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COMMISSION ANNOUNCEMENTS

SEC SEEKS MODIFICATION OF EXCHANGE MEMBER RULES. The Commission on Tuesday, February 15, released the following letter to all registered stock exchanges:

"As you know, the Commission's February 2, 1972 Statement on the Future Structure of the Securities Markets concluded that, among other things, each of the registered national securities exchanges should adopt rules excluding from membership any organization whose primary function is to route orders for the purpose of rebating or recapturing commissions, directly or indirectly, in any manner or form. The Commission's Statement also concluded that any rule basing eligibility for membership on the primary purpose of a member's "parent" should be abrogated. We also concluded that membership in a stock exchange should be limited to members who do a predominant portion of their commission business with nonaffiliated customers. The Commission's reasons are set forth in the discussion of institutional membership at pages 44-56 of the Statement.

"Accordingly, we believe that each exchange should promptly prepare rules or modifications to existing rules accomplishing the following:

1. Prohibiting membership for firms whose primary function is to rebate, recapture, or redirect commissions.
2. Eliminating any parent test that presently exists.
3. Restricting membership to firms doing the predominant portion of their brokerage business on registered national securities exchanges for nonaffiliated customers.

"It appears to us that rules or amendments accomplishing the first two of these recommendations can be prepared quickly. We realize that a specific definition of "predominant" may require some research and dialogue. The Commission had in mind something in the neighborhood of 80%, but decided that this was a matter on which the self-regulatory bodies might best make the initial proposal. We expect that different self-regulatory bodies might have different notions as to what the test for predominance should be. We would like to receive your recommendation on this matter, as well as the research and rationale on which it is based. We believe the definition for predominance should be uniform for all exchanges and we will undertake to reconcile differences in the recommendations received from the various exchanges.

"We would also like your views on when and how these new rules will be implemented.

"We recognize that it will be necessary to see that the requirement that brokerage firms have the primary purpose of serving the public is not circumvented by agreements between the firms to create that appearance by reciprocal arrangements to serve each other. We would like to receive from you details as to how you propose to regulate the use of reciprocal arrangements for this purpose.

"Please advise us no later than February 25, 1972, as to what steps you plan to take towards adoption and implementation of the foregoing rules. We are anxious to explore with you and other interested persons any problems arising from the determinations made in the Commission's Policy Statement.

"We look forward to reviewing your submissions on these matters."

TRADING SUSPENDED IN MERIDIAN FOOD. The Commission has ordered a suspension of over-the-counter trading in the securities of Meridian Fast Food Services, Inc. for the ten-day period commencing February 16, 1972 and continuing through the close of business on February 25, 1972. The company is supposedly located at U. S. Highway #46, Dover, N. J.

The suspension was ordered because of a recent rapid rise in the price of Meridian's common stock and to obtain clarification as to developments in the business of the company. In early September 1971 Meridian's common stock was quoted in the over-the-counter market at \$6.50 bid. On February 10, 1972 Meridian was quoted in the "pink sheets" at \$17 bid and \$20 asked. The Commission has been informed that Meridian has entered into an agreement of merger with a New Jersey corporation, Radiation Services Associates, and as part of the agreement Meridian's name is to be changed to Radiation Services Associates, Inc. The trading suspension covers trading in such securities under the name Meridian, Radiation or any other name. (Rel. 34-9501)

NEW RULES AND RULE PROPOSALS

PROPOSE GREATER DISCLOSURE OF ENVIRONMENTAL CONSIDERATIONS. The Commission has under consideration proposed amendments to certain of its registration and report forms to require disclosure of the effect on the issuer's business of compliance with Federal, State and local laws and regulations relating to the protection of the environment. The forms which would be amended are Forms S-1, S-7 and S-9 under the Securities Act of 1933 and Forms 10, 10-K and 8-K under the Securities Exchange Act of 1934. This action is being taken pursuant to the National Environmental Policy Act.

OVER

More specifically, the proposed amendments would require as a part of the description of an issuer's business appropriate disclosure with respect to the material effects which compliance with environmental laws and regulations may have upon the capital expenditures, earnings and competitive position of the issuer and its subsidiaries. In addition, information would be required as to pending governmental or private legal or administrative enforcement proceedings arising under environmental laws or regulations and any such proceedings known to be contemplated by governmental authorities.

The proposals emphasize the effect of environmental statutes and regulations, and enforcement proceedings thereunder, which may be felt in the future by the issuer and specify certain information to be furnished in connection with the description of the business. This item requires information with respect to the business done and intended to be done and the development of the business during the past five years. The amendments would serve to specify more precisely the disclosure referred to in Securities Act Release 5170 in regard to environmental matters and would, as to the forms proposed to be amended, supersede that release.

All interested persons are invited to submit their views and comments on the proposed amendments, in writing, to Charles J. Sheppe, Chief, Branch of Regulations and Legislative Matters, Division of Corporation Finance, Securities and Exchange Commission, Washington, D. C. 20549, on or before March 28, 1972. All such communications will be available for public inspection. (Rel. 33-5235)

PROPOSED RULE TO INSURE FAIR AND EQUITABLE TREATMENT OF CERTAIN INVESTMENT COMPANY SHAREHOLDERS.

The SEC has under consideration the adoption of Rule 18f-2 under the Investment Company Act of 1940 (Act), as amended by the Investment Company Amendments Act of 1970 (1970 Act). The proposed rule would implement the provisions of the second sentence of Section 18(f)(2) of the Act which was added by the 1970 Act. The amendment authorizes the Commission to adopt rules to require registered investment companies of the series type, as a requisite for taking action on a matter requiring shareholder action, to obtain the approval of each individual class or series of its stock which would be affected by such matter. The proposed rule has special provisions concerning advisory contracts subject to Section 15(a), and investment policies, subject to Section 13, including exceptions from certain provisions of these sections. Also, an exemption from the separate voting requirements of the rule would be provided for the submission of independent public accountants to shareholders required by Section 32(a) of the Act. All interested persons are invited to submit, in writing, views and comments with respect to the proposed amendments to Ronald F. Hunt, Secretary, Securities and Exchange Commission, Washington, D. C. 20549, on or before March 31, 1972. All communications with respect to the proposed amendments should refer to File No. S7-427. Such communications will be available for public inspection. (Rel. IC-6998)

COURT ENFORCEMENT ACTION

FOUR ENJOINED. The SEC New York Regional Office announced February 14 that the Federal court in New York had permanently enjoined David Rosenbloom of New York City, Benjamin Rothberg, South Orange, N.J., Danard V. Unschuld, New Rochelle, N.Y., and Frederick I. Robinson, Philadelphia, Pa., from violating the Federal securities laws in connection with the misuse of material non-public inside information concerning the common stock of Harvey's Stores, Inc. The court also ordered the defendants to disgorge profits which they realized or would have realized had they sold their Harvey's stock at noon on February 18, 1971, when the company made public its merger agreement. Jay Zises, Queens, N. Y., and Robert Kaplan, Philadelphia, Pa., were preliminarily enjoined, on consent, from violating the anti-fraud provisions in connection with Harvey's stock. Zises and Kaplan were ordered to place in escrow with a trustee all their profits realized or accrued as of February 18, 1971, in connection with trading in Harvey's stock, pending a final determination of the action. John H. Norris was appointed as trustee of the proceeds paid to the court pursuant to the disgorgement order. (LR-5318)

COMPLAINT NAMES DU-TEL INVESTMENT CO.; C. R. DESAUTELS. The SEC Atlanta Regional Office announced February 14 the filing of a complaint in the Federal court in Miami, Fla., seeking to enjoin Du-Tel Investment Co., Inc. and Gaston R. Desautels, its president and principal stockholder, both of Miami, from violating the net capital and bookkeeping provisions of the Federal securities laws. The Securities Investor Protection Corporation charged that customers of Du-Tel were in need of the protection afforded under the Securities Investors Protection Act and requested the installation of a trustee for Du-Tel. A court order requires Du-Tel to show cause on February 16 why the SIPC application should not be granted and a hearing is scheduled for February 24 on the Commission's motion for preliminary injunction. (LR-5322)

HOLDING COMPANY ACT RELEASES

COLUMBIA GAS SYSTEM. The SEC has issued an order authorizing Columbia Gas System Service Corporation, Wilmington, Del. subsidiary of Columbia Gas System, Inc., to issue and sell up to \$4,400,000 of installment promissory notes and up to 36,000 shares of common stock (\$100 par) to the parent. Net proceeds will be used in connection with the construction by Service Corp. of a new headquarters office building in Wilmington. (Rel. 35-17456)

CONTINUED

DELMARVA POWER. The SEC has issued a notice giving interested persons until March 6 to request a hearing upon an application of Delmarva Power & Light Company, Wilmington, Del., holding company, to amend its certificate of incorporation subject to stockholder approval, to eliminate the preemptive rights of holders of common stock upon issuance and sale of common stock for cash pursuant to (a) a public offering or (b) an offering to or through underwriters, security dealers or brokers who shall have agreed to make a public offering promptly thereof. The minimum preemptive rights subscription period permitted is 15 days. According to the application, the proposed amendment is to provide Delmarva greater flexibility in timing of its financings and to decrease the cost thereof. (Rel. 35-17459)

SECURITIES ACT REGISTRATIONS

PALOMAR MORTGAGE INVESTORS (the Trust), 2022 Camino del Rio North, San Diego, Calif. 92108, filed a registration statement on February 14 seeking registration of 604,000 shares of beneficial interest and warrants to purchase 604,000 shares. It is proposed to offer these securities for subscription by shareholders in units, each consisting of one share and one warrant, and at a rate of one unit for each two shares held. E. F. Hutton & Co. Inc., has agreed to head a group of underwriters who will solicit subscriptions for the units. A real estate trust, the Trust invests principally in construction and development loans. P.M.I. Management Corp. is investment adviser. (File 2-43075)

AMERICAN THERMAL RESOURCES, INC., 5405 Stockdale Hwy., Bakersfield, Calif. 93309, filed a registration statement on February 14 seeking registration of 600,000 shares of common stock, to be offered for public sale at \$1 per share through underwriters headed by Mountain Pacific Investment Co., 909 17th St., Suite 305, Denver, Colo. 80202. Organized in April 1971, the company was primarily formed for the purpose of exploring for and development geothermal resources and, secondarily, to engage in oil and gas exploration. Of the net proceeds of its stock sale, \$270,000 will be used for land acquisition, primarily rentals, and the balance for working capital and other corporate purposes. (File 2-43076)

NCNB CORPORATION, 200 S. Tryon St., Charlotte, N. C. 28202, filed a registration statement on February 14 seeking registration of \$30 million of sinking fund debentures, due 1997, to be offered for public sale through underwriters headed by Salomon Brothers, 60 Wall St., New York 10005. NCNB is a bank holding company, whose principal asset is the capital stock of North Carolina National Bank (the Bank). Of the net proceeds of its debenture sale, \$10 million will be used to repay borrowings incurred to support the expansion of the Bank, \$15 million to support the expansion of other subsidiaries and the balance for other corporate purposes. (File 2-43077)

FERGUSON OIL COMPANY, INC. (General Partner), 2700 Liberty Tower, Oklahoma City, Okla. 73102, filed a registration statement on February 14 seeking registration of \$5 million of limited partnership interests in Ferguson Drilling Program - 1972 (the Partnership) to be offered for public sale at \$5,000 per unit with a required minimum purchase of 2 units. The Partnership is engaged in the exploration for oil and gas. (File 2-43079)

CANDEL OIL, LTD., 330 Fifth Ave., S.W., Calgary 1, Alberta, Canada, filed a registration statement on February 14 seeking registration of 1,613,202 outstanding shares of stock, to be offered for public sale by the holder thereof, Sohio Petroleum Company, wholly-owned subsidiary of The Standard Oil Company. The offering is to be made (*at \$13.25 per share maximum) through underwriters headed by Eastman Dillon, Union Securities & Co. Inc., 570 Broad St., Newark, N.J. 07102, and Nesbitt Thomson Securities Ltd., 355 St. James St. West, Montreal, Canada. The company is engaged in the acquisition, exploration and development of oil and gas properties. (File 2-43080)

MARRIOTT CORPORATION, 5161 River Road, Washington, D. C. 20016, filed a registration statement on February 14 seeking registration of 14,830 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof (*at \$63 per share maximum). (File 2-43081)

BAKER OIL TOOLS, INC., 7400 East Slauson Ave., Los Angeles, Calif. 90040, filed a registration statement on February 15 seeking registration of \$20 million of sinking fund debentures, due 1997, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 600 South Spring St., Los Angeles, Calif. 90014, and Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York, N.Y. 10004. The company is primarily engaged in supplying a wide range of products and related services used in exploration for oil, gas and other minerals. Of the net proceeds of its debenture sale, \$17,400,000 will be used to prepay indebtedness to banks incurred primarily for working capital, property additions and the acquisition of several companies and the balance will be added to the company's working capital. (File 2-43084)

FIFTH AVENUE CARDS, INC., 18 W. 34th St., New York, N. Y. 10001, filed a registration statement on February 15 seeking registration of 300,000 shares of common stock, of which 250,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the holder thereof. The offering is to be made (*at \$10 per share maximum) through underwriters headed by Moore & Schley, Cameron & Co., Two Broadway, New York, N. Y. 10004. The company is engaged in the ownership, operation and sale and related licensing of retail greeting card stores. Net proceeds will be added to the company's working capital for use primarily in financing 20 projected store openings through June 1973. (File 2-43085)

COVINGTON BROTHERS, 2451 East Orangethorpe Ave., Fullerton, Calif. 92631, filed a registration statement on February 15 seeking registration of 200,000 shares of common stock, to be offered for public sale (*at \$13 per share maximum) through underwriters headed by D. H. Blair Securities Corporation, 10889 Wilshire Blvd., Los Angeles, Calif. 90024. The company is primarily engaged in on-site mass production and sale of multiple family dwellings in Southern California, on land owned by the company. Proceeds of its stock sale will be used for the acquisition of land in Southern California, New Mexico and Arizona and proposed projects in Southern California. (File 2-43086)

ALEXANDER-SMITH ACADEMY, INC., 1001 International Blvd., S. W., Atlanta, Ga. 30354, filed a registration statement on February 15 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$12 per share. Also included in this statement are 591,565 outstanding shares of common stock which may be/for sale by the holders thereof. No underwriting is involved. The company operates schools to promote faster and more comprehensive reading. Of the net proceeds from the stock sale, \$2 million will be used to finance expansion and the balance for future operating capital expansion. (File 2-43087)

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:

- Syaco Corporation, Houston, Tex. (File 2-43082) - 90,000 shares
- Bruno's, Inc., Birmingham, Ala. (File 2-43083) - 50,000 shares
- Charter Medical Corporation, Macon, Ga. (File 2-43088) - 68,000 shares

MISCELLANEOUS

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "★★"):

NO	O- REGISTRANT	LOCATION
5827	The Progressive Corp**	Clev,OH
5941	Commonwealth Silver Ind. Ltd**	S. Plainfield, NJ
5943	Grand Central, Inc**	Salt Lake City, Ut
5945	Barclay Ind., Inc**	Lodi, NJ
5946	Donbar Development Corp	New York, NY
5949	Microdata Corp**	Santa Ana, Ca
5952	G & R Ind., Inc**	Purdy, MO
5956	Modular Housing Systems, Inc**	Northumberland, Pa.
5958	Survival Technology, Inc**	Bethesda, MD
5964	Southland Equity Corp**	Orlando, FL
5966	M.P.C., Inc**	New York, NY

SECURITIES ACT REGISTRATIONS. Effective February 15: Borman's Inc., 2-43018; The Cannon Group, Inc., 2-41631; Data Card Corp., 2-40842; Keydata Corp., 2-42588; F. G. Mutual Fund, Inc., 2-39183; Her Majesty Industries, Inc., 2-42599; Marriott Corp., 2-43081; Spartan Food Systems, Inc., 2-42882; Terra Resources, Inc., 2-41627 (90 days); Value Line Leverage Growth Investors, Inc., 2-31640.

Withdrawn February 8: Hershey Video Systems, Inc., 2-39105.

Withdrawn February 9: National Can Corp., 2-41470; Curtis Minerals, 2-34087.

Withdrawn February 10: Walworth, Inc., 2-36996. Withdrawn February 11: Investment Partnership Fund, 2-34172.

Withdrawn February 14: Wyndmoor Industries, 2-41873.

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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