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# sec news digest

U.S. SECURITIES & FINANCE COMMISSION  
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April 2, 1975

APR 3 1975

## RULES AND RELATED MATTERS

PROPOSED RULES 10b-20 AND 10b-21  
REPUBLISHED FOR PUBLIC COMMENT

## LIBRARY

The Commission announced today the publication for public comment of revised proposed Rules 10b-20 and 10b-21 and revised proposed amendments to Rules 17a-3(a)(6) and 17a-3(a)(7) under the Securities Exchange Act of 1934. Proposed Rule 10b-20 would prohibit underwriters and dealers participating in a distribution of an equity security for cash from requiring a purchaser, in order to receive an allocation of securities from the underwriter or dealer, to pay consideration in addition to the amount indicated in the prospectus or to perform any other act such as purchasing an additional security in an unrelated offering (so-called "tie-in" arrangements). Proposed Rule 10b-21 would impose certain limitations on purchases to cover short sales where such short sales were effected prior to the commencement of an offering for cash involving equity securities of the same class. The amendments to Rule 17a-3 (the Commission's broker-dealer recordkeeping rule) would require that broker-dealer memoranda of sale orders for over-the-counter securities be marked as "long" or "short". Earlier versions of the proposed rules and amendments were published in Securities Exchange Act Release No. 10636 (Feb. 11, 1974). Written comments must be received no later than May 2, 1975; refer to File No. S7-510. (Rel. 34-11328)

## HOLDING COMPANY ACT RELEASES

### AMERICAN NATURAL GAS COMPANY

An order has been issued regarding an application-declaration of American Natural Gas Company, a registered holding company, and Michigan Wisconsin Pipe Line Company, one of its subsidiary companies, authorizing the proposed issuance and sale of promissory notes to banks by the holding company, of first mortgage pipe line bonds by the subsidiary company at competitive bidding, and of common stock to the holding company by the subsidiary company. (Rel. 35-18904 - Mar. 28)

### OHIO EDISON COMPANY

A notice has been issued giving interested persons until April 23 to request a hearing on a proposal by Ohio Edison Company, an electric utility company and a registered holding company, that it acquire the electric system of East Palestine, Ohio. (Rel. 35-18905 - April 1)

## DELISTING AND UNLISTED TRADING ACTIONS

### DELISTING GRANTED

An order has been issued granting the application of the American Stock Exchange, Inc. to strike from listing and registration the certificates constituting a charge on income of Missouri-Kansas-Texas Railroad Company.

As of December 31, 1973, the company had a consolidated net tangible asset deficit of \$15,538,000 and sustained net losses during three of the four consecutive fiscal years ended December 31, 1973, as follows: 1973, \$8,195,974; 1972, \$2,559,819; and 1970, \$5,011,628. The Exchange also noted that the company had reported a net loss of \$2,342,562 for the nine months ended September 30, 1974. (Rel. 34-11329)

## TRADING SUSPENSIONS

### ADDITIONAL ACTION ON THREE TRADING SUSPENSIONS

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of American Agronomics Corp., and over-the-counter trading in the securities

of Winner Industries, Inc. and Royal Properties, Inc. for the further ten-day period April 3 - 12, inclusive.

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## MISCELLANEOUS

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### JODY-TOOTIQUE

An order has been issued denying the application of Jody-Tootique, a California corporation, under Section 12(h) of the Securities Exchange Act of 1934 for an exemption for Jody-Tootique from the provisions of Section 12(g), 13, and 14 of the 1934 Act, and for an exemption for its officers, directors, and 10% beneficial owners from the provisions of Section 16 of that Act. It appeared to the Commission that the granting of the requested exemption would not have been consistent with the public interest or the protection of investors. (Rel. 34-11334)

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## SECURITIES ACT REGISTRATIONS

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### (S-14) CORDURA CORPORATION (DELAWARE)

10 South LaSalle St., Chicago, Ill. 60603 - 4,654,291 shares of common stock, and 62,500 shares of preferred stock, to be issued in exchange for the assets and business of Cordura Corporation (California) under a plan of reorganization and agreement between the two corporations which is subject to shareholder approval. The Cordura-Delaware shares will be distributed by Cordura-California to holders of Cordura-California shares on a one-for-one basis. Cordura Corporation is a diversified services company. (File 2-53014 - Mar. 12)

### (S-5) AETNA VARIABLE ENCORE FUND, INC.

151 Farmington Ave., Hartford, Conn. 06115 - 10,000,000 shares of common stock, proposed to be offered in connection with the sale of variable annuities to be funded in the separate accounts of Aetna Variable Annuity Life Insurance Company (AVAR). Aetna Variable Encore Fund, Inc. is a diversified open-end investment company which will seek a high level of income consistent with the preservation of capital. AVAR, a wholly-owned subsidiary of Aetna Life and Casualty Company (Aetna), Hartford, Connecticut, acts as investment manager of the Fund. Aetna is a holding company whose holdings are primarily insurance and financially oriented. (File 2-53038 - Mar. 17)

### (S-1) HAWKEYE BANCORPORATION

Sixth Floor, Stephens Bldg., 7th and Locust, Des Moines, Iowa 50309 - 52,500 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common shares of Farmers & Merchants State Bank, Lake Mills, Iowa, at the rate of 34 Hawkeye shares and \$600 cash for each Bank share. Also included in this statement are 89,771 shares of common stock, issuable upon exercise of outstanding common stock purchase warrants. (File 2-53179 - Mar. 28)

### (S-1) TWIN DOLPHIN HOTEL PARTNERSHIP

1730 West Olympic Blvd., Los Angeles, Cal. 90015 - \$1,200,000 of limited partnership interests, to be offered for sale in \$1,000 units with a minimum required purchase of seven units, by an officer of Twin Dolphin, Inc., the general partner. The Partnership proposes to build and operate a resort hotel in Baja, California, Mexico. (File 2-53183 - Mar. 31)

### (S-1) CROWN FINANCE CORPORATION

10039 Manchester Rd., St. Louis, Mo. 63122 - \$10 million of junior subordinated notes, to be offered for sale in multiples of \$100. The company is engaged primarily in the consumer finance business, consisting of (1) the making of personal loans and (2) the purchase of retail installment sales contracts from dealers selling consumer goods and services. (File 2-53191 - Mar. 31)

### (S-1) COMPU-SERV NETWORK, INC.

5000 Arlington Centre Blvd., Columbus, Ohio 43220 - 431,437 common shares. It is proposed to distribute these shares to the shareholders of Ilex Corporation, Columbus, Ohio, the holder of all of the shares of Compu-Serv, at the rate of 1/2 Compu-Serv share for each Ilex common share as of a record date to be determined. Compu-Serv provides computer programming and data processing services on a time sharing basis. (File 2-53193 - Mar. 31)

(S-1) NORTHEAST UNITED BANCORP., INC. OF TEXAS

7001 Grapevine Highway, Fort Worth, Tex. 76118 - 195,937 shares of common stock. Northeast proposes to offer these shares in exchange for all the outstanding shares of First State Bank, Bedford, Texas at an exchange rate of 6.27 Northeast shares for each outstanding First State Bank share. Northeast is a bank holding company which owns substantially all of the outstanding capital stock of one bank, Northeast National Bank of Fort Worth. (File 2-53194 - Mar. 31)

(S-1) EMI LIMITED

20 Manchester Square, London, W1A 1ES, England - 115,045 American shares, to be offered to holders of American shares of record on May 12, 1975, at the option of each such holder, in lieu of all or a portion of a cash dividend otherwise payable to such holder. The company is engaged in the music, leisure and electronics businesses. (File 2-53197 - Mar. 31)

(S-14) MASSACHUSETTS INVESTORS TRUST

200 Berkeley St., Boston, Mass. 02116 - 752,585 shares of beneficial interest, to be offered at net asset value in exchange for the assets of Combined Shares, Inc., The Fidelity Mutual Life Bldg., Philadelphia, Pa. 19101. The Trust is an open-end investment company. (File 2-53202 - Mar. 31)

(S-5) THE A.V.A. INCOME FUND

440 Lincoln St., Worcester, Mass. 01605 - \$10 million of individual nonqualified variable annuity contracts. SMA Equities, Inc., 440 Lincoln St., Worcester, Mass. 01605, is the principal underwriter. The A.V.A. Income Fund is a separate account of the American Variable Annuity Life Assurance Company and funds certain of the company's variable annuity contracts. (File 2-53203 - Mar. 31)

(S-5) THE A.V.A. QUALIFIED INCOME FUND

440 Lincoln St., Worcester, Mass. 01605 - \$10 million of individual qualified variable annuity contracts. SMA Equities, Inc. is the principal underwriter. The A.V.A. Qualified Income Fund is a separate account of the American Variable Annuity Life Assurance Company and funds certain of the company's variable annuity contracts. (File 2-53204 - Mar. 31)

(S-5) AMERICAN VARIABLE ANNUITY FUND

440 Lincoln St., Worcester Mass. 01605 - \$10 million of individual nonqualified variable annuity contracts. SMA Equities, Inc., 440 Lincoln St., Worcester, Mass. 01605 is the principal underwriter. The American Variable Annuity Fund is a separate account of the American Variable Annuity Life Assurance Company and funds certain of the company's variable annuity contracts. (File 2-53205 - Mar. 31)

In a separate statement the company seeks registration of \$10 million of individual qualified variable annuity contracts, to be offered for sale by the same principal underwriter named above. (File 2-53206 - Mar. 31)

(S-6) CORPORATE INVESTMENT TRUST FUND,  
TENTH MONTHLY PAYMENT SERIES

\$12.1 million of units. The Trust will be created under a trust agreement under which Bache & Co. Incorporated will act as sponsor, United States Trust Company of New York as trustee, New England Merchants National Bank as co-trustee and Interactive Data Services, Inc. as evaluator. It will consist of a diversified portfolio of long-term debt obligations rated "BBB" or better by Standard & Poor's Corporation or Fitch Investors Services, Inc. or "Baa" or better by Moody's Investors Service, Inc. (File 2-53207 - Mar. 31)

(S-7) NORTON COMPANY

One New Bond St., Worcester, Mass. 01606 - \$40 million of sinking fund debentures, due 2000, to be offered for sale through underwriters managed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, New York, N.Y. 10006. The company is a multi-national, diversified manufacturer of abrasive products. (File 2-53212 - Apr. 1)

(S-7) UNITED TELECOMMUNICATIONS, INC.

P.O. Box 11315, Plaza Station, Kansas City, Mo. 64112 - 500,000 shares of authorized and unissued common stock, to be offered for purchase by common shareholders under the

Automatic Dividend Reinvestment Plan. United is an independent (non-Bell) telephone holding company with twenty-one telephone operating subsidiaries and various other operating subsidiaries. (File 2-53213 - Apr. 1)

(S-7) SYBRON CORPORATION

1100 Midtown Tower, Rochester, N.Y. 14604 - \$35 million of notes, due 1985, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006, and Lehman Brothers Incorporated, One William St., New York, N.Y. 10004. The company manufactures and sells, on a worldwide basis, a diversified line of equipment and supplies which fall into four principal product areas: (1) health products for dentists, physicians, hospitals and laboratories; (2) instrumentation systems and equipment; (3) process equipment and water and waste treatment equipment; and (4) specialty chemicals. (File 2-53215 - Apr. 1)

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:

- Independent Bankshares Corp., San Rafael, Cal. (File 2-53178 - Mar. 31) - 35,000 shares
- Western Gear Corp., Lynwood, Cal. (File 2-53182 - Mar. 31) - 100,000 shares
- Tenneco Inc., Houston, Tex. (File 2-53184 - Mar. 31) - 6,270 shares
- Universal Oil Products Co., Des Plaines, Ill. (File 2-53185 - Mar. 31) - 350,000 shares
- Huntington Bancshares Inc., Columbus, Ohio (File 2-53186 - Mar. 31) - 24,000 shares
- General Electric Co., Schenectady, N.Y. and Fairfield, Ct. (File 2-53187 - Mar. 28) - 6,000,000 shares and 5,000,000 units
- First Chicago Corp., Chicago, Ill. (File 2-53188 - Mar. 31) - 620,000 shares
- Western Plastics Corp., Tacoma, Wash. (File 2-53189 - Mar. 31) - 41,400 shares
- Raymond Precision Industries Inc., Middletown, Conn. (File 2-53198 - Mar. 31) - 47,150 shares
- Gibraltar Financial Corporation of California, Beverly Hills, Cal. (File 2-53211 - Apr. 1) - 165,375 shares
- Philadelphia Electric Co., Philadelphia, Pa. (File 2-53214 - Apr. 1) - 500,000 shares
- American Can Co., Greenwich, Conn. (File 2-53217 - Apr. 1) - 642,003 shares

REGISTRATIONS EFFECTIVE

April 1: Chromalloy American Corp., 2-52588; The Detroit Edison Co., 2-52009; Morse Electro Products Corp., 2-52563; Norton Simon, Inc., 2-53120; Ralston Purina Co., 2-52026; Recognition Equipment Inc., 2-51513.

CORRECTION RE REGISTRATIONS EFFECTIVE

In the News Digest dated March 28 it was reported that Petro Search Income Program Series V became effective on March 27. In this report the file number given was incorrect. The correct file number is 2-48810.

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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