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February 22, 1974

EFFICIENCY IN TRANSFERRING SECURITIES

Chairman Ray Garrett, Jr., told a gathering of corporate secretaries that substantial progress is being made toward the development of greater efficiency and reduced costs in transferring the ownership of securities. Speaking yesterday in New York before the New York Regional Group, American Society of Corporate Secretaries, Mr. Garrett indicated that with the advent of modern technology there should be increased communication between issuers and their actual shareholders and a reduction in the movement of securities.

In 1972 the Commission recommended to Congress legislation on the processing of securities transactions. Two of these bills, S. 2058 and H.R. 5050, are presently pending which incorporate provisions for the regulation of transfer agents, clearing agencies and securities depositories. These bills seek "the best of both worlds," Chairman Garrett said, "the immobilization of the (stock) certificate, and an unencumbered line of communication between actual shareholders and issuers."

Mr. Garrett pointed out that regardless of whether the pending legislation is enacted, there will be a continuing impetus from the industry for the immobilization or elimination of the stock certificate, and from issuers and the public for better communications. He noted a number of possible solutions:

1) Furnishing issuers, on a periodic basis, a list of participants who hold that issuer's stock in depository and the amount of such holdings. This is already employed by the Depository Trust Company, the largest depository for securities in the country.

2) Implementation of transfer agent depository systems, commonly referred to as TADS, in which the transfer agent and custodial functions are combined. Under the TAD system, no stock certificate is issued, and the transfer of ownership is accomplished not by physical delivery of a certificate but rather by a bookkeeping entry.

3) Have the depository function as a transfer agent. This would solve the problem of communications between depositories and transfer agents, and could lead to cost savings since the need for issuance of new stock certificates would greatly diminish.

4) Develop a computer-based approach. This may be done in the course of the Commission's study of the ownership securities in nominee name (if legislation is enacted), or through the efforts of the numerous other groups which are studying the issue.

These problems "all have at their core the issue of fair and efficient markets," Mr. Garrett concluded, "and investor confidence in those markets. Without the confidence of the investing public, the markets do not function. Of that we must never lose sight. It places a heavy duty upon all of us concerned with our capital markets in these urgent times to continue to work intelligently and constructively together."

COMMISSION ANNOUNCEMENTS

VARIABLE LIFE INSURANCE HEARINGS RESCHEDULED. The SEC has announced, that the public hearings on proposed amendments to Rule 3c-4 under the Investment Company Act of 1940 and Rule 202-1 under the Investment Advisers Act of 1940, and on the Model Variable Life Insurance Regulation adopted by the National Association of Insurance Commissioners have been rescheduled to begin at 10:00 a.m. (EDT) March 25, 1974. The originally scheduled date of March 4 was changed as a result of several requests. The date for submission of written comments and of written texts of oral statements to be presented at the hearings has been changed to March 11, 1974, and the date for the submission of questions to be asked by the staff at the hearings has been changed to March 20, 1974.

William E. Toomey, Special Counsel in the Office of Chief Counsel of the Division of Corporation Finance, has been designated as hearing officer. (IC-8244)

TRADING HALTED IN FOUR COMPANIES. The SEC announced the suspension of over-the-counter trading beginning February 21 and terminating at midnight (EDT) on March 2, 1974 in the securities of the following companies:

Gamma Process Co. Inc., of Ballston Spa, New York;
Harvest Markets Inc., of Buffalo, New York;
Lamp Fashion Inc., of Bronx, New York; and
Manati Industries Inc., of New York, New York

The suspensions were initiated because the companies failed to comply with the reporting provisions of the Exchange Act resulting in the lack of current and accurate information available to the public. (Rel. 34-10651)

COURT ENFORCEMENT ACTIONS

GLEN-ARDEN COMMODITIES, INC., OTHERS, ENJOINED. The New York Regional Office announced that a District Judge for New York, after an evidentiary hearing, preliminarily enjoined Glen-Arden Commodities, Inc., (formerly Milbank Trading Co. of Conn., Inc.), of Greenwich, Conn.; Milbank Trading Co., Inc. of Bayside, N. Y.; Albert J. Deeb of Old Bethpage, N. Y.; Joseph Lamonica of Huntington, N. Y.; Philip Weinstein of Dix Hills, N. Y.; Charles Loffman of Levittown, N. Y.; David Losey of Springfield, Va.; Patricia Galioto of Bayside, N. Y.; and David Loeb of Stamford, Conn., from violations of the registration and antifraud provisions of the securities laws in their sales of securities in the form of scotch whisky warehouse receipts or investment interests in scotch whisky.

On January 11 the U. S. Court of Appeals for the Second Circuit denied the defendants' petition for a stay of the injunction order. (LR-6253)

JACK ALDRIDGE SENTENCED. The Chicago Regional Office announced that on February 7 the U. S. District Court at Indianapolis, Indiana, sentenced defendant Jack Aldridge to one year imprisonment on each of four counts of securities fraud, the sentences to run consecutively. However, the four year sentence is to run concurrently with the first four years of a six year sentence that Mr. Aldridge is presently serving in connection with another matter. Mr. Aldridge was also sentenced to five years probation, the probationary period to commence following the termination of Aldridge's six year prison sentence. Aldridge's conviction was in connection with the offer and sale of the securities of American National Trust of Indianapolis, Indiana. (LR-6252)

INVESTMENT COMPANY ACT RELEASES

NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY. An order has been issued granting New England Mutual Life Insurance Company, New England Life Variable Annuity Funds I and II and NEL Equity Services Corporation, all of Boston, Massachusetts, an exemption from certain provisions of the Act to permit the purchase of variable annuity contracts with amounts transferred from fixed-dollar annuity contracts sold by New England Mutual Life Insurance Company without the imposition of any sales or administrative charges. (IC-8240)

SECURITIES ACT REGISTRATIONS FILED

(S-14) FIRST MARYLAND BANCORP, First Maryland Bldg., 25 South Charles St., Baltimore, Md. 21201 - 3,109,022 shares of common stock and \$3,024,000 of 7% notes, due 1978. It is proposed to offer these shares in exchange for all of the outstanding common stock of The First National Bank of Maryland, Baltimore, Md., on a share for share basis. It is proposed to issue the notes in a merger of Schenectady Discount Corporation, Albany, N. Y. with a Bancorp subsidiary, at the rate of \$2.10 cash and \$8.40 of notes for each share of common stock of Schenectady. First Maryland Bancorp was formed to become a bank holding company owning all of the shares of The First National Bank of Maryland. (File 2-50235 - Feb. 19)

(S-14) BANKERS TRUST NEW YORK CORPORATION, (BTNY), 280 Park Ave., New York, N. Y. 10017 - 33,000 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding capital stock of Mohawk Valley State Bank, Utica, New York, at the rate of .55 BTNY shares for each Mohawk share, subject to Mohawk stockholder approval. BTNY is a bank holding company, which controls nine banks and various non-banking affiliates. (File 2-50236 - Feb. 19)

(S-7) MISSISSIPPI POWER COMPANY, 2992 West Beach, Gulfport, Miss. 39501 - 150,000 shares of cumulative preferred stock, (\$100 par), to be offered for sale at competitive bidding. The company is an electric utility company operating in Mississippi. (File 2-50238 - Feb. 20)

(S-1) WHITTAKER CORPORATION, 10880 Wilshire Blvd., Los Angeles, Cal. 90024 - 975,000 stock purchase warrants, expiring 1980 and 333,333 shares of common stock, (issuable upon conversion of convertible notes, due 1981), which may be offered for sale from time to time by selling stockholders, and 975,000 shares of common stock upon exercise of 975,000 stock purchase warrants, expiring 1980. Whittaker manufactures and distributes products in five principal fields: metals, life sciences and technology, marine-recreation, textiles and chemicals. (File 2-50239 - Feb. 20)

(S-14) RELIANCE INDUSTRIES, INC., 1661 Kapiolani Blvd., Honolulu, Hawaii 96814 - 250,000 shares of Class A common stock. It is proposed to offer 200,500 of these shares in exchange for the outstanding common stock of Reliance Mortgage and Investment, Inc. (RMI), 1661 Kapiolani Blvd., Honolulu, Hawaii, on a share for share basis. The remaining 49,500 shares are issuable upon conversion of five year 7% convertible registered debentures. Reliance is a real estate development and sales company. (File 2-50241 - Feb. 19)

(S-6) AMERICAN TAX-EXEMPT BOND TRUST, Series 1, 215 North Main St., West Bend, Wis. 53095 - \$7,875,000 of units, to be offered for sale at net asset value (\$1,050 maximum). The Trust is the first of a proposed series of unit investment trusts to be created under a trust indenture among B. C. Ziegler and Company as sponsor, United States Trust Company of New York as trustee, and Standard & Poor's Corporation as evaluator. It consists of a portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of bond counsel, exempt from all Federal income tax under existing law. (File 2-50242 - Feb. 20)

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:

International Harvester Company, Chicago, Ill. (File 2-50234 - Feb. 19) - 350,000 shares

Jim Walter Corporation, Tampa, Fla. (File 2-50237 - Feb. 19) - 200,000 shares

SECURITIES ACT REGISTRATIONS. Effective February 21: American Banks Of Florida, Inc., 2-49644 (90 days); Beard Oil Co., 2-49909 (90 days); Capehart Corp., 2-46748 (40 days); Carolina Power & Light Company, 2-50124; Compugraphic Corporation, 2-50085; Kennedy And Cohen, Inc., 2-49781; Mid-Texas Communications Systems, Inc., 2-49882; NCNB Corporation, 2-50151; Peabody Galion Corporation, 2-50114.

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 (a) exchange and over-the-counter trading in the securities of Stratton Group, Ltd., and over-the-counter trading in the securities of Home-Stake Production Co. and Continental Vending Machines, Inc. for the further ten-day period February 24 - March 5, inclusive; and (b) exchange and over-the-counter trading in the securities of National Alfalfa Dehydrating & Milling Company, and over-the-counter trading in the securities of Seaboard Corp. for the further ten-day period February 25 - March 6, inclusive.

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.

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
KING LOUIE INTERNATIONAL INC	1	01/74
KOPPERS CO INC	2,6,14	01/74
LACLEDE STEEL CO	3	01/74
LEAR SIEGLER INC	14	01/74
LINCOLN AMERICAN CORP	13	01/74
LINCOLN INTERNATIONAL CORP	12,14	01/74
LONG ISLAND LIGHTING CO	3,13	01/74
LOVE OIL CO INC	2,7,14	01/74
LTV CORP	7,8,14	01/74
MACKE CO	3,7,14	01/74
MALLINCKRODT CHEMICAL WORKS	7	01/74
MASTERS INC	7,14	01/74
MEAD CORP	3,7,8	01/74
MERIDIAN INVESTING & DEVELOPMENT CORP	2,13	01/74
METALLURGICAL INTERNATIONAL INC	12,14	01/74
MICROFORM DATA SYSTEMS INC	11,14	01/74
MID CONTINENT INC	11,13	01/74
MID CONTINENT TELEPHONE CORP	7,14	01/74
MILGO ELECTRONIC CORP	11,13,14	01/74
MISSISSIPPI RIVER CORP	7,13,14	01/74
MODINE MANUFACTURING CO	13,14	01/74
MONARCH CEMENT CO	8	01/74
NATEL ELECTRONIC INDUSTRIES INC	13,14	01/74
NATIONAL DISTRIBUTING CO INC	2,7,14	01/74
NATIONAL UTILITIES & INDUSTRIES CORP	3,13	01/74
NEWPORT ELECTRIC CORP	13,14	01/74
NIAGARA FRONTIER SERVICES INC	8,13	01/74
NIAGARA MOHAWK POWER CORP	13,14	01/74
NICHOLS J C CO	2,14	01/74
NL INDUSTRIES INC	13	01/74
NORMAN MERLE COSMETICS INC	3,4,7,8,14	01/74
NORTEK INC	7,14	01/74
NORTHERN INDIANA PUBLIC SERVICE CO	3,10,14	01/74
NORTHWEST NATURAL GAS CO	13	01/74
ODEC INC	3	01/74
OLSON LABORATORIES INC	2,14	01/74
OWENS ILLINOIS INC	3	01/74
P&A INDUSTRIES INC	13,14	01/74
PENTRON INDUSTRIES INC	11,13	01/74
PHOENIX STEEL CORP	6,8	01/74
PIONEER HI BRED INTERNATIONAL INC	11	01/74
PCNDEROSA SYSTEM INC	13	01/74
POTT INDUSTRIES INC	7	01/74
POWER SKI CORP	7	01/74
PRINTOGS LTD	2,11,14	01/74

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 (\$35.45 a year, first class mail; \$8.90 additional for foreign mailing) and the SEC Docket (\$21.35 a year, first class mail; \$5.35 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.