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SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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NEW RULES AND RULE PROPOSALS

AMENDMENTS TO PROXY RULES PROPOSED. The SEC today announced that it has under consideration certain proposed amendments to Rules 14a-5 and 14a-8 of the Commission's proxy rules adopted under the Securities Exchange Act of 1934. The changes under consideration relate to proposals submitted by security holders for inclusion in a company's proxy material.

One of the proposed amendments to Rule 14a-8 would involve a revision of paragraph (c)(2) thereunder. The revision is intended to replace subjective elements of the paragraph with objective standards and thereby create greater certainty in the application of the provision. Accordingly, the requirement of the existing paragraph that it "clearly appear" that a proposal has been submitted "primarily" for a particular "purpose" has been deleted. Under the proposed amendment, a security holder's proposal could be omitted if it "relates to the enforcement of a personal claim or the redress of a personal grievance against the issuer, its management, or any other person" or if it "consists of a recommendation, request or mandate that action be taken with respect to any matter, including a general economic, political, racial, religious, social or similar cause, that is not significantly related to the business of the issuer or is not within the control of the issuer."

A second proposed amendment to Rule 14a-8 would increase to 200 words the length of the statement that may be made by a security holder in support of his proposal in the event management opposes it. Experience has shown that the existing 100-word limitation should be liberalized to enable a security holder to make a more adequate presentation of the reasons for submitting the proposal to security holders.

It is also proposed that paragraph (d) of Rule 14a-8 be amended to require management, if it asserts that a security holder's proposal may be omitted from its proxy material, to file the materials specified in the paragraph 30 days prior to the filing of its preliminary proxy material, rather than 20 days in advance of that date, as now required by the rule. It is believed that the amendment would tend to relieve undue pressure of work on both the Commission's staff and the company's personnel in the later stages of processing material and would provide more time for the security holder to pursue, if he so elects, any remedies he may have available.

Other changes proposed would involve revisions of Rules 14a-5 and 14a-8 to specify more precisely the date by which a security holder's proposal must be received by the management and the place at which it must be received.

All interested persons are invited to submit their views and comments on the proposed amendments, in writing, to Charles J. Sheppe, Branch of Regulations and Legislative Matters, Division of Corporation Finance, Securities and Exchange Commission, Washington, D. C. 20549, on or before February 3, 1972. (Rel. 34-9432)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

SECURITY PLANNERS ASSOCIATES, INC. AND ITS PRESIDENT SUSPENDED. The SEC announced the issuance of an order suspending the broker-dealer registration and membership in the National Association of Securities Dealers, Inc. of Security Planners Associates, Inc. of Boston for 60 days, and suspending its president, Howard Smolar, from association with any broker-dealer for 20 days.

The sanctions imposed by the Commission were based on its findings that the firm had failed to comply with record-keeping, credit, and financial reporting provisions of the Securities Exchange Act, and that Smolar, who served as president of the firm during the period of certain of the credit violations, had failed to exercise reasonable supervision to prevent them. (Rel. 34-9421)

BENJAMIN WERNER CO. REVOKED, WERNER BARRED. The SEC has issued a decision revoking the broker-dealer registration of Benjamin Werner, d/b/a Benjamin Werner Co., New York City, and barring Werner from association with any broker-dealer. The Commission found that in 1968 Werner sold 20,000 shares of unregistered common stock of Mastercraft Electronics Corp. for the account of a nominee of controlling persons of that company and failed to establish that an exemption from the Securities Act's registration requirements was available. According to the decision, Werner opened the account and sold the shares without making the most elementary inquiries, when the circumstances were such as to call for a searching inquiry into the facts. In imposing the indicated sanctions, the Commission also took into consideration injunctions entered against Werner in two other proceedings. In one of these, involving the conduct of Werner Co. as underwriter of an offering of Manor Nursing Centers stock, the United States District Court for the Southern District of New York found, among other things, that Werner Co. and Werner had in a "willful and blatant" manner failed to safeguard funds received from investors and to return such funds when the offering failed to obtain full subscription. (Rel. 34-9422)

OVER

COURT ENFORCEMENT ACTIONS

HENRY M. ROTH ENJOINED. The SEC New York Regional Office announced that on Dec. 3, a Federal District court in Manhattan issued an order permanently enjoining Henry M. Roth of New York, a defendant in S. E. C. v. First William Street Securities Inc., from violating the anti-fraud, net capital and bookkeeping provisions of the federal securities laws. Roth consented to the injunction without admitting or denying the allegations in the Commission's complaint. (LR-5260)

COMPLAINT CITES SECURITY BROKERS, INC., OTHERS. The SEC Seattle Regional Office announced that on Dec. 15, a complaint was filed in Federal District Court in Seattle seeking to enjoin Security Brokers, Inc., a registered broker dealer of Seattle, and two of its principals, Harlan Dean Powell, and John Greenbury Jones, and a salesman Richard Wayne McNeley, all of Seattle from violating the antifraud provisions of the federal securities laws in the offer and sale of securities of Security Brokers, Inc. The complaint also alleges that Security Brokers failed to disclose to investors that dividends and stock redemptions paid by it on its preferred stock were paid in violation of Washington State law. (LR-5261)

INDICTMENT NAMES DONALD GARY NORTON. The SEC Fort Worth Regional Office announced that on November 11, a Texas state grand jury returned an indictment charging Donald Gary Norton of Houston, with fraud in the sale of securities and felony embezzlement. Norton had been previously registered as an investment adviser with the Commission, but the registration was withdrawn in August 1970. (LR-5262)

COMPLAINT CITES E. P. SEGGOS & CO. The SEC New York Regional Office announced that on December 13, the Commission filed a complaint in Federal District court in New York seeking a preliminary and permanent injunction against E. P. Seggos, & Co., Inc., a registered broker-dealer of New York, Paul William Sorci, president, and Frank John Jannette, secretary of the firm for violating the net capital and bookkeeping provisions of the federal securities laws.

Also on December 13, SIPC filed an application in Federal District Court requesting the appointment of Clark J. Gurney as trustee for E. P. Seggos, and the appointment of counsel as attorneys for the trustee under provisions of the Securities Investor Protection Act of 1970. (LR-5263)

RESTRAINT AND FREEZE ORDER IN PIED PIPER YACHT CHARTERS CORP. The SEC New York Regional Office announced that on December 10, a Federal District Court in Manhattan issued a temporary restraining order restraining Pied Piper Yacht Charter Corporations, George C. Bergleitner, Irving Marvin Burstein, Fred A. Coda, G. L. Equities Corporation, Michael Harvey, George Lerner, Joel Lerner, Pilgrim Securities Corporation, and Frank John Serrano from violating the registration and antifraud provisions of the federal securities laws. In addition, Industrial Gear Manufacturing Company, of Chicago, was restrained from violating the registration provisions.

The Court also ordered that Pied Piper, Coda and Industrial Gear shall place in escrow, \$25,000, and the yachts, "Pied Piper" and "Defiance", and maintain insurance on the vessels in the amount of \$94,000 and \$100,000 respectively, and forbids sale, transfer, hypothecation or disposition of the "Defiance" and permits transfer of the "Pied Piper" only if \$94,000 of the proceeds are placed in escrow. (LR-5264)

RECEIVER APPOINTED FOR ALAN F. HUGHES, INC. The SEC New York Regional Office announced that on December 13 the Federal District Court for Northern New York appointed William J. Quinlan, of Schenectady, Receiver for the assets of Alan F. Hughes, Inc., a broker-dealer located in Schenectady. Hughes Inc., and its principal Alan F. Hughes had consented to the entry of an order of permanent injunction on Sept. 7, 1971 and Mr. Quinlan had been previously appointed Special Fiscal Agent for Hughes, Inc., (LR-5265)

INJUNCTION AFFIRMED IN GEYSER MINERALS, OTHERS. The SEC Denver Regional Office announced that on December 10, the U. S. Court of Appeals, Tenth Circuit, dismissed the appeals of Geyser Minerals Corporation and Mineral Aggregates Corporation and affirmed an order of permanent injunction against C. George Swallow of March 23, 1971. The order from which appeal was taken had enjoined Geyser, Aggregates, and Swallow from violating the anti-fraud provisions of the Federal securities laws in connection with the offer and sale of notes or capital stock of Geyser and Aggregates and the notes of Swallow. (LR-5266)

SEEK SHOW CAUSE ORDER FOR CRIMINAL CONTEMPT. The SEC Chicago Regional Office announced that on December 6, an application was filed in Federal District Court in Chicago, for an Order to Show Cause why Paul Dawson should not be punished for criminal contempt for willful disobedience of decrees of preliminary and permanent injunction enjoining Dawson from violating the antifraud provisions of the Federal securities laws in the sale of securities of U. N. Industries, Inc., According to the Application, Dawson since January 20, 1970, offered and sold securities, namely investment contracts issued by him and CIA Vista Del Mar, S. A. and in connection with the purchase and sale of these securities made false and misleading statements. (LR-5267)

RESTRAIN KELLY ANDREWS & BRADLEY: APPOINT TEMPORARY RECEIVER. The SEC New York Regional Office announced that on December 15, a Federal District Court in Manhattan issued an order temporarily restraining the following from the use or dissipation of assets belonging to Kelly Andrews & Bradley, Inc. New York broker-dealer, and from violating the anti-fraud, net capital, bookkeeping and financial reporting provisions of the Federal securities laws: Kelly Andrews & Bradley Inc., Stuart Schiffman, Fred Miller, Perry Scheer, Joseph Marando. The court at the request of the Securities Investor Protection Corporation also appointed a temporary receiver for the assets of Kelly Andrews & Bradley, Inc. (LR-5268)

INVESTMENT COMPANY ACT RELEASES

MERIDIAN INVESTING. The SEC has issued an order upon an application of Meridian Investing & Development Corporation, Coral Gables, Fla., declaring that it has ceased to be an investment company as defined in the Act. (Rel. IC-6902)

PITWAY CORP. The SEC has issued an order upon an exemption application of Pittway Corporation and Metropolitan Structures, of Northbrook, Ill., permitting, among other things, Pittway to increase its limited partnership participation in Structures so as to permit it to make a \$2,500,000 capital contribution to the construction and operation of an office building ("Blue Cross Building") in Chicago, the construction of which is expected to be completed near the end of 1972 at an estimated cost of \$41,500,000. Structures, a partnership engaged in the development of real estate, owns a 54.9% interest in Metropolitan Nuns Island Partnership, a partnership engaged with Pittway among others in the real estate development of Nuns Island, Canada. (Rel. IC-6903)

SECURITIES ACT REGISTRATIONS

FAIRFIELD GENERAL CORPORATION, 171 Passaic Ave., Fairfield, N. J., filed a registration statement on December 14 seeking registration of 379,831 shares of common stock, constituting all the company's outstanding common stock and all owned by International Controls Corporation (ICC). ICC proposes to distribute these shares as a dividend in kind to its stockholders of record on the fifteenth day after the prospectus becomes effective, at the rate of one share for each ten ICC shares held. The company operates under lease a general aviation airport in Fairfield, N. J. and is engaged in related activities. (File 2-42586)

W. R. GRACE & CO., 3 Hanover Sq., New York, N. Y. 10004, filed a registration statement on December 15 seeking registration of 1,158,690 shares of common stock, which have been or will be issued in connection with the acquisition of other companies. The holders or recipients of such shares may offer them for sale from time to time at prices current at the time of sale (*\$27-1/8 per share maximum). (File 2-42587)

COSMETEX INDUSTRIES, INC., 527 Second Ave. South, Minneapolis, Minn. 55402, filed a registration statement on December 15 seeking registration of 236,225 shares of common stock, of which 125,000 are to be offered for public sale (* at \$10 per share maximum) through Fredericks, Clark & Co., Inc., 203 Minnesota Bank Bldg., 603 13 Marquette Ave., Minneapolis, Minn. 55402. Of the remaining shares, 7,500 are issuable pursuant to a stock warrant issued to the representative of the underwriter, 3,725 are reserved for issuance in connection with an employee stock option and 100,000 are reserved for issuance upon conversion of subordinated convertible notes. The company is principally engaged in photo processing, the distribution and sale of cameras and related equipment, and the operation of three retail photo stores through a subsidiary. Net proceeds of its stock sale will be applied against the purchase price of the G. E. Mack Company, Inc. (File 2-42589)

TRANSPORT LIFE INSURANCE COMPANY, 714 Main St., Suite 300, Fort Worth, Texas 76102, filed a registration statement on December 15 seeking registration of 765,000 shares of common stock, to be offered pursuant to the company's option plans for officers, agents and employees. (File 2-42590)

AMERICAN BUSINESS AND COMMERCIAL LIFE INSURANCE COMPANY, Praetorian Bldg., Dallas, Texas 75201, filed a registration statement on December 15 seeking registration of 225,000 shares of common stock, issuable or reserved for issuance pursuant to the company's Stock Option Program. (File 2-42591)

PRUDENT REAL ESTATE TRUST (formerly Prudent Resources Trust), 245 Great Neck Rd., Great Neck, N. Y. 10021, filed a registration statement on December 15 seeking registration of \$4 million of convertible subordinated debentures, due 1987, with warrants to purchase an unspecified number of shares of beneficial interest, to be offered for public sale in units, each consisting of a \$500 debenture and an unspecified number of warrants, and at \$500 per unit. No underwriting is involved. The Trust is engaged in investing in income producing real estate. (File 2-42593)

NORTHERN NATURAL GAS COMPANY, 2223 Dodge St., Omaha, Neb. 68102, filed a registration statement on December 15 seeking registration of \$60 million of sinking fund debentures, due 1992, to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York, N. Y. 10005. The company is engaged primarily in the transmission, distribution and sale of natural gas. Net proceeds of its debenture sale will be used to repay some \$58 million of short-term borrowings incurred in connection with the 1971 capital expenditures program of the company and its subsidiaries and the balance for other corporate purposes. (File 2-42594)

LIL'CHAMP FOOD STORES, INC., 1810 Gulf Life Tower, Jacksonville, Fla. 32207, filed a registration statement on December 15 seeking registration of 400,000 shares of common stock, to be offered for public sale (* at \$5 per share maximum) through underwriters headed by S. D. Lunt & Co., 120 Broadway, New York, N. Y. 10005. Of these shares, 143,000 are reserved for sale to officers, directors and employees and other persons designated by the company. Organized in June, the company operates a chain of ten convenience retail drive-in grocery stores, all in Florida. Of the net proceeds of its stock sale, \$423,000 will be used to pay a 6½% one-year note due June 30, 1972 and the balance for working capital and other corporate purposes. (File 2-42595)

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:
 Steak and Ale Restaurants of America, Inc., Dallas, Tex. (File 2-42577) - 264,000 shares
 Keydata Corporation, Watertown, Mass. (File 2-42588) - 130,000 shares
 Southern Industries Corporation, Mobile, Ala. (File 2-42596) - 100,000 shares
 Her Majesty Industries, Inc., Mauldin, S. C. (File 2-42599) - 60,000 shares

MISCELLANEOUS

CORRECTION RE O/C REGISTRATIONS. The SEC News Digest of December 7 reported the filing of a registration statement pursuant to Section 12(g) of the Securities Exchange Act by "Mathnetica, Inc.," No. 5861. The correct company name is "Mathematica, Inc."

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the December 8 News Digest.

8K Reports for Oct 1971

Data Dimensions Inc (2,7,13)	0-4748-2	Canadian Javelin Ltd (2,3,13,14)	1-4192-2
Lafayette Funds Inc (7,13)	2-38428-2	Consumers Power Co (3)	1-5611-2
The Stern Metals Corp (7)	1-5147-2	Transcontinental Investing Corp (1,11,12,13)	1-4945-2
Horizon Corp (11,12)	1-6789-2	Consolidated Int'l Inc (4,7,13)	2-40364-2
Beech Aircraft Corp Dec 69 (11)	1-2839-2	Dekcraft Corp Nov 71 (11)	0-3763-2
House Of Adler Inc (12,13)	0-3112-2	Natpac Inc Sept 71 (11,13)	0-4152-2
Penna Engineering Corp (11,13)	1-6319-2	United Security Life Co (11,14)	0-3819-2
Royal Inds Inc (7,13)	1-5797-2	Vetco Offshore Inds Inc Aug 71 (7,12,13)	1-5889-2
Tidewater Marine Service Inc (2,3)	1-6311-2	Texas Plastics Inc Aug 71 (2,13)	0-4230-2
Unisource Corp Sept 71 (12)	0-4452-2	Boise Cascade Corp (3)	1-5057-2
Aero Inds Inc (12)	2-39695-2	Contico Int'l Inc (11,13)	0-4001-2
Art's-Way Mfg Co Inc (2,12)	0-5131-2	Diversitron Inc (13,14)	0-5133-2
German Village Products Inc (7,14)	0-3741-2	Jaco Electronics Inc (11)	2-34664-2
Great Northern Mgt Co Inc (3)	0-2717-2	Lehigh Coal & Navigation Co (8)	0-1760-2
Republic Corp (13)	1-5603-2	Pacific Asbestos Corp (6)	0-1144-2
Rotron Inc Nov 71 (11)	0-1816-2	Shell Int'l Finance N V 6K for Nov 71	1-5503-2
Micromation Systems Inc (12,14)	2-29237-2	Union Oil Co Of Calif (3)	1-554-2
Synercon Corp (8)	0-5300-2	Wolf Corp (12,13)	1-6576-2
Twin Americas Agricultural & Industrial Developers Inc 6K For Oct 71	0-5224-2	Chinook Hotel Inc Aug 71 (3)	0-1715-2
Diners Club Inc (7,12)	0-5072-2	Condec Corp (13)	1-3899-2
Pages Inc Nov 71 (1,3)	0-4889-2	Hamburger Hamlets Inc (3)	0-3896-2
Ual Inc (13)	1-6033-2	Intercontinental Inds Inc (12,13)	0-5258-2
Alleghany Corp (3)	1-2644-2	LSL Corp (7)	2-37825-2
Lucky Stores Inc (3)	1-4839-2	Solidyne Inc (8)	0-5482-2
Spencer-Kennedy Laboratories Inc (2,3,6)	0-4433-2	Windecker Inds Inc (6,12)	0-5689-2

SECURITIES ACT REGISTRATIONS. Effective December 17: Antaeus Resources Corp., 2-41463.

Effective December 20: Beatrice Foods Co., 2-42355; Computer Dynamics, Inc., 2-41355; Environmental Technonics Corp., 2-41640 (90 days); General Instrument Corp., 2-42456; Management Data Corp., 2-41371.

Effective December 17: Information Machines Corp., 2-41121.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.