PROXY RULE MODIFICATIONS ADOPTED, OTHERS DEFERRED. The SEC today announced the adoption of amendments to two of its proxy rules (Rules 14a-3 and 14c-3), effective with respect to all annual reports sent to security holders on or after March 1, 1967 (Release 34-8029). As amended, paragraph (b) of Rule 14a-3 requires that if a solicitation is made on behalf of the management of an issuer (other than an investment company) and relates to an annual meeting at which directors are to be elected, the proxy statement shall be accompanied or preceded by an annual report to security holders containing financial statements for the last two fiscal years (previously only statements for the last year were required). Certification of only the last year's statements is required, but certification of both years statements is permitted. Paragraph (b) of the rule also has been amended by adding a note which makes it unnecessary to send a copy of the annual report to each of several record security holders having the same address if such security holders consent to the sending of a lesser number of copies. However, where a record security holder has an obligation to obtain or send the annual report to other persons, such as the beneficial owners of the securities held in his name, the new provision does not relieve the record holder of such obligation.

Paragraph (c) of Rule 14a-3 heretofore required four copies of each annual report sent to security holders to be furnished to the Commission for its information. This paragraph has been amended to require that seven copies of the annual report be furnished in order that the Commission may send copies to certain regional offices of the Commission, including the regional office for the region in which the issuer has its principal office. In order to maintain consistency between the proxy rules and the rules relating to information statements, Rule 14c-3 has been amended to conform to the amended Rule 14a-3.

Rules 14a-6 and 14c-5 have been amended to require the filing with the Commission of five copies of all preliminary material, in lieu of the three copies now required. The additional copies of such material are needed to expedite examination of the material and for recording in connection with the Commission's data processing program.

With respect to the other proposed revisions of the proxy rules announced December 5 (see Release 34-8000), the Commission at the request of certain persons has extended the period within which comments thereon may be submitted to March 3, 1967. As a result of its extension, it is contemplated that, except as outlined above, no further proxy rule amendments will be applicable to the pending proxy season but that existing administrative practices referred to in Release 34-8000 will continue to be followed.

MARKETLINES-COMMODITY TRADING REGISTRATION REVOKED. In a decision announced today under the Investment Advisers Act (Release IA-206), the SEC revoked the investment-adviser registrations of Marketlines, Inc., 50 Broad St., New York, and Elizabeth Schreiber, d/b/a Commodity Trading Advisory Service, 65 Stuart St., Lynbrook, N. Y.

The Commission's action sustained an initial decision of its Hearing Examiner that Marketlines, aided and abetted by David Romanoff, president and sole stockholder, and Harold Schreiber, who was vice president and secretary until January 1965 (and thereafter continued his association with Marketlines), published advertisements soliciting subscriptions to its market letters which presented a highly optimistic picture of profits that would accrue to subscribers and failed to disclose risks inherent in the purchase and sale of securities, implied that techniques for evaluating securities can be reduced to an exact science and that Marketlines employed a large staff of financial analysts (when, in fact, the staff consisted of Schreiber and Romanoff), referred to the use of timing devices for maximum trading profits without disclosing the limitations of such devices, and offered "free" material although the offer was conditioned on the purchase of a trial subscription. The Commission characterized such advertisements as "deceptive" and ruled that their use violated anti-fraud provisions of the Advisers Act.

The Commission further found that Marketlines and Commodity failed to amend or promptly amend their applications for adviser registration to disclose adverse findings with respect to Harold and Elizabeth Schreiber made in a prior Commission decision revoking the adviser registration of another firm, Market Values, Inc., and denying its application for broker-dealer registration. In addition, the Commission held that Commodity should have disclosed that Harold Schreiber, the husband of Elizabeth Schreiber, exercised a controlling influence over the management or policies of Commodity.

TRANSMERICA FILES EXCHANGE PROPOSAL. Transamerica Corporation, 701 Montgomery St., San Francisco, Calif. 94111, today filed a registration statement (File 2-25910) with the SEC seeking registration of 529,977 shares of $4.80 convertible preferred stock, $100 par value, and 4,239,818 shares of common stock. The stock is to be offered in exchange for all of the outstanding 4,239,818 common shares of United Artists Corporation, on the basis of either one-half common share and one-eighth preferred share of Transamerica for each share of United Artists common, or one share of Transamerica common for each share of United Artists common. The exchange offer is conditioned upon the acceptance thereof by the holders of at least 80% of the outstanding stock of United Artists. Management officials of United Artists who own an aggregate of 733,256 of its outstanding shares have advised Transamerica that they intend to accept the exchange offer. F. Eberstadt & Co., 55 Broadway, New York, and Lazara Freres & Co., 44 Wall St., New York, have agreed to use their best efforts to form and manage a group of soliciting dealers.
Transamerica is engaged primarily in providing financial service. Headquartered in New York, United Artists is engaged in the financing and distribution of independently produced motion pictures. In addition to indebtedness and preferred stock, Transamerica has outstanding 19,082,325 common shares. Horace W. Browe is board chairman and John R. Beckett is president of Transamerica.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicate and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). 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 January 3 News Digest.

- Louisiana Gas Service Co Dec 66(7)1-4335-2
- Moenlab Inc Dec 66(10) 1-4500-2
- Bell Intercontinental Corp
  Amend #1 for Dec 65(8) 1-4334-2
- Bartell Media Corp
  Amend #1 for Dec 66(7) 1-4614-2
- Acrosol Techniques Inc
  Dec 66 (7,13) 1-4529-2
- Automatic Retailers of America Inc
  Dec 66 (7) 1-4762-2
- Investors Equity of the West Inc
  Dec 66 (2,13) 0-2213-2
- Acme-Hamilton !fr Corn
  Jan 67 (13) 1-775-2
- Corenco Corp Dec 66 (12) 0-707-2
- Seven arts Productions Ltd
  Dec 66 (13) 1-513/2-2
- 1ld Inc Dec 66 (11) 0-254-2
- P N C Corp
  Sept 66 thru Dec 66 (2,13) 0-925-2
- Firestone Tire & Rubber Co
  Amend #1 for May 66 (13) 1-484-2
- AmK Corp
  Amend #1 for Dec 66 (4) 1-2704-2
- Genesco Inc Dec 66 (11,13) 1-3083-2
- I Gordon Realty Corp Dec 66 (3) 2-18335-2
- Blue Crown Petroleums Ltd
  Dec 66 (11,13) 1-4493-2
- Pacific Southwest Airlines
  Dec 66 (2) 1-5080-2
- M H Rhodes Inc Jan 67 (12) 0-1412-2
- Prudential Real Estate Trust
  Dec 66 (7,8,13) 0-1061-2
- National Union Life Insurance Co
  Dec 66 (11,13) 2-20715-2
- Miles Laboratories Inc
  Amend #1 for Oct 66 (13) 1-4573-2
- Transcontinental Investing Corp
  Amend #1 for Dec 66 (13) 1-4945-2
- Walter Kidde & Co Inc
  Amend #1 for Dec 65 (14) 1-3226-2
- Kirby Petroleum Co
  Amend #1 for Sept 65 (4,7,13) 1-4035-2

SECURITIES ACT REGISTRATIONS. Effective January 23: Mid-Continent Manufacturing Co., 2-25519 (Apr 24).

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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