

# SECURITIES AND EXCHANGE COMMISSION

# NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



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**PROPOSAL WOULD AMEND INSIDER TRADING RULES.** The SEC today announced a proposal to amend its Rule 16a-6 to require the reporting of certain additional transactions by "insiders," and to revise report Forms 3 and 4 (Release 34-7794 and 34-7795). Interested persons are invited to submit their views and comments thereon on or before February 21, 1966.

The proposed amendment of Rule 16a-6 would specifically provide that the acquisition or disposition of any put, call, spread, straddle or other option or privilege, whether or not it is transferable, shall be deemed a change in the beneficial ownership of the equity security to which the privilege relates. It is also proposed to amend the rule to provide that the pledge, including the hypothecation, of a security or the release of a security from a pledge, or the loan of a security or the repayment of such a loan, shall be deemed such a change in the beneficial ownership of the security pledged or loaned as to require corporate insiders to report such change.

However, the reporting of certain transactions would not be required under the amended rule. Employees would not be required to report transactions in non-transferable options received from their employer or from an affiliate of their employer under a plan which meets the conditions specified in Rule 16b-3. But this provision would not exempt employees from filing reports as to the acquisition of securities through the exercise of such options. Also, reports would not be required of any person with respect to pledge or loan transactions where the market value of the securities involved in the transaction and in all other such transactions not previously reported does not exceed \$30,000. Experience has demonstrated that options, pledges, loans and similar transactions may result, by intent or otherwise, in a change in control of the issuer, or in the relationship of corporate insiders to an issuer, to a degree which is material to security holders. It is important, therefore, that security holders be kept informed of transactions which may lead to this result.

Form 3 is prescribed for initial statements of beneficial ownership and Form 4 for reporting changes in such ownership. Under the proposed revision of these forms, they would be made specifically applicable to issuers of over-the-counter securities registered under Section 12(g), and also amended to make provision for the reporting of puts, calls, options, etc., proposed in the Rule 16a-6 amendment proposal referred to above. In addition, Form 4 would provide that in the case of securities bought or sold for cash the price per share or other unit at which the securities were bought or sold shall be given. Form 4 would also be amended to provide that if any purchase or sale was effected otherwise than in the open market, the name and address of the person from whom the securities were purchased or to whom they were sold shall be given, unless made with the issuer.

**VILLA CAPRI PARTNERSHIP FILE SUPPLEMENTED.** Villa Capri Associates ("Associates"), a limited partnership organized in July 1961 under Texas law, filed a registration statement with the SEC in October 1961 proposing the public offering of \$1,825,000 of Limited Partnership Interests. It had been organized by Allan S. Feldman and Gilbert Gertner, general partners, to acquire and operate the Villa Capri Motor Hotel in Austin, Texas. The statement became effective on December 8, 1961, and the offering was concluded in 1962.

Thereafter, in February 1964, two purchasers of the limited partnership interests brought an action in the United States District Court for the Southern District of New York, naming the general partners as defendants. The complaint charged that Associates' prospectus was false and misleading in its description of the arrangements with respect to the leasing of a "private" club on the hotel premises. Plaintiffs filed a motion for summary judgment which was opposed by the defendants. The Court denied the motion on September 10, 1964. However, in its opinion denying the motion, the Court stated that the prospectus omitted a material fact necessary to make statements included therein not misleading, in that the prospectus discussed possible revenues which might be received by Associates under the lease without also discussing the possible expenses which might be incurred thereunder. The case thereafter was scheduled for trial; but in November 1965 the action was discontinued by Court order following advice to the Court "that all claims asserted herein have been settled."

The Commission has concluded under the facts here involved that the public interest would be served if the Court's opinion were included in its public files pertaining to Associates' registration statement; and it has so directed. Also included in the public file is a letter addressed to the Commission by counsel for the general partners which reads, in part:

"We submit that this record and any release which you may issue thereon should also reveal that the partnership was the successful party on the motion for summary judgment, that many of the conclusions . . . in the Court's opinion are, in our opinion, dicta, not required for the determination nor supported by the record, and that as successful parties on the application for summary judgment the defendants therein were not in a position to appeal from any such conclusions."

**BARBER OIL TEMPORARILY EXEMPTED.** The SEC has issued an order under the Investment Company Act (Release IC-4491) exempting Barber Oil Corporation, New York, from certain provisions of the Act until such time as the Commission acts on a September 8, 1965, application filed by the company for an order declaring that it is not an investment company.

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**AUSTRAL ARKOMA PROPOSES OFFERING.** Austral Arkoma Company, 2700 Humble Bldg., Houston, Tex. 77002, filed a registration statement (File 2-24420) with the SEC on January 19 seeking registration of \$18,750,000 of limited partnership interests, to be offered for public sale in \$125,000 units. The offering is to be made by the general partners and employees of the partnership, and the officers and other members of the staff of the partnership's General Operating Agent, Austral Oil Co. Inc.; and the units are to be offered first to certain persons who participated under the Exploration Agreements of Austral Oil and Gas Exploration Corp.

Organized under Texas law in November 1965, the limited partnership intends to engage in oil and gas exploration in the States of Oklahoma and Arkansas. R. McLean Stewart is a general partner and the managing partner of the partnership and is chairman of the executive committee of Austral Oil and Austral Oil and Gas Exploration Corp. C. Wardell Leisk, also a general partner, is president of said two companies.

**ATLANTIC CITY ELECTRIC FILES FINANCING PROPOSAL.** Atlantic City Electric Company, 1600 Pacific Ave., Atlantic City, N. J. 08404, filed a registration statement (File 2-24421) with the SEC on January 19 seeking registration of \$10,000,000 of first mortgage bonds and \$5,000,000 of sinking fund debentures (both due 1996). The securities are to be offered for public sale at competitive bidding. An electric utility serving the southern part of New Jersey, the company will use the net proceeds of this financing to repay all of its outstanding bank notes (estimated at not in excess of \$11,500,000) and the balance will be applied to its 1966 construction program (estimated to cost \$16,398,300).

**MAGNAVOX FILES FOR SECONDARY.** The Magnavox Company, 270 Park Ave., New York 10017, filed a registration statement (File 2-24422) with the SEC on January 19 seeking registration of 272,889 outstanding shares of common stock. The present holders thereof may offer such stock for public sale from time to time on the New York Stock Exchange at prices prevailing at the time of sale.

The company is engaged in the manufacture and sale of products in the electronics, communications and related fields. In addition to indebtedness, it has outstanding 7,675,036 common shares, of which management officials own 7.6%. Frank Freimann is president. The prospectus lists 27 selling stockholders, including Roger B. Triplett, Sr., offering his entire holdings of 90,377 shares; Ruth H. Stevens, 29,462; David M. Bower, 28,019; and Bernhardt Industries, 26,416. The remaining sellers are offering shares ranging in amounts from 249 to 24,536. According to the prospectus, the selling stockholders acquired the stock in exchange for all of the outstanding stock of Blowing Rock Chair Co. and in exchange for 59.04% of the outstanding stock of Spainhour Furniture Co., Inc.

**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 "★★"):

File No	O- Registrant	LOCATION
2003	Alon, Inc	McPherson, Kansas
1991	Barnes-Hind Pharmaceuticals	Sunnyvale, Calif.
2002	Desert Pharmaceutical Co	Salt Lake City, Utah
2004	Edwards Engineering Corp	Great Neck, N Y.
2005	Invstrs. Equity Secur. Inc	Little Rock, Arkansas
2000	Phoenix Gems Inc	Phoenix, Arizona

**TRADING IN FOTOCHROME SECURITIES TO RESUME MONDAY.** The SEC today announced that its current order under the Securities Exchange Act of 1934 suspending exchange and over-the-counter trading in securities of Fotochrome, Inc., of Long Island, New York, will expire at the close of business on Friday, January 21, 1966, and will not be renewed. Thus, trading in Fotochrome stock and debentures may be resumed on Monday, January 24, 1966.

The original suspension of trading in securities of Fotochrome was ordered by the Commission on December 23, 1965, pending clarification of reports appearing in newspapers and elsewhere with respect to recent developments involving the company, particularly with respect to the possible acquisition of Intertel Corp. A Form 8-K report was filed by Fotochrome on January 4, 1966, with respect to such developments; and the report was amended on January 14 and 19, 1966. The information contained in the amended report has been distributed by Fotochrome to members of the American Stock Exchange, where its securities are traded, and made available to news media.

With this clarification of the previously-available information concerning Fotochrome, the Commission has concluded not to continue the ban on trading in its securities.

**RELIANCE ELECTRIC AND ENGR FILES STOCK PLAN.** The Reliance Electric and Engineering Company, 24701 Euclid Ave., Cleveland, Ohio 44117, filed a registration statement (File 2-24424) with the SEC on January 19 seeking registration of 16,000 shares of common stock, to be offered pursuant to its Stock Purchase Plan.

**CENTRAL ILLINOIS LIGHT PROPOSES BOND OFFERING.** Central Illinois Light Company, 300 Liberty St., Peoria, Ill. 61602, today filed a registration statement (File 2-24425) with the SEC seeking registration of \$16,000,000 of first mortgage bonds, due 1996, to be offered for public sale at competitive bidding. An electric utility, the company proposes to use the net proceeds of its bond sale to provide in part for the cost of its construction program. Its construction expenditures for 1966 and 1967 are expected to aggregate \$52,894,600.

**LONG ISLAND LIGHTING FILES FOR OFFERING.** Long Island Lighting Company, 250 Old Country Rd., Mineola, N. Y. 11501, today filed a registration statement (File 2-24426) with the SEC seeking registration of \$40,000,000 of first mortgage bonds, series P, due 1996. The bonds are to be offered for public sale at competitive bidding. Net proceeds of the company's bond sale will be used to construct utility plant and to repay short-term bank loans made for such purpose. Its 1966 and 1967 construction program is estimated at \$171,000,000.

**REPORTING BY NYSE OFF-FLOOR MEMBERS REQUESTED.** The SEC has requested members of the New York Stock Exchange (other than specialists, registered traders and odd-lot dealers) to supply information for two one-week periods in 1965, with respect to transactions for their own account which are initiated off the floor but executed on the floor of the Exchange. A questionnaire which elicits this information for the two weeks ended March 26 and October 15, 1965, has been sent to about 550 members and member firms which had such off-floor transactions during those weeks. The completed forms are to be returned not later than March 1, 1966. The data will aid the Commission in determining the characteristics of members' off-floor trading, the impact of such trading on individual stocks, and whether the reporting of such data in the future may be appropriate. Currently, Exchange members report such trading to the NYSE on an aggregate basis, but not with respect to individual stocks.

**RECENT FORM 8-K FILINGS.** The companies listed below have filed Form 8-K reports for the month indicated 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 caption of the several items on the form was included in the January 3 News Digest.

8-K Reports For Dec. 1965

Amerace Corp. (12,13)	1-4076-2	Applied Research, Inc.(11)	2-18350-2
Burlington Industries, Inc. (3,13)	1-2932-2	Banner Mining Co (8)	1-3836-2
Cowles Chemical Co. (7,8)	0-476-2	Chicago Great Western Ry Co. (12)	1-3937-2
Cryogenic Engineering Co.(13)	2-19267-2	Columbia Pictures Corp. (11)	1-3108-2
Fairmont Foods Co (Del) (2,13)	1-4100-2	Continental Securities Corp. (7,12,13)	2-23494-2
Glidden Co. (11,13)	1-531-2	Crystal Oil and Land Co (2,8,13)	1-4892-2
Hallicrafters Co (Del) (11)	1-4533-2	Economy Bookbinding Corp. (12,13)	0-143-2
Hazeltine Corp. (3)	1-230-2	Financial Devel. and Research Corp. (2,13)	0-1702-2
Allied Stores Corp.(13)	1-970-2	Golden Nugget, Inc. (11)	0-1413-2
Borman Food Stores, Inc. (12,13)	1-4305-2	Hess Oil & Chemical Corp (12)	1-1951-2
Civic Finance Corp. (2,4,7,11,13)	0-1016-2	Alloys Unlimited Inc. (11,13)	1-4479-2
General Foods Corp.(7,13)	1-1354-2	Canadian Superior Oil Ltd. (11,13)	1-4927-2
General Kinetics Inc (12,13)	0-1738-2	Clark Equipment Credit Corp. (7,13)	2-17988-2
General Steel Industries, Inc. (7)	1-4008-2	Curtiss-Wright Corp. (3,12,13)	1-134-2
Gyrodyne Co. of America, Inc. (8)	0-1684-2	Brentwood Financial Corp. (11,13)	1-5055-2
Gustin-Bacon Mfg. Co. (Del) (11)	1-4565-2	Consumers Power Co. (3)	1-2216-2
Astrex, Inc. (13)	1-4530-2	American Mining Co (11)	0-1614-2
Beech Aircraft Corp. (11,13)	1-2839-2	Armour and Co. (Del) (13)	1-4405-2
Cardinal Petroleum Co (11)	2-15883-2	Astrodata, Inc. (12,13)	1-4803-2
Chandler Leasing Corp (13)	2-18967-2	Chris-Craft Industries, Inc. (4,7,8,13)	1-2999-2
Chesapeake Corp. of Va. (7,10,13)	1-3203-2	Continental Oil Co. (Del) (8,12,13)	1-1131-2
Chicago Helicopter Airways Inc. (2,12)	0-809-2	Evans Products Co. (7)	1-542-2
City Products Corp.(8)	1-144-2	General Development Corp. (3,7,8,12)	1-4080-2
Alaska Airlines, Inc. (2,13)	1-3314-2	Atico Financial Corp. (2,7,13)	1-4666-2
American Investment Co. (4,7,13)	1-2335-2	The Deltona Corp. (7,13)	1-4719-2
Bell Intercontinental Corp. (7)	1-4354-2	Detroit Mobile Homes, Inc. (4,7,12)	1-4818-2
Cudahy Packing Co. (6,12)	1-529-2		
Dextra Corp. (12)	0-1602-2		
Haven Life Insurance Co (2,11,13)	2-23192-2		

8K Repts. for Dec 65 Cont'd

Boyie Lane Bernbach Inc. (12,13)	0-171-2	Genl Tel Co of the Southwest (3)	0-1122-2
Eastern Air Lines, Inc. (7,8)	1-3049-2	W. R. Grace & Co. (7,13)	1-3720-2
Florida Gas Co. (7)	0-993-2	E. F. Hauserman Co. (11)	0-1897-2
Gamble Skogmo, Inc (2,7,11)	1-3478-2	Union Tank Car Co. (7,12,13)	1-1207-2
General Motors Acceptance Corp (7,13)	1-3754-2	Acme Electric Corp. (4,7,10,13)	0-1835-2
The Hanna Mining Co. (1)	0-1098-2	American Commercial Lines, Inc. (7,13)	1-4209-2
Advance Mortgage Corp. (13)	0-1626-2	Cascade Corp. (11)	0-1960-2
Atlantic Research Corp. (3,12,13)	1-4257-2	Cummins Engine Co., Inc. (7)	1-4949-2
C. R. Bard, Inc. (7,12)	0-1295-2	Fuller Industries, Inc. (7,11,13)	2-12665-2
American Precision Industries, Inc. (12)	0-964-2	General Instrument Corp. (4,7,8,13)	1-3406-2
Associated Truck Lines Inc. (7,8,13)	0-901-2	Paul Hardeman, Inc. (Mich) (2,4,13)	1-596-2
Associates Investment Co (7)	1-1912-2	Airlift International, Inc. (3,12,13)	0-1846-2
DPA, Inc. (2,7,9)	2-23115-2	American Electronics, Inc. (4,6,7,8)	1-3954-2
Famous Artists Schools Inc (12)	1-4692-2	American Potash & Chemical Corp (8)	1-3693-2
General Foam Corp. (4,7,13)	1-4664-2	Anheuser-Busch Inc. (12)	1-3718-2
The United Piece Dye Works (7,8,13)	1-4962-2	Burton Mfg. Co (13)	0-1479-2
Air Reduction Co., Inc. (13)	1-111-2	Copperweld Steel Co (7,8)	1-2847-2
ALD, Inc. (11)	0-254-2	Curtis Publishing Co (2,3,13)	1-69-2
Angelica Uniform Co. (4,7,8,13)	0-4-2	Dana Corp. (11,13)	1-1063-2
Avien Inc. (2,3)	1-4190-2	Walter E. Heller & Co. (12)	1-2291-2
Chattanooga Gas Co (3,11)	0-49-2	Thatcher Glass Mfg. Co., Inc. (7,13)	1-899-2
Giddings & Lewis Machine Tool Co. (4,7)	0-562-2	Albertson's Inc. (12)	0-1552-2
Cumis Insurance Society, Inc. (7)	2-22616-2	Connecticut Yankee Atomic Power Co (7)	2-22958-2
Eastern Mass. St. Ry. Co. (6)	1-1563-2	Georgia Power Co. (3)	0-392-2
Emporium Capwell Co. (4,7,11,13)	1-2786-2	The Alfred Hart Co. (12)	0-1705-2
		Braniff Airways Inc. Amend. #1 to 8K for Oct 65 (4)	1-3195-2

SECURITIES ACT REGISTRATIONS. Effective January 19: Exeter Fund, Inc., 2-24253; St. Louis Steel Casting Inc., 2-24269 (Feb 28); Syntex Corp., 2-24395 (40 days); The Thomas & Betts Co., 2-24248. Effective January 20: Digitek Corp., 2-24230 (40 days).

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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