

# 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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**SHORT-FORM REGISTRATION PROPOSED FOR CERTAIN ISSUES.** The SEC today announced a proposal for the adoption of a new short form for registration under the Securities Act of 1933 of equity securities (including convertible debt) and subordinated debt securities of certain issuers which are to be offered to the public for cash. Use of the form, which would be designated Form S-7, would be limited to domestic and Canadian companies which meet certain sales volume and earnings tests, which have a class of equity securities listed on a national securities exchange and registered under Section 12(b) of the Securities Exchange Act of 1934 and which have filed reports under Section 13 or 15(d) of the Act for a period of at least five years.

The proposed form has been limited to reporting companies having securities listed on a national securities exchange, submitting to their shareholders proxy material or equivalent information, having long records of earnings and having stability of management and business. Briefly stated, the form would require that a prospectus for securities registered thereon need contain only the following information: the price and underwriting data; information as to the use of the proceeds; information with respect to the business and any material changes therein; earnings statements; a description of the securities to be registered; and balance sheets of the registrant and its subsidiaries. The only exhibits required would be those pertinent to the proposed offering, including any material contracts referred to in the prospectus.

The Commission anticipates that prospectuses and registration statements on this form would be substantially shorter than heretofore and would, therefore, be substantially easier both for the issuer to prepare and for the Commission to process. For this reason, bearing in mind the information about the issuer publicly available, the Commission hopes to be in a position to consider favorably, in such cases, requests to shorten substantially the waiting period between filing and effectiveness of statements on the new form. The success of this program depends, of course, on the cooperation of issuers and underwriters in preparing the registration statement so that Commission review and comment can be held to a minimum.

The proposed form represents a closer integration of the requirements of the Securities Act of 1933 and the Securities Exchange Act of 1934 within the present statutory framework. In this connection, the Commission and its staff is engaged in a careful review of the existing reporting and disclosure requirements under the Securities Exchange Act of 1934 with a view to modifying these requirements to improve both the information contained in, and the timeliness of the reports filed under that Act.

Interested persons are invited to submit their views and comments upon the proposed registration form not later than December 16. (Release 33-4849)

**SEC CITES GUARDIAN SECURITIES CORP.** The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Guardian Securities Corporation, of Miami. Also named as respondents are Harold J. Brooks, president of the firm, Alan S. Rader, and Albert Levine.

The proceedings are based upon staff charges that, among other things, the Guardian Securities firm, aided and abetted by the individual respondents, violated the registration and anti-fraud provisions of the Federal securities laws in the sale of common stock of Forward Industries, Inc., and of National Trust Life Insurance Company of America. It is also alleged that the firm, aided and abetted by Brooks and Rader, violated the record-keeping provisions of the Securities Exchange Act and failed to amend its application for broker-dealer registration.

A hearing will be scheduled by further order to take evidence on the staff charges and afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the alleged violations occurred and, if so, whether any action of a remedial nature should be taken by the Commission.

**UNITED AIR LINES PROPOSES RIGHTS OFFERING.** United Air Lines, Inc., P. O. Box 8800, O'Hare International Airport, Chicago, Ill. 60666, filed a registration statement (File 2-25708) with the SEC on November 15 seeking registration of \$114,676,900 of subordinated debentures (due 1991). The debentures are to be offered for subscription by common stockholders at the rate of \$100 of debentures for each 16 shares held on December 5. Any unsubscribed shares are to be offered for public sale through underwriters headed by Morgan Stanley & Co., 2 Wall St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in air transportation of persons, property and mail. Net proceeds of its debenture sale will be added to general corporate funds and used for the acquisition of jet-powered aircraft and related facilities and equipment. The estimated aggregate cost of aircraft scheduled for delivery during 1966-1970 is \$571,000,000, net of advance payments of \$123,181,000. Related facilities and ground and flight equipment presently on order will cost an additional \$85,000,000. In addition to indebtedness and preferred stock, the company has outstanding 16,394,925 common shares, of which management officials own 1.25%. G. E. Keck is president.

**WESTEC TRADING BAN CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Westec Corporation for the 10-day period November 17-26, 1966, inclusive.

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**FIRST SPRINGFIELD SEEKS ORDER.** First Springfield Corporation, Springfield, Mass., a closed-end, non-diversified investment company, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company. The Commission has issued an order (Release IC-4750) giving interested persons until November 30 to request a hearing thereon. The application states that, pursuant to a stockholder-approved plan, the company has ceased transacting business as an investment company, its portfolio has been sold, all of its known liabilities have been paid, and its remaining assets have been distributed pro rata to its stockholders in cancellation of their shares.

**UNITED COMPUTER, OTHERS ENJOINED.** The SEC San Francisco Regional Office announced November 9 (LR-3610) the entry of a Federal court order (USDC, Phoenix) enjoining United Computer Company, of Tempe, Ariz., Roy A. Hempel, its president, and Raymond Shane from further violations of the Securities Act anti-fraud and registration provisions in the sale of capital stock of United Computer.

**WESTERN UNION PROPOSES DEBENTURE OFFERING.** The Western Union Telegraph Company, 60 Hudson St., New York 10013, filed a registration statement (File 2-25709) with the SEC on November 15 seeking registration of \$50,000,000 of sinking fund debentures, due 1989. The debentures are to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., and Lehman Brothers, One William St., both of New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment. The company will use the net proceeds of its debenture sale in connection with its 1966 and 1967 construction program estimated to cost \$150,960,000 and \$159,313,000, respectively; a portion of the proceeds will be applied toward the payment of \$40,000,000 of notes which were issued to pay construction expenses. In addition to indebtedness and preferred stock, the company has outstanding 7,526,268 common shares. W. P. Marshall is board chairman and R. W. McFall is president.

**SECURITIES ACT REGISTRATIONS.** Effective November 15: Big "C" Stores, Inc., 2-25316 (Dec 25); Lin Broadcasting Corp., 2-25646 (40 days); Mohawk Data Sciences Corp., 2-25590 (40 days); MPI Industries, Inc., 2-25576; Pennsalt Chemicals Corp., 2-25626; United Mexican States, 2-25649 (Dec 26); Woods Corp., 2-25509 (40 days).

Effective November 16: New Brunswick Electric Power Commission, Province of New Brunswick, 2-25651.

Withdrawn November 15: Sam Goody Inc., 2-25534.

**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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