



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
S.E.C. Activities

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NEW RULES AND RULE PROPOSALS

AMENDMENTS TO PROXY RULES ADOPTED. The SEC announced on September 22 the adoption of certain amendments to Rule 14a-5 and 14a-8 of the Commission's proxy rules. The amendments relate to proposals submitted by security holders for inclusion in an issuer's proxy material.

One of the amendments to Rule 14a-8 involves 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. Under the revised paragraph, a security holder's proposal may be omitted if it "(i) 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 (ii) 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." In a note to the paragraph, the Commission has indicated that "Proposals not within an issuer's control are those which are beyond its power to effectuate."

Paragraph (b) of Rule 14a-8 has been amended to increase from 100 words to 200 words the maximum length of the statement that may be made by a security holder in support of his proposal in the event management opposes it. The increased word limitation will allow shareholder-proponents to present more fully their reasons for submitting their proposals to security holders.

The Commission also has revised paragraph (d) of Rule 14a-8 to require a 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 formerly required by the rule.

In connection with the above amendment to paragraph (d), paragraph (a) of Rule 14a-8 has been revised so that a proposal by a security holder must now be received by the management at the issuer's principal executive office not less than 70 days (rather than 60 days, as formerly required) prior to a date corresponding to the date set forth on the management's proxy statement for the previous year's annual meeting.

Other changes involve the addition of a note to paragraph (a) of Rule 14a-8 suggesting that security holders submit their proposals by Certified Mail - Return Receipt Requested and the addition of a new paragraph (e) to Rule 14a-5 requiring that the first page of a proxy statement be dated and include the address of the principal executive offices of the issuer.

The amendment to the proxy rules shall apply to all proxy solicitations commenced on or after January 1, 1973. (Rel. 34-9784)

SEC AMENDS RULE ON PROXY MATERIAL. The SEC announced on September 22 the adoption of an amendment to Title 17 of the Code of Federal Regulations which makes available to the public, upon request for inspection or copying, all materials filed pursuant to proxy Rule 14a-8(d). Rule 14a-8(d) provides that whenever the management of an issuer intends to omit a security holder's proposal from its proxy material, it shall file with the Commission "a copy of the proposal and any statement in support thereof as received from the security holder, together with a statement of the reasons why the management deems such omission to be proper in the particular case, and, where such reasons are based on matters of law, a supporting opinion of counsel."

The new provision, which shall be cited as 17 CFR 200.82, also makes available any written communications related to the materials filed pursuant to Rule 14a-8(d) which may be voluntarily submitted by shareholder-proponents or other persons. In addition, the new section makes available to the public any no-action letters or other written communications issued by the staff in connection with the materials filed under Rule 14a-8(d).

The amendment shall become effective on November 1, 1972. It shall apply to all documents specified therein which relate to materials filed pursuant to Rule 14a-8(d) on or after that date. Requests for documents relating to materials filed under Rule 14a-8(d) before November 1, 1972 will be considered on an item-by-item basis, since the Commission has previously considered such documents to be non-public. (Rel. 34-9785)

COURT ENFORCEMENT ACTION

COMPLAINT CITES REAL-TEX, OTHERS. The SEC Fort Worth Regional Office announced September 13 the filing of a complaint in Federal District Court at Dallas seeking to enjoin Real-Tex Enterprises, Inc. and Joe Gebron, Jr., both of Dallas, Edward L. Baker, Jr. of Fort Worth, AET, Inc., Bloomington, Minn., and Robert P. Johnson, St. Louis Park, Minn. from future violations of the registration and anti-fraud provisions of the Federal securities laws, and William S. Nemes, Minnetonka, Minn. from future violations of the registration provisions only, all arising from the offer and sale by Real-Tex Enterprises, Inc. of four different securities. A hearing on the preliminary injunction was set for October 13 in Dallas. (LR-5534)

COMPLAINT NAMES U.S. GAS & OIL CO., OTHERS. The SEC Chicago Regional Office announced the filing on September 15 of a complaint in the U.S. District Court in Cleveland, Ohio seeking to enjoin John A. Kemelius, William Ong III, Donald B. McConnell, Lawrence J. Tackas and U.S. Gas & Oil Co. from further violations of the
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antifraud and registration provisions of the Federal securities laws in connection with the offer and sale of fractional undivided working interests in oil and gas leases and wells of U.S. Gas & Oil Co., located in Ashtabula County and other Ohio counties. The complaint alleges that the defendants made misrepresentations of material facts and omitted to state material facts to investors and prospective investors in violation of the securities laws. (LR-5537)

INVESTMENT COMPANY ACT RELEASES

MICHIGAN FUND, TAX EXEMPT MUNICIPAL INVESTMENT TRUST (AND SUBSEQUENT SERIES). The SEC has issued a notice giving interested persons until October 13 to request a hearing upon an application by Michigan Fund, Tax Exempt Municipal Investment Trust (First and Subsequent Series), New York, for an order exempting (1) the fund from the initial net worth requirements of the Act and (2) the secondary market operations of the fund's sponsors from forward pricing requirements. In addition, the application seeks confidential treatment for the earnings statement of the Fund's co-sponsor, Manley, Bennett, McDonald & Co. The fund was formed for the purpose of issuing unit interests in a diversified portfolio of bonds, the interest from which is free from Federal income tax. E. F. Hutton & Company, Inc. will also act as a co-sponsor and United States Trust Company of New York will act as trustee of the fund. (Rel. IC-7373)

FOOTHILL VENTURE CORPORATION. The SEC has issued an order exempting Foothill Venture Corporation, a small business investment company, from all provisions of the Act, subject to certain conditions. (Rel. IC-7374)

SECURITIES ACT REGISTRATIONS

GENERAL ELECTRIC CREDIT CORPORATION, 570 Lexington Ave., New York 10022, filed a registration statement on September 19 seeking registration of \$75 million of notes, due 1980, to be offered for public sale through underwriters headed by Morgan Stanley & Co. Inc., 140 Broadway, New York 10005. Net proceeds will be applied initially to the reduction of short-term borrowings. A wholly-owned subsidiary of General Electric Company, Credit Corporation engages in consumer financing and commercial and industrial financing. (File 2-45757)

STROTHER DRUG COMPANY, 9221 Timberlake Rd., Lynchburg, Va. 24502, filed a registration statement on September 19 seeking registration of 300,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (*at \$11 per share maximum) through underwriters headed by Anderson & Strudwick, 913 E. Main St., Richmond, Va. 23212. The company is engaged in the wholesale distribution of drugs and other products customarily sold by drug stores and hospitals. (File 2-45759)

THE UNITED TELEPHONE COMPANY OF PENNSYLVANIA, 1170 Harrisburg Pike, P. O. Box 1170, Carlisle, Pa. 17013, filed a registration statement on September 19 seeking registration of \$15 million of first mortgage bonds, Series U, due 2002, to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Inc., 10 Hanover Square, New York. A subsidiary of United Telecommunications, Inc., the company will apply net proceeds, together with other funds, to the repayment of bank borrowings and advances from the parent. Construction expenditures are estimated at \$9 million for 1972 and \$25 million for 1973, respectively. (File 2-45758)

CONTROL DATA CORPORATION, 8100 34th Ave., South, Minneapolis, Minn. 55420, filed a registration statement on September 18 seeking registration of 41,751 shares of common stock of which 20,000 are issuable upon exercise of warrants issued by Syntonic Technology, Inc., a subsidiary of Control Data, 14,500 are issuable upon conversion of 6-1/2% convertible subordinated sinking fund debentures, due 1989, of Syntonic, 4,654 are issuable upon conversion of 5% guaranteed convertible debentures of CDC International Finance Corporation, also a wholly-owned subsidiary of Control Data, and 2,597 are outstanding shares which may be offered for sale from time to time by the holder thereof (*at \$70.785 per share maximum). The company is principally engaged in the production and marketing of digital computing systems, peripheral equipment and services and supplies. (File 2-45734)

SAVANNAH ELECTRIC AND POWER COMPANY, 600 E. Bay St., Savannah, Ga. 31402, filed a registration statement on September 19 seeking registration of 500,000 shares of Class A convertible stock, to be offered for public sale (*at \$18.50 per share maximum) through underwriters headed by Stone & Webster Securities Corp., 90 Broad St., and Kuhn, Loeb & Co., 40 Wall St., both of New York. Net proceeds, together with short-term bank loans, will be used to repay \$10 million of 6% promissory notes, due November 1972, incurred for construction purposes. Construction expenditures are estimated at \$87.4 million for the 1973-1975 period. (File 2-45760)

SUMMIT PROPERTIES, 1129 Second National Bldg., Akron, Ohio 44308, filed a registration statement on September 20 seeking registration of 781,110 shares of beneficial interest, of which 490,000 may be issued from time to time in connection with future acquisitions of real properties and 291,110 were issued, or are issuable, in connection with prior transactions engaged in by the Trust. The holders or recipients of the 291,110 shares may offer them for sale from time to time at prices current at the time of sale (*\$13.125 per share maximum). The Trust is engaged in investment in income-producing properties. (File 2-45762)

CONTINUED

HOUSEHOLD FINANCE CORPORATION, Prudential Plaza, Chicago, Ill. 60601, filed a registration statement on September 20 seeking registration of \$100 million of debentures, Series 1R, due 1997, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York. The company is engaged in the consumer finance business. Substantially all of the net proceeds will be used to reduce outstanding short-term bank loans and commercial paper, which at September 15 totaled about \$25 million. Proceeds of such bank loans and commercial paper were used in connection with the company's consumer finance operation. (File 2-45761)

CARIBBEAN MANAGEMENT CORPORATION, 336 Colfax Rd., North Brunswick, N. J., filed a registration statement on September 20 seeking registration of 150,000 shares of common stock and warrants to purchase 150,000 shares, to be offered for public sale in units, each consisting of one share and one warrant. The offering is to be made at \$5 per unit by Vaisman & Co., Inc., 59 Main St., Millburn, N. J. 07041. The company is engaged in establishing and leasing pizza restaurants and in making mortgage loans in the Cayman Islands. Operations to date have been limited. Of the net proceeds of its stock sale, \$250,000 will be used to grant mortgage loans and the balance for working capital and other corporate purposes. (File 2-45765)

HOVERMARINE CORPORATION, 3026 Mellon Bank Bldg., Pittsburgh, Pa. 15219, filed a registration statement on September 20 seeking registration of 250,000 shares of common stock, to be offered for public sale (*at \$12.50 per share maximum) through underwriters headed by S. D. Fuller & Co. Inc., 26 Broadway, New York 10004. The company is engaged in the manufacture and sale of surface effect ships, which are high-speed marine vessels that travel on an air cushion. Of the net proceeds of its stock sale, \$800,000 will be used for construction and development of prototypes and ships and the balance for working capital and other corporate purposes. (File 2-45766)

SCOTTY'S HOME BUILDERS SUPPLY, INC., Recker Highway, Winter Haven, Fla. 33880, filed a registration statement on September 20 seeking registration of 200,000 shares of common stock, to be offered for public sale (*at \$26.50 per share maximum) through underwriters headed by Reynolds Securities Inc., 120 Broadway, New York 10005. The company engages in the retail distribution of building materials, supplies, household fixtures, carpeting, hand tools and similar items at discount prices. Of the net proceeds of its stock sale, \$3 million will be used to reduce short-term bank notes incurred in connection with acquiring, constructing, equipping and stocking of additional new stores and the balance for working capital and other corporate purposes. (File 2-45763)

MISCELLANEOUS

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated, responding to the item on the 8K form numbered in the parentheses. 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 several items of the form was included in the September 1 News Digest.

8K Reports

Pacific American Corporation (May 72) (7)	0-4935-2	Environmental Pollution Research Corp (May 72 (1,4,7,8,13,14)	2-35521-2
Decision Data Computer Corp May 72 (7,14)	0-6379-2	Appalachian National Corp May 72 (3,11,13,14)	0-5152-2
Filter Dynamics Intl. Inc. May 72 (13,14)	1-5935-2	Downen Zier Knits Inc. June 72 (11,13)	0-6335-2
First United National Corp Mar 72 (2,14)	0-3627-2	American Equity Investment Trust May 72 (2,7,13)	0-4869-2
Regency Electronics Inc. May 72 (13)	0-1877-2	Biff's Incorporated May 72 (2)	0-4725-2
American Banshares Corp. May 72 (4,13)	0-2575-2	Continental Oil Co. (Del) May 72 (3,4)	1-1131-2
Electro/Data Inc. June 72 (13,14)	0-5756-2	Lincoln American Corp Jan 72 (13)	1-4730-2
Food Industries Inc. Jan 72 (7)	0-3372-2	Lincoln American Corp Mar 72 (13)	1-4730-2

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8K Reports Cont'd

Fas International, Inc.		Datacraft Corporation	
May 72 (6,12,13)	1-4692-2	May 72 (1)	0-5140-2
LTV Ling Altec, Inc.		The Deltona Corp	
Apr. 72 (11,14)	1-5393-2	May 72 (7,11,13)	1-4719-2
May 72 (1,7,8,13,14)	1-5393-2	Excel Investment Company	
		May 72 (7,8)	0-1933-2
Merrill Lynch, Pierce, Fenner		Florida Gas Transmission Co	
& Smith Inc. June 72 (3)	1-6674-2	May 72 (11)	2-26874-2
		Lane Bryant Inc.	
Cohu, Inc.		May 72 (11)	1-598-2
June 72 (4,11)	1-4298-2	BT Mortgage Investors	
Miller-Wohl Co, Inc.		Feb 72 (4,10,11)	1-6578-2
June 72 (8,14)	1-3256-2	Beacon Resources Corp	
		May 72 (13)	0-4398-2
The Allen Group		Commercial State Life	
May 72 (13,14)	1-6016-2	Insurance Co Feb 72 (11)	2-22871-2
Fidelity Financial Corp.		First Cheyenne Corp	
June 72 (3,12)	0-4580-2	May 72 (13)	0-5520-2
		Data-Ram Corporation	
		May 72 (7,10,14)	0-4053-2

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter and exchange trading in the securities of Topper Corporation for the further ten-day period September 26 through October 5, inclusive.

SECURITIES ACT REGISTRATIONS. Effective September 21: Adobe Corp., 2-45487; Clorox Company, 2-45646; Computer Operations, Inc., 2-44318 (Dec 21); Deseret Pharmaceutical Company, Inc., 2-45533; First Mortgage Insurance Co., 2-45311; General Datacomm Industries, Inc., 2-44869 (Dec 20); Hach Chemical Co., 2-45518; Ormand Communications, Inc., 2-43632 (90 days); Mary Moppet's Day Care Schools, Inc., 2-44648 (90 days); Russell Mills, Inc., 2-43577; Smith Kline & French Laboratories, 2-45483.

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.

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ONLY the SEC News Digest is for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402. All other referenced material must be ordered from the Securities and Exchange Commission, Washington, D. C. 20549. In ordering full text of Releases from SEC Publications Unit cite number.