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SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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A Daily Summary of
S.E.C. Activities

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FOR RELEASE January 8, 1973

NEW RULES AND RULE PROPOSALS

PROPOSE RULE 10b-2 AMENDMENT. The Commission today announced a proposed amendment to Rule 10b-2 which, subject to certain exceptions, prohibits any person "participating or otherwise financially interested in" a distribution of securities from compensating any person for soliciting on a national securities exchange the purchase of any security of the same issuer whose securities are the subject of the distribution.

Paragraph (c) of the rule presently states that the provisions shall not apply to compensation in the form of a salary paid by a broker or dealer to any person regularly employed by him whose ordinary duties include the solicitation or execution of brokerage orders on a national securities exchange, if such salary represents only ordinary compensation paid to such persons in the regular course of employment and is not paid directly or indirectly for the inducement on a national securities exchange of the purchase or sale of any security of the issuer whose securities are being distributed.

The proposed amendment would permit usual and customary compensation to be paid by a broker or dealer who is participating or otherwise financially interested in a distribution of an issuer's securities to its regular employees for soliciting on a national securities exchange the purchase of any security of the issuer whose securities are the subject of the distribution. In the release announcing the proposed amendment, the Commission indicated that "such compensation would not exceed the usual or customary compensations payable for regular solicitation or execution of brokerage transactions involving similar quantities of the securities at the same price and not as part of a distribution." As amended, paragraph (c) of the rule will continue to prohibit the practice of stimulating exchange activity in securities which are the subject of a distribution by prohibiting payment of extra or special compensation for the solicitation of the securities being distributed.

The period during which interested parties may submit their views and comments terminates on March 15, 1973. (Rel. 34-9926)

COMMISSION ANNOUNCEMENTS

SEC ORDER CITES SECURITY BROKERS ASSOCIATES, INC., OTHERS. The SEC has instituted proceedings against Security Brokers Associates, Inc., Security Brokers Investment, Inc., Ward William Setzer, Jr., Marvin Harvey Alkow, and Fredrick L. Schreiner, all of Ft. Lauderdale, Fla., based upon allegations that the firms, aided and abetted by Setzer, Alkow and Schreiner, violated the Commission's net capital rule, bookkeeping rules, certain reporting rules and anti-fraud provisions promulgated under the Securities Exchange Act of 1934.

A hearing will be scheduled by further order to take evidence on the staff's allegations for the purpose of determining whether the allegations are true and to afford the respondents an opportunity to offer any defenses, and whether any action of a remedial nature should be ordered by the Commission.

SEC ORDER CITES ALESSANDRINI & CO., INC. OTHERS. The SEC has instituted proceedings against Alessandrini & Co., Inc., of New York City, Paul Alessandrini, Albert Cornett, Richard Seidman, Alvin Leslie, James J. Reilly, employees of Alessandrini and Co., Inc. during the period alleged violations occurred and Perry Scheer an employee of another brokerage firm. The Commission's order is based upon alleged violations by Scheer of the anti-fraud provisions of the Securities Exchange Act of 1934 and violations of the anti-fraud and record-keeping provisions of the Securities Exchange Act of 1934 by the other respondents.

A hearing will be scheduled by further order to take evidence on the staff allegations and to afford the respondents an opportunity to offer any defenses thereto for the purpose of determining whether the allegations are true, and if so, whether any action of a remedial nature should be ordered by the Commission.

TRADING SUSPENDED IN LILAC TIME SECURITIES. The SEC has ordered the temporary suspension of over-the-counter trading in the securities of Lilac Time, Inc. (Lilac), of Rochester, N. Y., for a 10-day period commencing on January 5 through January 14, 1973. The suspension was ordered because of the unavailability of adequate and accurate information concerning the financial condition and business operations of Lilac and because of the recent unusual market activity in the common stock of Lilac. Certain questions have also been raised as to recent developments concerning the management and control of Lilac. Lilac's common stock has recently experienced a price rise of from 3/8 bid to 5 bid. In addition, Lilac is delinquent in its required filings with the Commission, which include the 10-K Annual Report for the period ending March 31, 1972 and two 10-Q Quarterly Reports. (Rel. 34-9928)

REGULATION A EXEMPTION SUSPENDED. Chief Administrative Law Judge Warren E. Blair has filed an initial decision permanently suspending the Regulation A exemption from registration under the Securities Act of 1933 for public offerings of securities by Dinky's Inc., of Las Vegas, Nev. The decision is subject to review by the Commission.

The permanent suspension was based upon findings that the notification and offering circular filed in connection with a proposed offering of 100,000 shares of Dinky's Inc., common stock at \$5 per share were false and misleading, that the terms and conditions of Regulation A had not been complied with, and that the offering, if made, would be in violation of Sections 5 and 17 of the Securities Act of 1933.

OVER

OLD KENNETT LEASING CO., REG A OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of securities of Old Kennett Leasing Company, a limited partnership organized under the laws of the State of Delaware. The offering was underwritten by FDI Securities, Inc., of Wilmington, Del.

Pursuant to a notification filed on January 31, 1972, Old Kennett offered 50 units of limited partnership interests at an offering price of \$10,000 per unit. According to the order, the Commission has reason to believe that (a) the terms and conditions of Regulation A have not been complied with in that the offering, if made, would have exceeded the ceiling for the Regulation A exemption under Rule 254; (b) the notification and offering circular of Old Kennett contain untrue statements of material facts and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, particularly with respect to sales of unregistered securities of affiliates of Old Kennett Leasing Company in violation of Sections 5 and 17 of the Securities Act of 1933, and the contingent liability resulting from the sale of unregistered securities in violation of Section 5 of the Securities Act of 1933; and (c) the offering if made would have been in violation of Section 17 of the Securities Act of 1933.

COURT ENFORCEMENT ACTION

FTI CORP., OTHERS ENJOINED. The SEC Fort Worth Regional Office announced on December 22 the entry by the Federal district court in Houston, Tex. of a preliminary injunction against FTI Corporation, Dudley W. Hargrove, Sr. and Archie B. Carroll, all of Houston, Tex. and David L. Brown, Navasota, Tex. FTI Corporation, Brown and Hargrove were enjoined from violating the registration provisions of the Federal securities laws by selling investment contracts through brokering certificates of deposit. Also, in connection with the sale of common stock, FTI Corporation was enjoined from acting as an unregistered broker-dealer, and FTI Corporation, Hargrove, Brown and Carroll were enjoined from violating the anti-fraud provisions of the Federal securities laws. The defendants consented to the preliminary injunctions without admitting or denying the allegations. (LR-5687)

INVESTMENT COMPANY ACT RELEASES

CAPITAL EXCHANGE FUND, INC. The SEC has issued a notice giving interested persons until January 29, 1973 to request a hearing on an application by Capital Exchange Fund, Inc., and other funds advised by Vance, Sanders & Company, for an order declaring that Philip H. Theopold, a director of such funds, shall not be deemed an "interested person" of such funds, or of any investment adviser or underwriter of such funds, within the meaning of Section 2(a)(19) of the Act, solely by reason of his status as a director in several life insurance companies that either have interests in, or are in complexes with, companies that are registered as broker-dealers. (Rel. IC-7607)

FEDERAL STREET FUND, INC. The SEC has issued a notice giving interested persons until January 29, 1973 to request a hearing on an application by Federal Street Fund, Inc. for an order permitting such fund to redeem, in kind, a portion of the securities of such fund held by the Estate of Howard Gullman, which may be deemed an "affiliated person" of the fund. (Rel. IC-7608)

HOLDING COMPANY ACT RELEASE

UTAH POWER & LIGHT COMPANY. The SEC has issued a notice giving interested persons until January 29, 1973 to request a hearing upon a proposal by Utah Power & Light Company, a Salt Lake City electric utility and registered holding company, regarding the issue and sale until December 31, 1973, of not more than \$50,000,000 of term bank notes. The notes will carry ten-year maturities. Proceeds from their sale will be used to pay short-term notes and/or commercial paper then outstanding. (Rel. 35-17845)

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 January 2 News Digest.

8K Reports for Nov 72

AAR Corp (3,7)	1-6263-2	Alco Standard Corp(7,8)	1-5964-2
AO Ind., Inc(12,13)	1-3991-2	Alexanders, Inc(11)	1-6064-2
ARA Services, Inc (7,8,13)	1-4762-2	Allied Aero Ind., Inc(13)	0-360-2
A.V.C. Corp(3,13,14)	1-3152-2	Allied Stores Corp(8)	1-979-2
AVI Ind., Inc(12,14)	0-4628-2	Allied Supermarkets, Inc(11)	1-3212-2
Aetna Life & Casualty Co(3)	1-5704-2	American Greetings Corp(May 72)7,13)	0-1502-2
Ag-Met, Inc(11,14)	0-5023-2	American Health Foods, Inc (13)	0-6375-2
Aguirre Co(8,14)	1-570-2	American Housing Partners II) (13)	2-42794-2
The Alabama Great Southern RR Co(11)	1-745-2	American National Holding Co	
Alberts, Inc(11)	0-4184-2	(3)	0-6027-2
Albartson's, Inc(13)	1-6187-2		

CONTINUED

American Snacks, Inc(8)	0-3665-2	Cincinnati Bell, Inc (3)	1-1235-2
Anacomp, Inc Sept. 72(7)	2-30014-2	Clear Creek Corp (6)	1-1379-2
Analogic Corp(11)	0-6715-2	Clinton Merchandising, Inc (13)	1-6550-2
Anchor Coupling Co Inc(12,13)	1-4911-2	Coastal Dynamics Corp (12,13)	0-2856-2
Anderson Stokes, Inc (13)	1-6572-2	The Coca Cola Bottling Co of NY, Inc (13,14)	1-4348-2
Antilles Brewing Co Inc (12)	0-1448-2	Coit International.Inc(3)	1-6752-2
Archer Daniels Midland Co (7,11,14)	1-44-2	College Plumbing Supplies, Ltd (2,13)	2-38900-2
Aries Corp (3)	0-2540-2	The Commodore Corp Oct. 72 (7,14)	1-5892-2
Arundel Corp (13)	1-1313-2	Nov. 72(13,14) Formerly: Community Health	1-5892-2
Atlantic Richfield Co (7,13,14)	1-1196-2	*Community Health Corp(Facilities, Inc) (11,13,14)	1-6612-2
Atlas Corp (11)	1-2714-2	Compo Ind., Inc (13,14)	1-2076-2
Austral Oil Co (May 72 (7)	1-5921-2	Computer Complex, Inc(2,11,14)	0-4162-2
April 72(7)	1-5921-2	Compo Ind., Inc (13,14)	1-2076-2
Baltimore Paint & Chemical Corp (3)	0-44-2	Computer Complex, Inc(2,11,14)	0-4162-2
Bank of Virginia Co(7,13)	1-6505-2	Computer Diode Corp(13)	0-3156-2
Basic Metals, Inc (12,13)	0-4857-2	Computer Equipment Corp Sept. 72 (9,14) June 72 (8,9,14)	1-5990-2
Beisinger Industries Corp Oct. (13)	1-6312-2	Oct. 72(7,8) April 72 (7,8)	1-5990-2
Bell Tel Co of Penna (3)	2-13836-2	Nov. 72 (8,9,14)	1-5990-2
Beneficial Corp (7,14)	1-1177-2	Computer Investors Group, Inc (2,7,14)	1-5739-2
Beneficial Standard Mortgage Invstrs. (7,8)	1-6641-2	Computer Response Corp (3,12,13)	0-4793-2
Bio-Medical Sciences, Inc(11,13,14)	0-5613-2	Oct. 72(3,7,8,13,14)	0-4793-2
Bird & Son, Inc(8)	0-828-2	Computer Task Group, Inc (2,14)	2-31451-2
Blue Ridge Estate Co (2)	0-2844-2	Continental Can Co Inc(7,13,14)	1-489-2
Book of The Month Club, Inc (11,13)	1-3590-2	Cosmetex Ind., Inc Oct. 1972(8)	2-42589-2
Booz Allen & Hamilton, Inc(13)	0-5346-2	Courtesy Drug Stores, Inc (13,14)	2-41901-2
Borden, Inc(3)	1-71-2	Crowell Collier & Macmillan, Inc (8,11)	1-3911-2
Boston Edison Co (13)	1-2301-2	Dain, Kalman & Quail, Inc (7)	2-45422-2
Botany Ind., Inc (13)	1-5317-2	Daylin, Inc(2)	1-6552-2
Bowl America, Inc (7)	0-1830-2	Dean Foods Co(4,13,14)	0-1118-2
Broward Bancshares, Inc(7,11,14)	0-5529-2	Den-Tal-Ez, Inc (14)	1-6536-2
Brogan Assoc., Inc Oct. 72 (9)	0-3719-2	Dereco, Inc (7)	1-5638-2
Buehler Corp (7,13)	1-6041-2	Detrex Chemical Ind., Inc Oct. 72 (3)	0-784-2
Buell Ind., Inc Oct. 72(7)	1-4619-2	Diamonhead Corp (7)	0-6263-2
Building Systems, Inc(11,14)	0-5810-2	Diamond State Tel. Co(3)	2-14897-2
Burlington Ind., Inc (14)	1-2932-2	Diversified Mortgage Investors Oct. 72(7,14)	1-6149-2
Bunker Ramo Corp (2)	1-4158-2	Donaldson, Lufkin & Jenrette, Inc (9,14)	1-6862-2
Buxton's Country Shops (3,6,14)	0-4931-2	The Dorsey Corp(4,7,8,13,14)	1-1982-2
CBT Corp March 72(11,14)	0-4944-2	Drew Natl. Leasing Corp May 72 (2,7,14)	0-4238-2
" " Nov. 72 (4,7,14)	0-4944-2	Dynat Intl. Corp (13)	0-6127-2
C L Financial Corp (11,12)	1-6142-2	ESB, Inc (12)	1-5427-2
Calif. Medical Centers (3,14)	0-3661-2	Eastern Air Lines, Inc (7,8,13)	1-3049-2
Campbell Chain Co (11,12)	0-3651-2	Eastern & Pacific Ind. Corp Sept. (9,14) Aug. 72(9,14)	1-5737-2
Campbell Soup Co (11)	0-758-2	July 1972 (9,14)	1-5737-2
Cannon Mills Co (13)	0-4780-2	Electrogaodynamics, Inc Oct 72 (7)	0-5406-2
Canrad Precision Ind., Inc (13,14)	0-6196-2	El ctronc Data Controls Corp (11,13)	0-5681-2
Carlberg Mobile Homes Properties Ltd. Oct. 72 (2,7,13,14)	0-6196-2	Elpac, Inc(12)	0-6229-2
Carpenter Technology Corp (11,13,14)	1-5828-2	El-Tronics, Inc(7,14)	1-3916-2
Cenco Inc (8,13,14)	2-46091-2	Energy Conversion Devices, Inc (2,14)	0-3315-2
Centex Corp (7)	1-6776-2	Equity Educators Assurance Co Oct. 1972(4,6,8,11,14)	2-23405-2
Central Banking System, Inc (12)	0-3652-2	Equity National Ind., Inc (2,7,13,14)	1-6447-2
Central Colorado Bancorp, Inc Oct. 72(13,14)	2-37766-2	Evans & Mitchell Ind., Inc (7,14)	0-6546-2
Central & State Natl. Corp of Alabama (2,7,14)	0-6032-2	Everest & Jennings Intl.(3,13)	0-3585-2
Central Tel. Co Oct. 72 (7,13,14)	1-6793-2		
Centran Bancshares Corp (8)	0-5977-2		
Cenvill Communities, Inc (7,9 14)	0-3427-2		
Chanin Development Corp(13)	0-6498-2		
Chemold Corp Oct. 72 (7,14)	0-3359-2		
The Chesapeake & Potomac Tel Co of Md. (3)	1-6875-2		
The Chesapeake & Potomac Tel. Co of West Va. (3)	2-16148-2		

8K Reports for Nov 72

Fabric Mart Draperies, Inc (1,4,7,8,11,14)	1-5166-2	Georgia Bonded Fibers, Inc(13,14)	0-5200-2
Fair Lanes, Inc (12,13)	0-1858-2	Georgia Power Co Oct. 72(7)	1-6468-2
Fair Tex Mills, Inc (2,14)	1-6750-2	Government Employees Corp(14)	0-414-2
Federated Investors, Inc(13)	0-3038-2	Granning & Treece Financial Corp (4,11,14)	2-34778-2
Federated Media., Inc (8)	0-6668-2	Great Equity Financial Corp(3)	0-6220-2
First Amtenn Corp (4,13)	0-6198-2	Great Lakes Dredge & Dock Co (3)	1-1303-2
First Charter Financial Corp (14)	1-4301-2	Griffiths Electronics, Inc Oct. 72 (7,9,14)	0-5115-2
First Colorado Bankshares, Inc (13)	0-2687-2	Ground Data Corp(11)	0-5279-2
First Foto, Inc(11,14)	2-42739-2	Gulf States Utilities Co(13,14)	1-2703-2
First National City Corp (4,7,14)	1-5738-2	The Alfred Hart Co(13,14)	1-5136-2
First National State Bancorp(3,7)	1-6610-2	Harte Hanks Newspapers, Inc(11)	0-6621-2
First Penna. Mortgage Tr.(7)	1-6804-2	Heningway Transport, Inc Sept. 72 (7,8)	0-3714-2
First Texas Financial Corp(13)	0-6635-2	Her Majesty Ind., Inc(3)	1-6013-2
Fisco, Inc(12,14)	1-6671-2	Hess's, Inc(13,14)	0-3759-2
S. M. Flickinger Co Inc(11)	0-4172-2	P. H. Glafelter Co(7)	1-3560-2
The Flinkote Co(3)	1-2560-2	Hi-Shear Corp Oct. 1972(12,13)	1-6283-2
Florida Power Corp(7,14)	1-3274-2	Highland Tel. Co(7,14)	0-5558-2
Florida Commercial Banks, Inc (3,13)	0-3562-2	Hipotronics, Inc(12)	1-6328-2
Foote, Cone & Belding Communications Inc(12)	1-5029-2	Hoover Ball & Bearing Co(11)	1-5883-2
		Houdaille Ind., Inc(2,14)	1-5682-2
		Housing Systems, Inc(1,2,7,14)	0-6630-2
		Houston Natural Gas Corp(13)	1-5640-2
For Better Living, Inc (11,14)	0-6633-2		
Ford Motor Credit Co(7)	1-6368-2	Hughes & Hatcher Inc (8,13)	1-3387-2
Forum Restaurants, Inc(11,13)	0-5125-2	Husky Exploration, Ltd (4,8,14)	0-5502-2
Frequency Electronics, Inc(11,13)	0-3948-2	Husky Oil Ltd (8,14)	1-4307-2
The Frouge Corp(11)	0-2893-2	Hydro Nuclear Corp(7,14)	0-4395-2
Funk Seeds Intl., Inc Oct. 72 (13)	2-45153-2	Idant Corp(8,12)	2-41284-2
Fuqua Ind., Inc(12,13)	1-5706-2	Independence Mgt. Corp(4,7,8,14)	0-5876-2
GBC Closed Circuit TV Corp(11)	1-6293-2	Intelcom Ind., Inc Aug. 1972(11,13) Sept. 72(2,13)	2-42040-2
GAZ Metropolitan, Inc(13,14)	2-13160-2	Interstate Brands Corp(13,14)	1-4969-2
General Growth Properties Oct. 72 (2,13,14)	0-5818-2	Investors Diversified Services, Inc (3,13)	1-5226-2
General Housewares Corp(4,6,14)	0-4837-2	Jays Industries, Inc June 1972 (2,13,14)	2-31784-2
General Tel Co of Upstate New York, Inc (12)	2-34622-2	Jewelco, Inc Oct. 1972(13,14)	1-6745-2
Genway Corp Oct. 72(1)	0-2332-2		

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of (a) First Leisure Corporation for the further ten-day period January 6-15, inclusive, (b) Clinton Oil Company and Management Dynamics, Inc., for the further ten-day period January 7-16, inclusive and (c) Goodway Inc., and DCS Financial Corp., for the further ten-day period January 8-17, inclusive.

SECURITIES ACT REGISTRATIONS. Effective January 5: AES Technology Systems, Inc., 2-45894 (Apr 5). Alpha Gyrex, Inc., 2-42991 (90 days); Colonial Mirror & Glass Corp., 2-45889 (90 days); Daniel Woodhead, Inc., 2-46541; ADRs of Fisons Limited, 2-46574; Herman Miller, Inc., 2-46388; International Industries, Inc., 2-46790; Trans-National Leasing, Inc., 2-45506 (Apr 5). **Effective January 8:** Hunt Building Corp., 2-46480.

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.

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