

2 sec news digest

Issue 78-171

SEP 5 1978

September 1, 1978

RULES AND RELATED MATTERS

U.S. SECURITIES AND EXCHANGE COMMISSION

PUBLICATION OF RELEASES CONCERNING OIL AND GAS ACCOUNTING

The Commission announces that it is issuing the following releases in connection with its proceeding on accounting practices for oil and gas producers. The conclusions reached by the Commission in the proceeding have been previously announced (SEC News Digest, Issue 78-169, August 30, 1978).

(a) A release in which rules, applicable to financial statements beginning in filings that contain full fiscal years ending after December 25, 1979, are adopted that: (1) specify a form of the successful efforts method of accounting, which is the same as that prescribed by Statement No. 19 of the Financial Accounting Standards Board (FASB) that oil and gas producers may follow; (2) prescribe the reporting of certain historical financial and operating information on oil and gas producing activities, including quantities of proved oil and gas reserves; and (3) prescribe the reporting of the present value of future net revenues from estimated production of proved oil and gas reserves and related information. These rules apply in filings with the Commission pursuant to the securities laws and in the preparation of accounts by persons engaged, in whole or in part, in the production of crude oil or natural gas in the United States for purposes of filing with the Department of Energy (DOE) reports of energy information that are subject to the requirements of the Energy Policy and Conservation Act of 1975. (ASR-253)

(b) A release in which the Commission proposes to amend its existing disclosure requirements in Item 2 of Regulation S-K relating to oil and gas producing activities. The amendments are proposed to become effective for filings for fiscal years ending after December 25, 1978. The proposed amendments would require that the disclosures adopted in ASR No. 253 (see (a) above) be presented outside financial statements in filings for the fiscal year ending after December 25, 1978, and before December 25, 1979. Comments are due on or before October 15, 1978 and should refer to File No. S7-752. (Rel. 33-5967)

(c) A release in which the Commission proposes for public comment rules that specify a form of the full cost method of accounting for oil and gas producing activities and certain related disclosure requirements. The rules are proposed to become effective in financial statements for full fiscal years ending after December 25, 1979. Comments are due on or before October 31, 1978 and should refer to File No. S7-715. (Rel. 33-5968)

(d) A release in which the Commission proposes for public comment rules that would require the presentation of a supplemental earnings summary prepared on the basis of reserve recognition accounting, a method of accounting that includes in income a valuation of current period additions to proved oil and gas reserves and changes in the valuation of oil and gas reserves proved in prior periods. Comments are due on or before April 30, 1979 and should refer to File No. S7-753. (Rel. 33-5969)

All comments should refer to the file number indicated above and be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549.

In addition, the Commission staff announces the publication of a related interpretative release, Staff Accounting Bulletin No. 23, that (1) rescinds Staff Accounting Bulletin No. 16 which described the staff's views of appropriate disclosure concerning the conclusions of the FASB to prescribe successful efforts accounting for all oil and gas producing companies; (2) revises the staff's interpretation of mineral resource assets employed in oil and gas producing activities with respect to natural gas liquids plants, for purposes of the replacement cost disclosure rule; and (3) indicates the staff's view that, for purposes of the replacement cost disclosure rule, an integrated company should value the element of its inventories and cost of sales represented by oil and gas transferred from properties it owns and produces at the estimated fair market value of the oil and gas at the point of transfer from its producing activities.

ADMINISTRATIVE PROCEEDINGS

ROBERT A. PETRALLIA, OTHERS RESIGN FROM PRACTICE BEFORE THE COMMISSION

The Commission announced that, in lieu of proceedings under Rule 2(e) of the Commission's Rules of Practice, it has accepted the resignations of Robert A. Petrallia, Robert B. Turk and Robert Di Consiglio, attorneys admitted to practice in the State of New Jersey, from practicing and appearing before the Commission. Permanent injunctions had been entered by consent against Petrallia, Turk and Di Consiglio, who neither admitted nor denied the allegations of the Commission's complaint, by the U.S. District Court for the District of New Jersey in SEC v. Peter J. Bonastia, et al., enjoining them from future violations of the registration and antifraud provisions of the securities laws. The complaint filed by the Commission in that action alleged that Petrallia, Turk and Di Consiglio violated these provisions in the course of their representation of Investors Economic Systems, Inc. and its affiliates, in connection with the offer and sale of securities in the form of interests in limited partnerships. (Rel. 34-15087)

TRADING SUSPENSIONS

TRADING SUSPENDED IN WESTERN PREFERRED CORPORATION

The SEC announced the single ten-day suspension of over-the-counter trading in the securities of Western Preferred Corporation, a Colorado corporation located in Englewood, Colorado, for the period beginning on August 31 and terminating at midnight (EDT) on September 9, 1978. The Commission initiated the suspension because the company has failed to file its Form 10-K annual report for its fiscal year ended December 31, 1977 and its Form 10-Q quarterly reports for its fiscal quarters ended March 31, 1978 and June 30, 1978, resulting in the lack of current adequate and accurate public information regarding the company's operations and financial condition. (Rel. 34-15112)

INVESTMENT COMPANY ACT RELEASES

INA CAPITAL BOND TRUST

A notice has been issued giving interested persons until September 25 to request a hearing on an application of INA Capital Bond Trust, a registered investment company, for an order declaring that Norman V. Watson, a trustee of the Trust, shall not be deemed an "interested person" of the Trust or its investment manager by reason of his status as an "affiliated person" of Del Securities Corporation, a registered broker-dealer. (Rel. IC-10386 - Aug. 31)

HOLDING COMPANY ACT RELEASES

APPALACHIAN POWER COMPANY

An order has been issued authorizing certain subsidiaries of Appalachian Power Company and Ohio Power Company, subsidiaries of American Electric Power Company, Inc., to enter into coal mining equipment leases. (Rel. 35-20687 - Aug. 30)

CENTRAL POWER & LIGHT COMPANY

An order has been issued authorizing a proposal of Central Power & Light Company, subsidiary of Central and South West Corporation, that it issue and sell up to \$75 million of first mortgage bonds at competitive bidding. (Rel. 35-20693 - Aug. 31)

GEORGIA POWER COMPANY

A notice has been issued giving interested persons until September 27 to request a hearing on a proposal of Georgia Power Company, subsidiary of The Southern Company,

whereby Georgia will issue and sell up to \$100 million of first mortgage bonds. The proceeds of the sale will be used to retire maturing first mortgage bonds and to finance, in part, Georgia's 1978 construction program. (Rel. 35-20692 - Aug. 31)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC pursuant to the Securities Act of 1933. The information noted below has been taken from the cover page and the facing sheet of the prospectus and registration statement and will appear as follows: Form; Name, address and phone number (if available) of the issuer of the security; Title and the number or face amount of the securities being offered; Name of the managing underwriter (if applicable); Whether the offering is a rights offering; and File number and date filed.

- (S-8) INTEGRATED RESOURCES, INC., 295 Madison Ave., New York, N.Y. 10017 (212-490-7500) - 475,000 shares of common stock. (File 2-62490 - Aug. 30)
- (S-7) OGILVY & MATHER INTERNATIONAL INC., 2 East 48 Street, New York, N.Y. 10017 (212-688-6100) - 468,543 shares of common stock. Underwriters: The First Boston Corp. and Merrill Lynch White Weld Capital Markets Group. The company is primarily a holding company which provides advertising agency services to a wide range of clients. (File 2-62491 - Aug. 30)
- (S-5) COLONIAL TAX-MANAGED TRUST, 75 Federal St., Boston, Mass. 02110 - an indefinite number of shares of beneficial interest. Underwriter: A. G. Edwards & Sons, Inc. The trust is a newly organized open-end, diversified management investment company. (File 2-62492 - Aug. 30)
- (S-8) GENRAD, INC., 300 Baker Ave., Concord, Mass. 01742 - 85,000 shares of common stock. (File 2-62493 - Aug. 30)
- (S-B) REPUBLIC OF FINLAND, c/o Hon. Eero Yrjola, COUNSUL General of Finland, 540 Madison Ave., New York, N.Y. 10022 - \$100 million of bonds, due 1988. Underwriters: Goldman, Sachs & Co., Merrill Lynch White Weld Capital Markets Group, Salomon Brothers, Smith Barney, Harris Upham & Co. Inc., Postipankki, and Union Bank of Finland Ltd. (File 2-62494 - Aug. 31)
- (S-14) MIDLANTIC BANKS, INC., 95 Old Short Hills Rd., West Orange, N.J. 07052 (201-266-8311) - 1,008,544 shares of preferred stock, \$2.00 cumulative convertible Series, Second Series. (File 2-62495 - Aug. 31)
- (S-16) MCDONALD'S CORPORATION, One McDonald's Plaza, Oak Brook, Ill. 60521 (312-887-3200) - 156,240 shares of common stock. (File 2-62496 - Aug. 31)
- (S-8) OMEX, 2323 Owen St., Santa Clara, Cal. 95051 - 162,000 shares of common stock. (File 2-62497 - Aug. 31)
- (S-14) I.R.E. SERIES I, INC., 2000 South Dixie Highway, Miami, Fla. - 637,950 of Series A noncumulative convertible preferred stock and 637,950 shares of common stock. (File 2-62498 - Aug. 31)
- In a separate S-14 registration statement the company seeks registration of 523,400 shares of Series A noncumulative convertible preferred stock and 523,400 shares of common stock. (File 2-62499 - Aug. 31)
- (S-7) PERRY DRUG STORES, INC., 3720 Lapeer Rd., PO Box 4377, Pontiac, Mich. 48057 (313-373-5700) - 330,000 shares of common stock. Underwriter: The Ohio Company. The company operates a chain of retail drug stores. (File 2-62500 - Aug. 31)
- (S-7) NEW ENGLAND NUCLEAR CORPORATION, 549 Albany St., Boston, Mass. 02118 (617-482-9595) - 300,000 shares of common stock. Underwriter: Lehman Brothers Kuhn Loeb Inc. The company manufactures and sells radioactive chemicals used by universities, medical schools, hospitals and industry as tracers in medical research and diagnosis. (File 2-62501 - Aug. 31)
- (S-1) BINARY SYSTEMS, INC., 88 Sunnyside Blvd., Plainview, N.Y. 11803 - 1,000 shares of convertible subordinated debentures, due 1993. Underwriters: Jay W. Kaufmann & Co. and Hans Utsch & Co., Inc. The company primarily designs, produces, markets and maintains business mini-computer systems. (File 2-62502 - Aug. 31)
- (S-16) DELMARVA POWER & LIGHT COMPANY, 800 King St., PO Box 231, Wilmington, Del. 19899 - 500,000 shares of common stock. (File 2-62503 - Aug. 31)



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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 10c per page plus postage (7 days) (\$3.50 minimum); 20c per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30c per page plus postage for priority service overnight (\$5.00 minimum). Cost estimates are given or request. All other reference material is available in the SEC Docket.

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SEC DOCKET is published weekly. Subscription rates: \$43.70/yr in U.S. first class mail; \$54.65 elsewhere.

SEC STATISTICAL BULLETIN is published monthly. Subscription rates: \$15.00/yr in U.S. first class mail; \$18.75 elsewhere.

The News Digest, the Docket, and the Statistical Bulletin are for sale by the superintendent of Documents, Government Printing Office, Washington, D.C. 20402.