

sec news digest

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COMMISSION ANNOUNCEMENTS

DISCLOSURE OF IMPACT OF POSSIBLE FUEL SHORTAGES SUBJECT TO THE REGISTRATION AND REPORTING PROVISIONS. In view of the actual or potential impact that possible fuel shortages resulting from the current energy crisis may have on the operation of issuers subject to the registration and reporting provisions of the federal securities laws, the SEC today reiterated the importance of publicly held companies making prompt and accurate disclosure of information, both favorable and unfavorable, to security holders and the investing public. The Commission recognizes that the extent of possible shortages of fuel or types of energy and their impact on particular industries or issuers may not be determinable at this time. Accordingly, it is not presently in a position to publish guidelines applicable to registration statements and reports required to be filed with the Commission. However, the Commission emphasizes that, under the securities laws, the responsibility for making full and fair disclosure in filings with the Commission rests with the issuers required to make those filings. Accordingly, issuers should carefully consider whether disclosure of the impact on their operations of possible fuel shortages is required now and upon the occasion of further developments in this situation. Consideration should be given to such matters as possible material increases in costs of operation or possible curtailment of operations.

In addition, notwithstanding the fact that an issuer complies with the registration and reporting requirements under the securities laws, it should make full and prompt announcements of material facts concerning the issuer's operations. The responsibility for making such announcement rests, and properly so, with the management of the issuer. They are intimately aware of the factors affecting the operations of the business. Also, not only must material facts affecting an issuer's operations be reported; they must be reported promptly. As indicated in Rel. 33-5092 (Oct. 5, 1970), Timely Disclosure of Material Corporate Developments, the policy of prompt corporate disclosure of material business events is embodied in the rules and directives of the major exchanges and the National Association of Securities Dealers, Inc. In addition, it should be noted that unless adequate and accurate information is available, a company may not be able to purchase its own securities or make acquisitions using its securities, and its insiders may not be able to trade its securities without running a serious risk of violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

The Commission will monitor developments relating to the energy crisis with a view to determining whether additional steps may be necessary. (Rel. 33-5447)

COMMISSION STATES POLICY ON ESTABLISHMENT AND IMPROVEMENT OF ACCOUNTING PRINCIPLES AND STANDARDS. The Commission today issued a statement of policy in which it reiterated its historical policy of allowing the private sector to provide leadership in establishing and improving accounting principles and identified the Financial Accounting Standards Board (FASB) as the body through which this task will be accomplished. The Commission stated that the accounting principles and standards promulgated by the FASB will be considered to have substantial authoritative support and those contrary to such promulgations will be considered to have no such support. (ASR-150)

TRADING SUSPENDED IN GO PUBLISHING CO. & MODULAR DYNAMICS, INC. Over-the-counter trading in the securities of GO Publishing Company, Inc., of New York City, and Modular Dynamics, Inc., of Atlanta, has been suspended for a ten-day period beginning December 19, and terminating at midnight (EST) on December 28, 1973. The Commission initiated the suspensions because the companies failed to comply with the reporting provisions of the Exchange Act resulting the lack of current and accurate information available to the public. (Rel. 34-10568)

COURT ENFORCEMENT ACTIONS

HAWKEYE LAND LTD. ENJOINED. The SEC Chicago Regional Office announced that on December 12 the Federal court in Iowa permanently enjoined Hawkeye Land Ltd. of Bettendorf, Iowa from violations of the antifraud provisions of the securities laws in the offer and sale of its securities. In addition, the Court ordered that Hawkeye refund \$675,925 to the subscribers of the common stock of Hawkeye. Hawkeye consented to the court order without admitting or denying the allegations of the Commission's complaint. (LR-6175)

INVESTORS SECURITY CORPORATION, CONDON ENJOINED. The SEC Chicago Regional Office announced that on November 7 the Federal court in Chicago permanently enjoined Investors Security Corporation of Minneapolis, Minnesota, and its president, Lowell D. Condon of Golden Valley, Minnesota from violations of the securities registration, broker-dealer registration, and antifraud provisions of the securities laws in the offer and sale of various securities. (LR-6176)

HOLDING COMPANY ACT RELEASES

NORTHEAST UTILITIES. A notice has been issued giving interested persons until January 11 to request a hearing on proposals of Northeast Utilities ("NU"), and its wholly-owned subsidiaries, The Connecticut Light and Power Company (CL&P), The Hartford Electric Light Company (HELCO) and Western Massachusetts Electric Company (WMECO), to issue short-term notes to banks and commercial paper to dealers in commercial paper from time to time until March 31, 1975. The aggregate amount of all such short-term indebtedness will not exceed, for NU, CL&P, HELCO and WMECO respectively, \$150,000,000, \$168,000,000, \$72,000,000 and \$53,600,000. The proceeds will be used, in part, by NU to provide funds to its subsidiaries, and by CL&P, HELCO and WMECO for 1974 construction expenditures. (Rel. 35-18223)

INVESTMENT COMPANY ACT RELEASES

THREE FUNDS DEREGISTERED. Notices have been issued giving interested persons until January 16 to request hearings on proposals of the Commission to declare that the following Funds have ceased to be investment companies:

- (a) Counselors Capital Fund, Inc., of Los Angeles (Rel. IC-8145)
- (b) Portfolio Performance Fund, Inc., of New York (Rel. IC-8146)
- (c) Industrial Stock Average Fund, of New York (Rel. IC-8147)

NATIONAL TAX-EXEMPT BOND TRUST. A notice has been issued giving interested persons until January 9 to request a hearing on an application filed by National Tax-Exempt Bond Trust, Series 1 (Fund) and its sponsor Tax-Exempt Bond Trusts Incorporated (Sponsor) for an order exempting the Fund and all subsequent Series from compliance with the initial net worth requirements of the Act with regard to the distribution of capital gains no more than once in a taxable year; and exempting the secondary market operations of the Sponsor with regard to the Units of the Fund and all such subsequent Series from the pricing provisions of the Act. (Rel. IC-8141)

DUPONT WALSTON INCORPORATED. A notice has been issued giving interested persons until January 10 to request a hearing on an application of DuPont-Walston Incorporated, representative of a group of underwriters proposing to underwrite a public offering of the shares of Charter Investment Company Incorporated, a registered closed-end investment company, for an exemption from Section 30(f) of the Investment Company Act to the extent that section adopts the insider trading provisions contained in Section 16(b) of the Securities Exchange Act of 1934, insofar as such provisions might apply to transactions by the underwriters incident to the public distribution of shares of the company. (Rel. IC-8142)

SECURITIES ACT REGISTRATIONS FILED

(S-1) **XONICS, INC.**, 6849 Hayvenhurst Ave., Van Nuys, Cal. 91406 - 275,000 shares of common stock, to be offered for sale through underwriters represented by New York Securities Co. Inc., One New York Plaza, New York, N.Y. 10004 and L. C. Wegard & Co., Inc., U.S. Highway 130, Willingboro, New Jersey 08046. The company is engaged primarily in the application of applied physics and associated technologies for commercial development in the fields of medical diagnostic electronics, environmental monitoring and control systems, computer-augmented communications and acoustic sensing systems. (File 2-49801 - Dec. 5)

(S-1) **UNITED ATHLETES OF AMERICA, INC.**, 6840 South Cedar, Suite #8, Lansing, Mich. 48910 - 200,000 shares of common stock, to be offered for sale by the company in multiples of 20 shares at \$200 per 20 shares. The company owns and operates a recreation-al park and produces athletically related cassette tapes. (File 2-49802- Dec. 5)

(S-7) **POTOMAC ELECTRIC POWER COMPANY**, 1900 Pennsylvania Ave., N.W., Wash., D.C. 20006 \$100 million of first mortgage bonds, due 2009, to be offered for sale at competitive bidding. The company is engaged in the generation, transmission, distribution and sale of electric energy. (File 2-49803 - Dec. 5)

SECURITIES ACT REGISTRATIONS. Effective December 19: Beatrice Foods Co., 2-49685; Frontier Telephone Co., 2-46769 (Mar 17); Honeywell Finance Inc., 2-49588; ADRs for Kloof Gold Mining Company Limited, 2-49654; S. S. Kresge Co., 2-49709; J. Ray McDermott & Co., Inc., 2-49875; Security New York State Corp., 2-49208; Southland Royalty Co., 2-49712; Tennessee Valley Bancorp, Inc., 2-49700; Tymshare, Inc., 2-49694.

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 exchange and over-the-counter trading in the securities of BBI, Inc., and the over-the-counter trading in the securities of U. S. Financial, Inc., for the further ten-day period December 20-29, inclusive.

The News Digest of December 13 announced the termination of the suspension of trading in the securities of Stanndco Developers, Inc., effective December 12. The announcement of the suspension of trading in Stanndco for the further ten-day period of December 13-22 was in error.

STANDARD OIL COMPANY (INDIANA). A notice has been issued giving interested persons until January 2 to request a hearing upon an application of Standard Oil Company (Indiana) under the Trust Indenture Act of 1939 for a finding that the trusteeships of The Chase Manhattan Bank under an indenture dated September 15, 1966, qualified under the Act, and another indenture, dated December 2, 1973, not qualified under the Act, are not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify Chase Manhattan from acting as Trustee under these indentures. (Rel. TI-350)

CORRECTION RE RULE 9b-1. Rule 9b-1, covering puts, calls, straddles and other options, will become effective January 17, 1974, not January 7, 1974, as reported in the December 14 News Digest.

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 3-7 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>
Apollo Equities, Inc.	Howard Corporation of Oregon Common Stock - 3,275,006 shs.	12- 3-73
* Pechiney Ugine Kuhlmann Corp.	Howmet Corp. Common Stock - 7,421,917 shs. (1,500,000 of above shares were purchased pursuant to a tender offer. PUKCO presently owns approximately 69% of the outstanding shares)	12- 3-73
Texas Capital Corp.	Delta Data Systems Corp. Common Stock - 236,619 shs. Common Stock - 35,000 shs. on exercise of Warrants	12- 3-73
Group of 26 Shareholders	Hastings Manufacturers Co. Common Stock - 201,511 shs.	12- 4-73
* Roy W. Taimo et al, Voting Trustees	Data Lease Financial Corp. Common Stock - 288,977 shs. (Above constitutes approximately 35% of the outstanding common shs.)	12- 4-73
Walter Haefner Holding AG (Switzerland)	AstroData, Inc. Common Stock - 1,200,000 shs.	12- 4-73
Bear, Stearns & Co.	Circle K Corp. Common Stock - 231,900 shs.	12- 5-73

International Marine Banking Co. Ltd (England)	Daylin, Inc. Common Stock - 66,000 shs. on exercise of Warrants	12- 5-73
* Tristar Developments, Inc. (A wholly-owned subsidiary of Trizec Corp. Ltd. (Canada)	Mobile Home Communities, Inc. Common Stock - 956,435 shs. Common Stock - 186,362 shs. on exercise of Warrants (Above represents in excess of 90% of the outstanding shs. 383,085 shs. and 120,522 wts. were purchased pursuant to a tender offer which has been extended thru January 7, 1974)	12- 5-73
* Frank A. Klaus	Hi-Shear Corp. Common Stock - 94,025 shs.	12- 5-73
EMW Associates Inc.	Arrow Electronics, Inc. Common Stock - 82,700 shs.	12- 5-73
* Berkshire Hathaway Inc.	Munsingwear, Inc. Common Stock - 133,200 shs.	12- 6-73
* Berkshire Hathaway Inc.	Washington Post Co. ClassB Stock - 467,150 shs.	12- 6-73
* J. P. Guerin & Co.	New America Fund, Inc. Common Stock - 352,882 shs. (above represents 19.5% of the outstanding shs. of Common Stock of the Fund)	12- 6-73
* American Finacial Corp.	National General Corp. Common Stock - 7,792,289 shs. Common Stock - 7,970,436 shs. on exercise of \$40 Warrants (As a result of its Exchange Offer AFC now owns approximately 95% of the outstanding common shares and 86% of the Warrants)	12- 6-73
Aetna Casualty & Surety Company of Illinois	Continental Telephone Corp. Preferred Stock Ser G - 30,000 shs.	12- 6-73
Thomas Edwin Greenstreet and Esther C. Greenstreet	Tonka Corp. Common Stock - 145,800 shs.	12- 6-73
Fidelity Fund, Inc.	Idaho Power Co. Common Stock - 150,000 shs.	12- 6-73
Puritan Fund, Inc.	Idaho Power Co. Common Stock - 260,000 shs.	12- 6-73
Puritan Fund, Inc.	Travelers Corp. Common Stock - 118,800 shs. on conversion of Preferred	12- 6-73
* Schiavone & Sons, Inc.	Corenco Corp. Common Stock - 29,424 shs.	12- 6-73
Mutual of Omaha Insurance Co.	United Benefit Life Insurance Co. Capital Stock - 509,663 shs.	12- 7-73
* Manufacturers Hanover Trust Co.	St. Paul Ammonia Products, Inc. Common Stock - 1,020,538 shs. on conversion of Ser A Pfd.	12- 7-73
* Amended Acquisition Report		