NEW RULES & RULE PROPOSALS

RULE 18f-2 ADOPTED. The SEC announced today that it has adopted Rule 18f-2 under the Investment Company Act of 1940 ("the Act") which implements an amendment to Section 18(f)(2) of the Act made by the Investment Company Amendments Act of 1970 ("1970 Act") (P. L. 91-547). The rule is designed to insure fair and equitable treatment of shareholders of investment companies of the series type. This would be done by requiring series investment companies, as a requisite for taking action on a matter requiring shareholder authorization, to obtain the approval of each individual class or series of its stock which would be affected by such matter. The rule would not cover the submission to shareholders of independent public accountants, underwriting contracts, election of directors, and matters in which the interests of series are substantially identical. The rule has special provisions concerning advisory contracts and investment policies which provide individualized treatment for separate series. Rule 18f-2 will become effective December 31, 1972 in order to afford series investment companies sufficient time to make necessary adjustments to comply with the rule. (IC-7276)

EFFECTIVE DATE OF ADOPTION OF AMENDMENTS TO FORM S-16 POSTPONED. On June 27, 1972, in Securities Act Release No. 33-5265, the Commission adopted certain amendments to Form S-16. In that release, the action was stated to become effective August 15, 1972, except that any issuer which met the requirements for the use of the amended form may, at its option, use such form for a registration statement filed prior to that date. Due to the fact that the above action inadvertently was not published in the Federal Register, and in light of the requirement of the Administrative Procedure Act (5 U.S.C. 551 et seq.) that no such action be made effective until 30 days after such publication, the Commission hereby postpones the effective date of the above action until September 15, 1972, except that any issuer which meets the requirements for the use of the amended form may, at its option, use it for a registration statement filed prior to that date. (Rel. 33-5265A)

RULE 205-1 ADOPTED UNDER THE ADVISERS ACT. Rule 205-1 under the Investment Advisers Act of 1940 which applies to investment company "performance fee" contracts has been adopted by the Commission. The rule requires that in computing the "investment performance" of the investment company and the "investment record" of an appropriate index of securities prices all increments -- distributions of realized capital gains, the value of capital gains taxes paid or payable by the investment company on undistributed realized capital gains, dividends paid by the investment company out of its investment income and all cash distributions of the companies whose stocks comprise the index -- be treated as reinvested in order that relative investment results may be computed on a comparable basis.

To permit an orderly change in presently effective "performance fee" contracts, the rule will become effective on September 1, 1973 or, with respect to any particular investment company within 60 days of its first regular annual meeting of shareholders held after September 30, 1972, whichever is sooner (Investment Advisers Act Release No. 327).

COMMISSION ANNOUNCEMENTS

SEC ANNOUNCES KEY STAFF APPOINTMENTS. William J. Casey, Chairman of the SEC, announced the following staff appointments in connection with changes in the organization structure of the Commission effective today:

Stanley Sporkin will be Deputy Director of the new Division of Enforcement. Mr. Sporkin, 40, has served as Associate Director (Enforcement) of the Division of Trading and Markets since 1968. A graduate of Pennsylvania State University and Yale University Law School, he joined the Commission in 1961 after serving as law clerk to federal judges in Wilmington, and engaging in private practice in Washington.

John M. Liftin, Lee A. Pickard, Sheldon Rappaport and Michael Saperstein will be Associate Directors in the new Division of Market Regulation. Messrs. Rappaport and Saperstein have been Associate Directors in the Division of Trading and Markets and Messrs. Liftin and Pickard have been Special Counsel to the Chairman.

Mr. Liftin, 29, is a graduate of the University of Pennsylvania, and of Columbia University School of Law. Prior to joining the Commission he was in private practice in New York City. He will be Associate Director (Market Structure) for the new Division.

Mr. Pickard, 33, graduated from Colgate University and Harvard Law School. Prior to joining the Commission as Special Counsel to the Chairman, he engaged in private practice in the City of New York. Mr. Pickard will serve as Associate Director (Broker-Dealer Financial Responsibility and Securities Transactions).

Mr. Rappaport, 42, is a graduate of Temple University and the University of Pennsylvania Law School. He joined the Commission in 1961 and was named an Associate Director in the Division of Trading and Markets in 1968. He will be Associate Director (Self Regulatory Oversight) of the new Division.

Mr. Saperstein, 31, graduated from Colgate University and Fordham Law School. Prior to joining the Commission in 1969, he served as an Assistant Corporation Counsel in New York City. He was appointed an Associate Director in the Division of Trading and Markets in 1971. He will be Associate Director (Trading Practices) of the new Division.

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Richard H. Rowe, 35, will be an Associate Director of the Division of Corporation Finance. He has been an Assistant Director in that Division since 1970. He is a graduate of Bates College and Harvard Law School, and first joined the Commission in 1970 after resigning to accept a position in private industry in 1969.

Anne P. Jones, 37, will be Associate Director of the Division of Investment Company Regulation. Miss Jones recently served as Legal Assistant to former Commissioner James J. Needham. She graduated from Boston College and its Law School, and was in private practice in Boston before joining the Commission in 1968 in the Division of Corporate Regulation.

Ralph C. Hocker and Thomas N. Holloway will continue as Associate Directors in the Division of Corporation Finance. Aaron Levy will continue as Associate Director in the Division of Corporate Regulation.

**NOT ISSUES RELEASES NOW AVAILABLE.** The SEC recently announced that it is considering certain changes in its rules, disclosure forms and registration guides designed, among other things, to take steps to alleviate the problems of hot issues. These proposed changes were contained in seven releases and summarized in an eighth, as set forth in the July 26th News Digest. Printed copies of the eight releases are now available through the SEC Publications Office. The releases are scheduled to be printed in the Federal Register August 9th.

**TRADING SUSPENDED IN RESEARCH GAMES, INC.** The SEC has ordered the temporary suspension of the over-the-counter trading in the common stock of Research Games, Inc. of Lakewood, New Jersey for a ten-day period commencing August 7, and continuing through August 16. Research Games, Inc. was incorporated in the State of New York. The suspension was ordered at the request of the company because subsequent to the recent death of its president-treasurer the company had discovered that serious questions now exist as to the propriety of the use of proceeds from its public offering pursuant to Regulation A of the Securities Act of 1933, and its current financial condition. (Rel. 34-9722)

**PINNACLE SKI-WAYS REG. A EXEMPTION 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 stock by Pinnacle Ski-Ways, Inc. (Pinnacle) of Vermont. The offering was not underwritten.

Pursuant to a notification filed on January 20, 1963, Pinnacle offered 1,750 shares of its stock at $100 per share. 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 Pinnacle has failed to file any report on Form 1-A subsequent to the report due March 15, 1970, as required by Rule 256 of the Rules and Regulations under the Securities Act of 1933; and Pinnacle has failed to revise its offering circular dated April 15, 1968, as required by Rule 256(e) of the Rules and Regulations under the Securities Act of 1933; (b) the notification and offering circular omit to state facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading, particularly with respect to the fact that the corporate charter of Pinnacle was revoked by the State of Vermont for failure to file its annual report and that a new corporation had been formed which exchanged its stock with Pinnacle stockholders; and (c) the offering was made in violation of Section 17 of the Securities Act of 1933.

**DECISION IN ADMINISTRATIVE PROCEEDING**

**MARTIN BLUMENTHAL BANNED.** The SEC has issued an order barring Martin Blumenthal of North Miami Beach, Fla., president and principal shareholder of Martin Blumenthal Associates, Inc., a Miami business broker, from acting as or being associated with a broker, dealer or investment adviser.


The Commission also found that, during the period from January 1967 to June 1970, Blumenthal delivered after sale prospectuses with respect to the common stock of Executive Securities Corp. and Aero Systems, Inc., warrants that did not comply with the requirements of the Securities Act, and that he violated antifraud provisions of the securities acts in connection with the offer and sale of those securities. Among other things, he withheld Executive stock and Aero Systems warrants from public sale in breach of an obligation to make public offerings of the securities and contrary to representations that such offerings would be made; placed such securities with friends, relatives and other persons in ways, including the use of nominee accounts, that concealed the securities' true ownership; and delivered prospectuses to investors that concealed these facts.

Blumenthal, without admitting or denying the charges against him, consented to the Commission's findings and the bar order. (Rel. 34-9703)

**COURT ENFORCEMENT ACTION**

**FOUR INDICTED.** The SEC Chicago Regional office announced that on August 1 the Grand Jury in Chicago, Illinois returned a sixteen-count indictment against Paul Dawson, Frank J. Greene, John Eustice, and Robert Casamassina all of the defendants were charged with violations of the registration and anti-fraud provisions of the Securities Act of 1933 and with conspiring to violate those provisions. Eustice was also charged with one count of perjury. (LR-54898)
INVESTMENT COMPANY ACT RELEASES

J. P. MORGAN OVERSEAS CAPITAL CORPORATION. The SEC has issued an order exempting J. P. Morgan Overseas Capital Corporation from all provisions of the Act. (Rel. IC-7313)

FIRST OF DENVER INVESTMENT FUND. The SEC has issued a notice giving interested persons until August 28 to request a hearing upon to terminate the registration under the Act of First of Denver Investment Fund. (Rel. IC-7311)

BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATION. The SEC has issued an order pursuant to Section 6(c) of the Investment Company Act of 1940 exempting Business and Industrial Development Corporation of Washington from all provisions of the Act. (Rel. IC-7301)

HOLDING COMPANY ACT RELEASES

JERSEY CENTRAL POWER & LIGHT COMPANY. The SEC has issued an order authorizing Jersey Central Power & Light Company, Morristown, New Jersey, subsidiary of General Public Utilities Corporation, to issue and sell $25 million of first mortgage bonds, due 2002, at competitive bidding. Net proceeds together with treasury funds will be used to pay short-term borrowings (estimated at $30 million) incurred in financing a portion of the company's construction program, estimated at $139 million for 1972. (Rel. 35-17660)

SECURITIES ACT REGISTRATIONS

SB PARTNERS (the Partnership), 1345 Avenue of the Americas, New York 10019, filed a registration statement on July 26 seeking registration of $11,500,000 of limited partnership interests, to be offered for public sale at $11,500 per unit by Smith, Barney & Co., 1345 Avenue of the Americas, New York 10005. The Partnership was formed primarily for the purpose of making equity investments in real property. Smith, Barney Real Estate Corporation, wholly-owned subsidiary of Smith, Barney, is the general partner. (File 2-45315)

ARIZONA-COLORADO LAND & CATTLE COMPANY (the general partner), 5001 East Washington St., Phoenix, Ariz. 85034, filed a registration statement on July 31 seeking registration of $12,300,000 of partnership interests in Arizona-Colorado 1972-73 Cattle Feeding Programs to be offered for public sale at $1,025 per unit. The company's objective in sponsoring the partnerships is to limit its investment in feedlot cattle while continuing sales of feed and feedlot services to the cattle owners. (File 2-45227)

UNIVERSITY COMPUTING COMPANY, 1500 UCC Tower, P. O. Box 6228, Dallas, Tex. 75222, filed a registration statement on August 2 seeking registration of 108,962 shares of common stock, of which 40,186 are outstanding and 68,776 are issuable to Rotterdamse Beleggingsconsortium N.V. These shares may be offered for sale from time to time by the holders or recipients thereof. The company is engaged in the computing services business and in the manufacture, lease and sale of computer communications and other peripheral purposes. (File 2-45232)

RMS ELECTRONICS, INC., 50 Antin Place, Bronx, N. Y. 10462, filed a registration statement on August 2 seeking registration of $1,000,000 convertible subordinated debentures, due 1982, to be offered for public sale through underwriters headed by Pressman, Frohlich & Frost, Inc., 1 State Street Plaza, New York 10004. The company is principally engaged in the design and the manufacture or import for wholesale distribution of television antennae and accessories. Of the net proceeds of its financing, $394,441 will be used for payment of notes, and the balance for other corporate purposes. (File 2-45239)

MICRODATA CORPORATION, 644 E. Young St., Santa Ana, Calif. 92701, filed a registration statement on August 2 seeking registration of 300,000 shares of common stock, to be offered for public sale (*at $11 per share maximum) through underwriters headed by Harris, Upham & Co. Inc., 120 Broadway, New York 10005. The company designs, manufactures and markets mini-computers, related equipment and supporting software. Of the net proceeds of its stock sale, $300,000 will be applied to expand and improve the company's manufacturing facility, and the balance for other corporate purposes. (File 2-45241)

I-T-E IMPERIAL CORPORATION, 1900 Hamilton St., Philadelphia, Pa. 19130, filed a registration statement on August 2 seeking registration of 245,310 outstanding shares of common stock, which may be offered for sale from time by the holder thereof (Finserv Corp., a wholly owned subsidiary of Studebaker-Worthington, Inc.) at prices current at the time of sale (*at 41.25 per share maximum). (File 2-45243)

CHEEZEM DEVELOPMENT CORPORATION, 4350 Duhme Rd., St. Petersburg, Fla. 33708, filed a registration statement on August 2 seeking registration of 125,000 shares of common stock, to be offered for public sale at $7.50 per share through underwriters headed by Katz, Needelman & Co., Inc., Watergate Six Hundred, Washington, D. C. 20037. The company is principally engaged in the development, construction and sale of high rise condominium apartments. Of the net proceeds of its stock sale, $510,000 will be used to purchase land in Florida and the balance for working capital and other corporate purposes. (File 2-45246)

OVER
HIGH VOLTAGE ENGINEERING CORPORATION, South Bedford St., Burlington, Mass. 01803, filed a registration statement on August 3 seeking registration of 442,325 shares of common stock issuable in connection with the acquisition of substantially all of the assets of Anderson Power Products Inc. Such shares may be offered for sale by the recipients thereof at prices current at the time of sale (* $9.25 per share maximum). The company is engaged in designing and manufacturing high voltage equipment, plastic products and research and development services. (File 2-45252)

THE COLEMAN COMPANY, INC., 250 North St. Francis Ave., Wichita, Kansas 67202, filed a registration statement on August 3 seeking registration of 600,000 shares of common stock, of which 400,000 are to be offered for public sale by the company and 200,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at $33.125 per share maximum) through underwriters headed by Goldman, Sachs & Co., 55 Broad St., and Dean Witter & Co. Inc. The company is engaged in the manufacture and distribution of outdoor recreation products, including camping and other equipment, pellet and BB guns, snowmobiles and camping trailers and the production and distribution of heating, air conditioning and associated equipment for mobile homes and other buildings. Net proceeds will be applied to the reduction of short-term borrowings. (File 2-45253)

ART INVESTMENT AND MANAGEMENT CORPORATION, Bond St. House, 14 Clifford St., London, W. 1, England, filed a registration statement on August 3 seeking registration of 150,000 shares of common stock, to be offered for public sale at $5 per share by Somerset Equities Corporation, Rochester, Mich. The company proposes to purchase and resell individual works of art, on a joint venture basis with certain selected fine arts dealers. Net proceeds of its stock sale will be used to purchase art and for other corporate purposes. (File 2-45254)

FABRI-QUILT, 1424 Gentry, North Kansas City, Mo. 64116, filed a registration statement on August 3 seeking registration of 200,000 shares of common stock, to be offered for public sale (* at $8 per share maximum) through underwriters headed by B. C. Christopher & Co., 4800 Main St., Kansas City, Mo. 64112. The company is primarily engaged in the quilting of synthetic fabrics to synthetic battings (which serve as thermal insulation). Of the net proceeds of its stock sale, $613,000 will be used to retire short-term debt and the balance for working capital and other corporate purposes. (File 2-45255)

MISCELLANEOUS

TRADING SUSPENSION CONTINUED IN CUGAR CORP., OTHERS. The SEC has ordered the suspension of trading in the common stock of Cugar Corporation for the further ten-day period, August 5-14, inclusive. Trading will not terminate at 10:00 a.m. August 7 as reported in the August 7 News Digest.

The SEC has ordered the suspension of over-the-counter trading in the securities of First World Corporation, Accurate Calculator Corporation, and Crescent General Corporation for the further ten-day period August 8-17, 1972, inclusive, and in the securities of Leisure Concepts, Inc. for the further ten-day period August 5-14, inclusive.

UNLISTED TRADING GRANTED. The SEC has issued an order granting an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the securities of Allegheny Airlines, Inc. (Rel. 34-9721)

SECURITIES ACT REGISTRATIONS. Effective August 4: American Family Life Assurance Co. of Columbus, 2-42723 (90 days); Anthony Industries, Inc., 2-44323; Croddy Mortgage Investment Trust, 2-44441; East Rand Proprietary Mines, Limited, 2-45203; Itel Corp., 2-44994; Jersey Central Power & Light Co., 2-44594; K B Marketing Systems, Inc., 2-45001; Keronix, Inc., 2-44007 (90 days); NVF Co., 2-40293; Randy International Ltd., 2-43972 (90 days); South Central Bell Telephone Co., 2-45021; Shulman Transport Enterprises, Inc., 2-44957; Siliconix Inc., 2-44476; UniCapital Corp., 2-44991.

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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