocks of the specified companies:

Boston Stock Exchange: Chessie System, Inc.; Dun & Bradstreet Companies, Inc.; Southern Natural Resources, Inc.; Kansas Gas and Electric Company.

PBW Stock Exchange, Inc.: Southern Natural Resources Inc.  
(Rel. 34-10424)

UNLISTED TRADING GRANTED. Orders have been issued granting applications of (a) the Midwest Stock Exchange for unlisted trading privileges in the common stock of Coastal States Gas Corporation and (b) the Midwest Stock Exchange for such privileges in the American Depository receipts for American units of Plessey Company Limited. (Rel. 34-10424)

### 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
ALISON MORTGAGE INVESTMENT TRUST	7	08/73
AMSTAR CORP	13	03/73
ANDERSON STOKES INC	13	08/73
ATCO INDUSTRIES INC	1, 2, 3, 4, 7, 11, 13, 14	08/73
BASIC PETROLEUM CORP	2, 7, 14	08/72
BASIN PETROLEUM CORP	3	08/73
BEAVER CREEK INDUSTRIES INC	2, 3, 7, 8, 13, 14	09/73
BKU DART INDUSTRIES	8	08/73
BROWN MARTHA LTD	7	07/73
CAMBRIDGE BEVERAGE CORP	9, 11, 14	09/73
CAROLINA CARIBBEAN CORP	2, 10, 14	08/73
CHART HOUSE ENTERPRISES	13	03/73
CHEURIE CONCREX CORP	4, 11	08/73
CULE NATIONAL CORP	4, 7, 14	09/73
COMPUTER CIRCUITS CORP	6	08/73
COQUINA OIL CORP	3	06/73
COQUINA OIL CORP	2	07/73
DAVIS FOOD SERVICE INC	4, 8, 11, 14	08/73
DEPOSIT GUARANTY CORP	7	08/73
EAZUK EXPRESS INC	2	08/73
ELECTRO DENT INC	12, 14	08/73
FIRST TENNESSEE NATIONAL CORP	7	08/73
GATES LEARJET CORP	11, 13, 14	09/73
GENERAL TELEVISION INC	1	08/73
GIANT STOKES CORP	2, 3, 14	08/73
HANDLEMAN CO	11, 14	09/73
HARSCO CORP	7	06/73
HAWAIIAN ELECTRIC CO INC	7	09/73
HEALTH DELIVERY SYSTEMS INC	13, 14	09/73
HULDEN DAY INC	2, 14	08/73
IOWA PUBLIC SERVICE CO	13	09/73

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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.