



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

Washington, D.C. 20549

(Prepared by the SEC Office of Public Information)

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FOR RELEASE August 15, 1972

## NEW RULES & RULE PROPOSALS

ADOPTION OF AMENDMENTS TO RULE REQUIRING FILING OF REPORTS ON STABILIZING PURCHASES. The SEC today announced the adoption of amendments to Rule 17a-2 and Form X-17A-1 under the Securities Exchange Act of 1934 ("the Act"), effective September 25, 1972. The amendments are adopted under Sections 10(b), 17(a) and 23(a) of the Act.

Rule 17a-2 provides for the filing of reports on Form X-17A-1 by all members of an underwriting syndicate or group engaged in a distribution of securities if stabilizing purchases have been made to facilitate the distribution.

As is currently provided in Rule 17a-2 and Form X-17A-1, the member of the syndicate which makes stabilizing purchases for the syndicate account is required to file separate reports on Form X-17A-1 respecting syndicate transactions in the stabilized and offered securities and in any rights to subscribe for them. These must be filed on each business day following the day on which such transactions occur. Such reports are filed in its capacity "as manager." As to the other members of the syndicate for whose account stabilizing purchases were made, each of them is merely required to file one report on Form X-17A-1 "not as manager", reflecting all of his transactions in the same securities within a specified period ending with the termination of stabilization. This report, "not as manager", must be filed within five business days after such termination.

In the interests of efficiency and expedition, the Commission is adopting a new subparagraph (d)(5) of Rule 17a-2 and an amendment of paragraphs (d)(1) and (e) of the rule as well as of Instruction V. of Form X-17A-1 which would require the "not as manager" reports to be made to the syndicate manager within the same period as they are now required under the rule to be filed, namely, within five business days after the termination of stabilization. In turn, under the amendments, the manager would have 15 business days after such termination to file with the Commission all of the "not as manager" reports, including its own "not as manager" report reflecting its transactions in the same securities during the prescribed period, other than its transactions for the syndicate account. The amended rule will also impose upon the managing underwriter obligation to submit to the Commission in writing at the time it files all the "not as manager" reports with the Commission, a list of all syndicate or group members who are delinquent in filing their "not as manager" reports with such managing underwriter within five business days after the termination of stabilization. (Rel. 34-9717)

## DECISION IN ADMINISTRATIVE PROCEEDING

ROZZO BARRED. The Commission has issued an order barring Joseph Rozzo, Manhasset, New York, from association with any broker-dealer, investment advisor or investment company. At relevant times, Rozzo was associated with New York City broker-dealers.

According to the decision, Rozzo violated antifraud provisions of the securities laws in that he established and maintained accounts for customers with broker-dealers and effected transactions in new issue securities therein for a portion of the profits resulting from the transactions in the accounts, which concealed his interest in the transactions. It was further found that Rozzo, who had previously been permanently enjoined from violating the securities laws, had become associated with registered broker-dealers and had failed to file or cause them to file amendments to their registration applications disclosing his association and the fact that he was the subject of an injunction.

Rozzo consented to the above findings and sanctions, without admitting or denying the allegations in the orders for proceedings. (Rel. 34-9718)

## INVESTMENT COMPANY ACT RELEASES

BACHE & CO., INC. The SEC has issued an order under the Investment Company Act to permit Bache & Co., Inc. and its co-underwriters in the proposed offering of Bayrock Utility Securities to engage in certain transactions incidental to the underwriting. (IC-7320)

PASCO, INC. The SEC has issued a notice giving interested persons until August 29 to request a hearing upon an application by Pasco, Inc. exempting from certain provisions of the Investment Company Act a proposed sale by Pasco of certain Mexican properties to National Financiera, S. A. (Rel. IC-7321)

## HOLDING COMPANY ACT RELEASE

VERMONT YANKEE NUCLEAR POWER COMPANY. The SEC has issued a notice giving interested persons until September 5 to request a hearing regarding a proposal of Vermont Yankee Nuclear Power Company, an indirect subsidiary of Northeast Utilities and New England Electric System, to amend its bond indenture to delete the obligation to place its nuclear power plant in commercial operation by the end of 1972. Vermont Yankee represents that such deletion will have no adverse effect on the rights of the bondholders in that the sponsors of Vermont Yankee are committed pursuant to their respective power contracts to commence payments on December 31, 1972 sufficient to satisfy all obligations to the bondholders arising subsequent to that date. The SEC has issued an order permitting Vermont Yankee to solicit the consents of the bondholders for the proposed amendment. (Rel. 35-17667)

OVER

CONTINENTAL HAIR PRODUCTS, INC., 2170 McDonald Ave., Brooklyn, N. Y. 11223, filed a registration statement on August 10 seeking registration of 225,000 shares of common stock, of which 175,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$9 per share maximum) through underwriters headed by Danes Cooke and Co., Inc., 26 Beaver St., New York 10004. The company designs and markets hair care appliances. Of the net proceeds of its stock sale, \$125,000 will be used to construct and equip a plant, warehouse and office and the balance for working capital and other corporate purposes. (File 2-45310)

FIRST MORTGAGE INSURANCE COMPANY, 1327 Beaman Place, Greensboro, N. C. 27408, filed a registration statement on August 10 seeking registration of 225,000 shares of common stock, of which 376,000 are to be offered for public sale by the company and 24,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$29.50 per share maximum) through underwriters headed by Alex. Brown & Sons, 135 E. Baltimore St., Baltimore, Md. 21202, and Interstate Securities Corp., 221 S. Tryon St., Charlotte, N. C. 28202. The company is engaged principally in insuring lenders against loss on mortgage loans on single-family homes. Net proceeds will be invested in subsidiaries and used for other corporate purposes. (File 2-45311)

CAROLINA POWER & LIGHT COMPANY, 336 Fayetteville St., Raleigh, N. C. 27602, filed a registration statement on August 10 seeking registration of 500,000 shares of serial preferred stock, to be offered for public sale (\* at \$101 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, One Liberty Plaza, and White, Weld & Co. Inc., both of New York City. Net proceeds will be used for general corporate purposes, including reduction of short-term borrowings incurred primarily for construction of new facilities. Construction expenditures are estimated at \$312,359,000 for 1972. (File 2-45312)

GRANITE MANAGEMENT SERVICES, INC., 500 Old Country Rd., Garden City, N. Y. 11530, filed a registration statement on August 10 seeking registration of 62,711 outstanding shares of common stock and 100,000 outstanding warrants. These securities may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\* \$6.875 per share maximum). The company is engaged in offering architectural, engineering, and planning services, real estate activities, the leasing of IBM computer equipment and the leasing of equipment in Europe. (File 2-45313)

SCIENCE APPLICATIONS, INCORPORATED, 1250 Prospect St., La Jolla, Calif. 92037, filed a registration statement on August 11 seeking registration of 592,450 outstanding shares of common stock not previously registered with the Commission. It is proposed to offer to repurchase such shares from 83 purchasers who acquired the shares between March 31, 1969 and June 30, 1972, for an aggregate cash price of \$190,435 plus interest at 6% per annum from the purchase date. According to the statement, the company now recognizes that there is a possibility that such sales of securities may be deemed not to have been exempt from the registration requirements. The company is engaged in applying computer and systems technology to highly complex technical problems. (File 2-45315)

In a separate statement the company seeks registration of 1,805,050 shares of common stock, of which 265,270 are to be offered to prospective employees and consultants at \$2 per share, 1,039,780 may be offered to prospective employees, consultants and others at a price to be determined and 500,000 have been or may be issued upon exercise of stock options. (File 2-45316)

ELECTROGASDYNAMICS INCORPORATED, Six Littell Rd., Hanover, N. J. 07936, filed a registration statement on July 31 seeking registration of 150,000 outstanding common stock purchase warrants. Such warrants were originally issued in January 1970 and expired at the close of business on January 21, 1972 (without any having been exercised). The warrants were extended in December 1971 to expire January 21, 1974 and are being offered to the holders thereof at the close of business on January 21, 1972, subject to payment of 10¢ per warrant. The company proposes to develop and test products utilizing the electrogasdynamics principle and then to seek an acquisition through which to commercialize such products. (File 2-45225)

TEXAS INTERNATIONAL COMPANY, National Foundation Center, 3545 N.W. 58th St., Oklahoma City, Okla. 73112, filed a registration statement on August 7 seeking registration of \$7,000,000 of Series B 2-3/4% subordinated debentures, due 1984, and 140,000 common stock purchase warrants. Of these securities, \$1,272,000 of debentures and 25,440 warrants are to be offered in exchange for interests in Texas International Drilling Fund, Series A, Quarterly Drilling Partnerships 70-1, 70-2, 70-3, 70-4, 71-1, and 71-2. The remaining debentures and warrants are reserved for issuance as determined from time to time by the company's board of directors. The company is engaged in the exploration and development of oil and gas properties and related activities, and in the sale of real estate and the operation of a cemetery. (File 2-45285)

ENERGETICS, INC., 333 West Hampden Ave., Englewood, Colo. 80110, filed a registration statement on August 8 seeking registration of 3,000,000 of limited partnership interests in Synergetics Ltd., No. 1 (the Partnership). It is proposed to offer such interests to owners of mineral acres who pool their minerals, at the rate of one interest for each net mineral acre contributed. The offering is contingent upon acceptance by holders of at least 100,000 net mineral acres. Energetics, Inc. will serve as general partner. The Partnership will be formed to provide professional management for the mineral acreage. (File 2-45301)

CONTINUED

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 invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the August 3 News Digest.

8K Reports

National Computer Corp April 1972 (3)	0-5913-2	Calsberg Mobile Home Properties, Inc Jan. 1972 ( 2,13 ,3(14)	0-6196-2
Natural Resources Fund 1970-1 April 1972 ( 3,13)	0-5656-2	Merck & Co Inc April 1972 (11,14)	1-3305-2
New Process Co April 1972 (11,14)	1-787-2	Merrill Bankshrs April 1972 (11,14)	0-3675-2
Organic Food Corp April 1972 ( 9,13)	2-41331-2	The New Southland Natl. Insurance Co April 1972 (11,13)	2-40019-2
Tilco Inc April 1972 ( 3,13)	0-5305-2	North Shore Gas Co April 1972 (13)	2-35965-2
Travelers Corp April 1972 ( 3,11)	1-5799-2	Prudent Real Estate Tr April 1972 (13,,4)	1-5536-2
Weinschel Engineering Co Inc Feb. 1972 ( 11,13)	0-6314-2	Questor Corp April 1972 (11)	1-269-2
First Surety Corp April 1972 (14)	0-0164-2	Libby Owend Ford Co April 1972 (11,13,14)	1-924-2
Libbey McNeill & Libby April 1972 (14)	1-1922-2	Norfolk & Western Ry Co April 1972 (7,13)	1-546-2
Mark Controls Corp April 1972 (11)	1-6767-2	Oakmont Corp April 1972 (12)	0-3958-2
McDonalds Corp April 1972 ( 3,8)	1-5231-2	Suitonat Corp April 1972 (11,13)	2-30549-2
Mobile Gas Service Corp April 1972(11)	0-234-2	Tra-Vel Inc Feb. 1972 (7)	0-4247-2
Molecular Research Inc April 1972 (7,12)	1-3540-2	Veeder Ind., Inc April 1972(11)	1-5076-2
Mutual Enterprises, Inc April 1972 ( 2,3)	0-4328-2	Viacom Intl., Inc April 1972 (3)	1-6514-2
Ogden Corp April 1972 (8)	1-3122-2	Major League Bowling & Rec. Inc April 1972 (7)	0-1958-2
Stokely Van Camp, Inc April 1972 (3)	1-2944-2	Massmutual Mtg & Realty Invstrs April 1972(7)	1-6516-2
Super Mold Corp April 1972 (6)	1-1319-2	Travel Mgt. Corp Dec. 1971 ( 2,3,5,11,,2,13, 14)	0-497802
Telecom Corp April 1972 (13)	0-4202-2	United Leasing Inc March 1972 (7)	2-38064-2
Transport Life Insur. Co April 1972 (3,11)	2-40688-2	WITS Inc April 1972 (11,12,13)	0-4938-2
Westcalind Corp April 1972 ( 2,7)	1-6671-2	Larwin Mtg Invstrs April 1972 (12,14)	1-6519-2
Work Wear Corp April 1972 (11,13)	1-4784-2	Nelly Don, Inc Feb. 1972 (11)	1-4331-2
FMC Corp April 1972 (11,13,14)	1-2376-2	Success Motiviation Insurtute, Inc April 1972 (3,13)	0-5029-2
Fabien Corp April 1972 (13)	1-5633-2	First Security Corp April 1972 (7,11,12)	1-6906-2
Savin Business Machines Corp April 1972 (13,14)	1-5795-2	Outdoor Supply Co Inc April 1972 (12,13)	1-5639-2
Texas Commerce Bancshrs., Inc April 1972 (11,13)	0-5897-2	Pioneer Systems, Inc April 1972 (7,13)	1-4831-2
Trans World Financial Co April 1972 (14)	1-4629-2	TEC Inc April 1972 (13)	0-1668-2
Allergan Paharmaceuticls April 1972 (7,8)	0-5503-2	The Zeigler Co Inc April 1972 (11,14)	0-6237-2

8K Reports

Oties Elevator Co April 1972 (11,14)	1-698-2	Anderson Stokes, Inc Aug. 1971 (7,13)	1-6572-2
The Tyler Corp April 1972 (11,12,13)	1-5409-2	Petrofunds, Inc May 1972 (No Items)	2-39888-2
Lance Inc April 1972 (11)	0-398-2	Jack Taylor Development Corp March 1972 (7,14)	0-5414-2
Ohio Casualty Corp April 1972 (11)	0-5544-2	Long Island Lighting Co April 1972 (11,13,14)	1-3571-2
Piedmont Aviation, Inc April 1972(11,13)	0-1483-2	Mountain Banks, Ltd March 1972 (11)	2-41922-2
Southern Calif. Water Co April 1972 (11,12,13)	0-1121-2	Natl. Western Life Insur. Co April 1972 (11)	2-17039-2
Standard Pressed Steel Co April 1972 (11,13,14)	1-4416-2	Northern Indianan Public Service, Inc April 1972 (7,11,14)	1-4125-2
Tri-State Motor Transit Co April 1972 (11)	1-5089-2	Smithfield Foods, Inc (7,14)	0-2258-2
Wheeling Pitts. Steel Corp March 1972 (7)	1-2394-2	Susquehanna Corp (April 1972 ( 6,12)	1-5515-2
Midwestern United Life Insur. Co April 1972 (11,13)	2-11697-2	Life Invstrs Inc March 1972 ( 2,13)	0-982-2
SCA Services, Inc April 1972 (7)	2-40991-2	Microdata Corp April 1972 (13,14)	0-5949-2
The Stephan Co April 1972 (11,12,13)	1-4436-2	Modine Mfg. Co May 1972 (13)	1-1373-2
		Motherhood Maternity Shops, Inc July 1970 (11)	2-34479-2
		Princeton Associates For Human Resources Jan. 1972 (7,14)	2-33497-2
		Southland Invst. Corp April 1972 (10)	0-1812-2
		USM Corp April 1972 (10)	1-1599-2

MISCELLANEOUS

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the common stock of Leisure Concepts, Inc. and over-the-counter trading in the common stock of Duesenberg Corporation for the further ten-day period August 15-24, inclusive.

(90 days)

SECURITIES ACT REGISTRATIONS. Effective August 11: Delta Western 1972 Drilling Fund, 2-43989; Indiana National Corp., 2-44731; Inexco Oil Co., 2-44733 (Nov. 8); Orange & Rockland Utilities, Inc., 2-45004; Ventura Coastal Corp., 2-43836 (Nov. 9); Union Platinum Mining Co. Ltd., 2-45251.

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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