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# sec news digest

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Issue 77-84  
(SEC Docket, Vol. 11, No. 20 - May 17)

MAY 3 1977

May 2, 1977

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## RULES AND RELATED MATTERS

## U.S. SECURITIES AND EXCHANGE COMMISSION

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### COMMISSION AUTHORIZES BROAD RE-EXAMINATION OF PROXY RULES

The Commission has authorized its staff to conduct a broad re-examination of the Commission's proxy rules. As a result of this study, the Commission will determine whether to propose amendments to its proxy rules in order to improve shareholder communications, and increase shareholder participation in the corporate electoral process and corporate governance.

Although the proxy rules, which were originally adopted between 1934 and 1942, have been amended over the years in certain respects, they have not previously been reconsidered on a broad basis.

As part of the study, public comments will be solicited in a number of areas, including whether shareholders should have access to management's proxy materials for the purpose of nominating persons of their choice to become directors and whether the Commission should require additional disclosures relating to the quality of director nominees, such as the process used to select nominees, qualifications which they must possess and the amount of time incumbent directors have devoted to the affairs of the corporation. In addition, the Commission will explore whether to require the disclosure of information in management proxy materials relating to certain corporate policies and activities in which shareholders have expressed an interest. Consideration will also be given to facilitating communications between shareholders on such matters. Additionally, the Commission will reevaluate the relationship between regulation of proxies under the securities laws and state corporation laws and the extent to which the stock exchanges, as self-regulatory organizations, might promulgate rules requiring listed companies to afford shareholders increased opportunities to participate in corporate governance.

After public comments have been reviewed, the Commission will schedule public hearings on these issues. It is contemplated that the hearings will commence early in September. Oral statements will be invited from among persons who have submitted written comments and requested to be heard orally and from other knowledgeable persons. At the conclusion of these proceedings, the Commission will determine whether to propose amendments to the proxy rules and other applicable rules or to recommend legislation to Congress. (Rel. 34-13482)

### AMENDMENT TO FORM U5S

On April 13, the SEC adopted amendments to Annual Report Form U5S, filed by registered holding companies under the Public Utility Holding Company Act of 1935. The amendments are designed to eliminate the use of Form U5S as a substitute annual report for Form 10-K filed under the Securities Exchange Act of 1934. The amendments to Form U5S are considered necessary to subject registered holding companies to the same annual reporting requirements that will apply to all issuers now filing annual reports with various federal regulatory authorities effective with the adoption of the Commission's proposal to rescind Form 12-K. (Rel. 35-20002)

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## ORDERS FOR PUBLIC PROCEEDINGS

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### THOMAS RAY ROWLAND

Public administrative proceedings have been ordered under the Investment Advisers Act of 1940 against Thomas Ray Rowland, of Little Rock, Arkansas, a registered investment adviser. The proceedings are based on staff allegations of violations of the anti-fraud provisions of the Investment Advisers Act with respect to advertisements by Investment Advisers. A hearing will be scheduled by further order to take evidence on the staff's allegations and to afford the respondent any opportunity to offer any defenses. (Rel. IA-584)

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## COMMISSION ANNOUNCEMENTS

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### CONSIDERATION OF PROPOSALS

SEC will consider proposals, generated by a conference sponsored by securities industry self-regulatory organizations, on the implementation of a nationwide investor dispute resolution system prior to taking direct action in this area. The Commission anticipates that all such proposals will be submitted by November 15. (Rel. 34-13470)

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## NOTICE OF COMMISSION MEETINGS

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### CHANGES IN MEETINGS

- (1) May 4 - Delete Item 7 of the Notice dated April 26 relating to opinions regarding options trading proposals. Additional review of this matter is required.
- (2) May 5 - Items respecting HR 3222 and HR 3518 are deleted to allow additional review of these matters.

For further information concerning meetings to be held during the week of May 3 contact: Angela M. Desmond (202) 755-1173 or Ted Scallet (202) 376-8025.

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## COURT ENFORCEMENT ACTIONS

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### TEXAS PLANTATIONS, INC., OTHERS ENJOINED

The Fort Worth Regional Office announced that on April 22 Federal District Judge Reynaldo Garza of Brownsville, Texas, entered orders of permanent injunction enjoining Texas Plantations, Inc., John T. Cross and Herstel L. Cross, all of McAllen, Texas, from violations of the antifraud provisions of the securities laws in the offer and sale of citrus grove investment contracts to European investors. The defendants consented to the entry of the orders of permanent injunction without admitting or denying the allegations in the Commission's complaint which was filed on April 22. The complaint also alleged that Winfried Artois and American-European Investors Establishment, both of Vaduz, Liechtenstein, together with the previously-mentioned defendants, violated the antifraud provisions of the securities laws in the offer and sale of citrus grove investment contracts. (SEC v. Texas Plantations, Inc., et al., Civil Action No. B-77-110, S/D of Texas). (LR-7896)

### TEXAS CITRUS DEVELOPMENT CORP., OTHERS ENJOINED

The Fort Worth Regional Office announced that on April 22 Federal District Judge Reynaldo Garza of Brownsville, Texas, entered orders of permanent injunction enjoining Texas Citrus Development Corporation, William T. Ellis and Curtis Davis, all of Mission, Texas, from violations of the registration and antifraud provisions of the securities laws in the offer and sale of citrus grove investment contracts. The defendants consented to the entry of orders of permanent injunction without admitting or denying the allegations in the Commission's complaint. (SEC v. Texas Citrus Development Corp., et al., Civil Action No. B-77-111, S/D of Texas). (LR-7897)

### ROLAND P. MILLER ENJOINED

The Fort Worth Regional Office and the Houston Branch Office announced that on April 14 the Federal District Court at Dallas, Texas entered an order of permanent injunction prohibiting Roland P. Miller, Jackson, Mississippi, from violations of the periodic reporting provisions of the securities laws in filings made with the SEC. The defendant consented to the entry of the order of permanent injunction without admitting or denying the allegations in the Commission's complaint. (SEC v. James R. Bilhartz, CA 3-77-0337 C, N.D. Tex.). (LR-7898)

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## INVESTMENT COMPANY ACT RELEASES

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### THE TRAVELERS INSURANCE COMPANY

A notice has been issued giving interested persons until May 23 to request a hearing on an application of The Travelers Insurance Company (The Travelers), a Connecticut stock insurance company, The Travelers Fund A for Variable Annuities and The Travelers Fund A-1 for Variable Annuities, separate accounts of The Travelers registered under

the Investment Company Act of 1940 as diversified open-end management companies (hereinafter collectively called Applicants), for an order of the Commission pursuant to Section 6(c) of the Act granting exemption from Sections 22(e), 27(c)(1) and 27(d) to the extent necessary to permit compliance by Applicants with certain provisions of the Education Code of the State of Texas as it would apply to payments made on variable annuity contracts subsequent to the date of the requested order. (Rel. IC-9741 - Apr. 28)

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## SECURITIES ACT REGISTRATIONS

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(S-7) THE DETROIT EDISON COMPANY

2000 Second Ave., Detroit, Mich. 48226 - 2,000,000 shares of common stock, to be offered through the company's Dividend Reinvestment and Common Share Purchase Plan. (File 2-58669 - Apr. 12)

(S-16) RAMADA INNS, INC.

3838 East Van Buren St., Phoenix, Ariz. - 509,700 shares of common stock, to be issued by the company upon conversion of the 6-1/4% convertible guaranteed subordinated debentures, due 1986, issued by Ramada Capital Corporation N.V., a wholly-owned subsidiary of the company. The debentures are convertible at their principal amount into such common stock at a price of \$15.57 per share subject to adjustment under certain circumstances. The company is principally engaged in the operation of inns and the licensing of the Ramada name to independent inn operators. (File 2-58691 - Apr. 14)

(S-6) THE FIRST TRUST OF INSURED MUNICIPAL BONDS,  
SERIES 25

300 West Washington St., Chicago, Ill. 60606 - \$5 million of units, to be offered for sale at net asset value (\$1060 maximum). The Fund is one of a series of unit investment trusts created under a trust indenture between Wauterlek & Brown, Inc. as sponsor and Bradford Trust Company as trustee. It consists of an insured 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. MGIC Indemnity Corporation has insured the prompt payment when due of interest and principal on the bonds in the portfolio of the Fund. (File 2-58692 - Apr. 14)

(S-6) INSURED MUNICIPALS - INCOME TRUST, SERIES 14

208 South LaSalle St., Chicago, Ill. 60604 - \$5 million of units, to be offered for sale at net asset value (\$1060 maximum). The Fund is one of a series of unit investment trusts created under a trust indenture between Van Kampen Sauerman Inc., as sponsor and Bradford Trust Company, as trustee. It consists of an insured 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. MGIC Indemnity Corporation has insured the prompt payment of interest and principal, when due, on the bonds in the portfolio of the Fund. (File 2-58707 - Apr. 15)

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## RECENT 8K FILINGS

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Form 8-K is used by companies to file current reports on the following events: <sup>\*/</sup>

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Financial Statements and Exhibits.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

COMPANY  
BELLANCA AIRCRAFT CORP

ITEM NO.  
2

DATE  
04/11/77

RECENT 8-K FILINGS CONT.

BRADEN INDUSTRIES INC	5	03/03/77	
COMSTOCK TUNNEL & DRAINAGE CO	5	04/77	
CONTINENTAL GROUP INC	5,6	04/11/77	
FRAWLEY ENTERPRISES INC	2,6	04/13/77	
GUARDIAN DEVELOPMENT CORP	2,6	04/13/77	
SCRIPTOMATIC INC	5	03/77	
SENTRY FINANCE CO	2,5,14	03/77	*
SUNAIR ELECTRONICS INC	2	04/77	
UNITED TECHNOLOGIES CORP	5	04/20/77	
AMENDMENTS TO REPORTS ON FORM 8-K			
CALBIOCHEM	12	02/77	*
MACRODATA CORP	5	04/77	
TECHNICARE CORP	4	11/76	
TIERCO	13	12/76	*

\*/ The Form 8-K was amended (Rel. 34-13156, January 13, 1977) effective for all events which occur subsequent to February 28, 1977. Those companies above which are noted with an asterisk (\*) have filed pursuant to the old Form 8-K; the captions of the item numbers under which such reports are filed are as follows:

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| <i>Item 1. Changes in Control of Registrant</i>              | <i>Item 9. Options to Purchase Securities</i>  |
| <i>Item 2. Acquisition or Disposition of Assets</i>          | <i>Item 10. Extraordinary items, other material charges and credits and capital restatements</i> |
| <i>Item 3. Legal Proceedings</i>                             | <i>Item 11. Submission of Matters to a Vote of Security Holders</i>                              |
| <i>Item 4. Changes in Securities</i>                         | <i>Item 12. Changes in Registrant's Certifying Accountant</i>                                    |
| <i>Item 5. Changes in Security for Registered Securities</i> | <i>Item 13. Other Materially Important Events</i>  |
| <i>Item 6. Defaults upon Senior Securities</i>               | <i>Item 14. Financial Statements and Exhibits</i>  |
| <i>Item 7. Increase in Amount of Securities Outstanding</i>  |  |
| <i>Item 8. Decrease in Amount of Securities Outstanding</i>  |  |

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

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