COMMISSION COMMENTS ON CONSOLIDATED TAPE PLAN

The SEC announced that it has sent a letter of comments to the sponsors of the consolidated tape plan jointly filed by the New York, American, Midwest, Pacific and PBW Stock Exchanges and the NASD on March 2, 1973, pursuant to Rule 17a-15 under the Securities Exchange Act of 1934, providing for reporting of prices and volume of completed transactions of securities registered on exchanges. In addition, the Commission requested that the sponsors of the plan, no later than March 29, 1974, jointly refile the plan with the Commission, revised in accordance with the Commission's comments.

The letter sets forth the Commission's definitive comments on various aspects of the plan, including: provisions for future amendments to the plan, evaluation of the performance of the "processor" under the plan, high-speed transmission of data, eligibility criteria for securities to be included, limitations on certain kinds of retransmission of data, market identification, trading halts and suspensions, hours of operation and various technical matters. (Rel. 34-10671)

CORPORATION FINANCE'S COMMENTS ON DISCLOSURES OF ILLEGAL CAMPAIGN CONTRIBUTIONS

The Commission noted that it has received a number of inquiries from issuers, stockholders, and other persons relating to whether disclosure should be made where the issuer and/or its officers or directors have been charged in an information or indictment with, or convicted of, making illegal campaign contributions in violation of 18 U.S.C. Section 610, "Contributions or Expenditures by National Banks, Corporations or Labor Organizations." That section makes it unlawful, among other things, for "any corporation whatever . . . to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in . . . Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices . . ." and imposes a penalty of up to $5000 on the corporation making the contribution. 18 U.S.C. Section 610 also makes every officer or director who consents to the contribution guilty of a misdemeanor if the violation is not willful, and guilty of a felony if the violation is willful. In view of such inquiries, the Commission determined today to publish views and comments of its Division of Corporation Finance relating to these matters.

In the Division's view, the conviction of a corporation and/or its officers or directors for having made illegal campaign contributions in violation of 18 U.S.C. Section 610 is a material fact that should be disclosed to the public and specifically to shareholders, particularly in the context of a proxy statement where shareholders are being asked to vote for management. Such a conviction is material to an evaluation of the integrity of the management of the corporation as it relates to the operation of the corporation and the use of corporate funds.

It is the Division's position that disclosure of such a conviction, or of a plea of guilty or nolo contendere to an indictment or information alleging a violation of 18 U.S.C. Section 610, should be made in a proxy or information statement relating to the election of directors, in the annual report on Form 10-K under the Securities Exchange Act of 1934 (Exchange Act) in response to Item 5 or 12, in a report filed on Form 8-K under the Exchange Act in response to Item 3 or 13, and in response to...
appropriate items in the relevant form used for registration of any of the corporation's securities. Such disclosure should include, in addition to a description of the details of the conviction or plea and the penalty imposed, and as appropriate, information as to whether any funds of the corporation used to make the contribution, directly or indirectly, will be paid back by the officer or director or by the contribu
tee, whether the corporation or its insurers have paid or reimbursed, or intend to pay or reimburse, any officer or director for any fines imposed or legal fees or other expenses of his defense, whether the use of corporate funds for the illegal contributions involves any undisclosed tax consequences to the corporation, whether the corporation will seek reimbursement from the officer or director for its fines or expenses, and what steps, if any, the corporation is taking or will take to avoid recurrence of such activity.

The Division is also of the view that any pending indictment or information alleging violations of 18 U.S.C. Section 610 should be disclosed. Questions have been raised about disclosure of campaign contributions that may be illegal but have not yet become the subject of a formal proceeding. In such cases, management is usually in the best position to inquire into, to examine and weigh the facts and circumstances and to determine whether disclosure is necessary. (Rel. 33-5466)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES AVIS, INC.

The New York Regional Office has announced the filing of a complaint in Federal District Court for New York charging Avis, Inc., Garden City, New York, with disseminating a false and misleading quarterly report to stockholders and with filing a false and misleading Form 10-Q with the Commission for the quarter ending March 31, 1973. Avis was also charged with selectively disclosing nonpublic material information concerning its gains on car sales to a limited number of securities analysts. In addition, the Commission charged Rudman Associates, New York City, a hedge fund, and Venture Advisers, Inc., New York City, a registered investment adviser to New York Venture Fund, with short-selling and selling, respectively, Avis shares while in the possession of such nonpublic information. Rudman was also charged with inducing a major institutional investor to sell its Avis shares while Rudman covered its short position with such shares at a profit. The complaint charged the defendants with violating the antifraud provisions of the securities laws. (LR-6272)

COMPLAINT NAMES SEVEN

The SEC today announced the filing of a complaint in the U. S. District Court for Michigan seeking an injunction against the following from violations of the anti-fraud provisions of the securities laws in the purchase and sale of common stock of Corporation of Americas, Limited (COAL): Gerson Blatt, Fla. attorney, Coral Gables, Fla.; Benjamin B. Sigelbaum, of Miami Beach, Fla.; Milton J. Pepper, president and principal shareholder of COAL, of North Miami, Fla.; John Pullman, believed to be a Swiss banker, of Lausanne, Switzerland; Barton S. Udell, Fla. attorney, Coral Gables, Fla.; Richard N. Sadowski, president and majority shareholder of COAL, of Key Colony Beach, Fla.; and Herbert Rubin, formerly executive vice-president and substantial shareholder of COAL, of Miami, Fla. COAL, now known as Mondex, Inc., is a Florida corporation engaged in the land sales business. In June 1969, COAL became a wholly owned subsidiary of Exquisite Form Industries, Inc., now known as The Summit Organization, Inc.

The alleged fraudulent transactions occurred prior to and after COAL's becoming a wholly owned subsidiary of Exquisite. The complaint alleges that the defendants, former insiders of COAL, used information obtained as a result of their insider positions to benefit themselves to the detriment of others. The SEC also seeks disgorgement of profits from those defendants who benefited financially from the alleged unlawful transactions. (LR-6271)
HOLDING COMPANY ACT RELEASES

JERSEY CENTRAL POWER & LIGHT COMPANY

A notice has been issued giving interested persons until April 1 to request a hearing on a proposal of Jersey Central Power & Light Company, subsidiary of General Public Utilities Corporation, to sell 350,000 shares of cumulative preferred stock at competitive bidding. (Rel. 35-18310)

THE NARRAGANSETT ELECTRIC COMPANY

An order has been issued authorizing The Narragansett Electric Company, subsidiary of New England Electric System, to sell $10 million of first mortgage bonds at competitive bidding. (Rel. 35-18311)

MIDDLE SOUTH UTILITIES

A notice has been issued giving interested persons until April 1 to request a hearing on a proposal of Middle South Utilities, Inc., a registered holding company, to amend its Certificate of Incorporation to increase authorized common stock from 50 million to 100 million shares, and to solicit by proxy stockholder consent in connection therewith. (Rel. 35-18312)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON SEVEN TRADING SUSPENSIONS

The SEC has announced the suspension of (a) over-the-counter trading in the securities of Technical Resources, Inc. and Seaboard American Corp. for the further ten-day period March 8 - 17, inclusive; (b) exchange and over-the-counter trading in the securities of Canadian Javelin, Ltd., and over-the-counter trading in the securities of Royal Properties, Inc. and Republic National Life Insurance Co. for the further ten-day period March 9 - 18, inclusive; and (c) exchange and over-the-counter trading in the securities of BBI, Inc., and over-the-counter trading in the securities of U. S. Financial, Inc. for the further ten-day period March 10 - 19, inclusive.

SECURITIES ACT REGISTRATIONS

(S-11) SHARES PARTNERS, LTD. - 1974 (the Partnership)

1888 Century Park East, Los Angeles, Cal 90067 - 20,000 partnership units to be offered for sale at $500 per unit with a minimum purchase of five units. The offering is to be made by Shareholders Securities Corporation, 1888 Century Park East, Los Angeles, Cal. 90067, as the selling agent, and selected NASD members. The Partnership is to be formed to invest in unspecified properties. Shareholders Realty Corporation is the general partner. (File 2-50254 - Feb. 22)

(S-1) CONTROL DATA CORPORATION

8100 34th Avenue South, Minneapolis, Minn. 55440 - 59,361 shares of common stock. Of these shares, 25,519 shares are available for future acquisitions, and 33,842 shares are issuable under the Control Data Retirement Plan trust. Control Data manufactures and markets computers and related equipment and services and through its subsidiary, Commercial Credit Company, provides personal and commercial financing and life, health casualty and business credit insurance. (File 2-50332 - Mar. 1)
(S-7) KENTUCKY UTILITIES COMPANY

120 South Limestone St., Lexington, Ky. 40507 - $25 million of first mortgage bonds, Series L, due 2004, to be offered and sold at competitive bidding. The company is an electric utility. (File 2-50344 - Mar. 6)

(S-7) TEXAS GAS TRANSMISSION CORPORATION

3800 Frederica St., Owensboro, Ky. 42301 - $40 million of debentures, due 1984, to be offered for sale through underwriters headed by Dillon, Read & Co. Inc., 46 William St., New York, N. Y. 10005. The company directly or through subsidiaries, is engaged in the interstate transmission and sale of natural gas, the exploration for and production of oil and gas, and the general barge transportation business and the motor carrier transportation of general commodities and automobiles and trucks. (File 2-50353 - Mar. 6)

(S-7) WASHINGTON GAS LIGHT COMPANY

1100 H St., N.W., Washington, D.C. 20005 - $20 million of first mortgage bonds, due 1999, to be offered at competitive bidding. The company is primarily engaged in natural gas distribution. (File 2-50354 - Mar. 6)

(S-11) BALCOR REALTY INVESTORS LTD. -74 (the Partnership)

125 South Clark St., Chicago, Ill. 60603 - 12,500 partnership interests, to be offered for sale at $1,000 per interest with a minimum purchase of five interests, through dealers headed by Blyth Eastman Dillon & Co. Inc., 135 South LaSalle St., Chicago, Ill. 60603, and The Robinson-Humphrey Company, Inc., Two Peachtree St., N.W., Atlanta, Ga. 30303. The Partnership will invest in income-producing real property and in unimproved real estate. BRI Partners - 74 is the general partner. (File 2-50355 - Mar. 6)

REGISTRATIONS EFFECTIVE


NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown in parentheses after the name of the issuer.

NOTICE

Many requests for copies of documents referred to in the SEC News Digest have erroneously been directed to the Government Printing Office. Copies of such documents and of registration statements may be ordered from the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. The reproduction cost is 12¢ per page plus postage for mailing within four days ($2 minimum) and 25¢ per page plus postage for over-night mailing ($5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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