

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington, D.C. 20549

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 65-5-10)

FOR RELEASE May 14, 1965

SEC ORDER CITES F. R. BURNS & CO. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of F. R. Burns & Company, of 104 Northwest Third St., Oklahoma City, Okla. Also named as a respondent is Floyd R. Burns, company president. The firm is a member of the National Association of Securities Dealers, Inc.

The proceedings are based upon staff charges that during the period November 1964 to April 1965, Burns & Company and Burns engaged in activities violative of the Federal securities laws. Recently, the two respondents consented to a Federal court order permanently enjoining them from violating the net capital and record-keeping rules and Regulation T under the said Act; and the administrative proceedings involve similar charges. In addition, the staff alleges that the two respondents sold securities to and purchased securities from customers "at prices having no reasonable relationship to the prevailing market price of such securities or to registrant's contemporaneous cost for or prices at which registrant contemporaneously sold such securities."

A hearing will be held, at a time and place to be announced, to take evidence on the staff charges and afford respondents an opportunity to establish any defenses thereto, for the purpose of determining whether the alleged violations occurred and, if so, whether any administrative action of a remedial nature is appropriate in the public interest.

SEC ORDER CITES WESTERN INVESTORS MANAGEMENT CORP. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Western Investors Management Corporation, of 1717 East Colfax Ave., Denver, Colo. The company's president, David Lowell Terry, who owns all of its Class B (voting) common stock, is also named as a respondent.

The proceedings are based upon staff charges that Western and Terry offered and sold preferred and Class A common stock of Western, as well as common shares of Universal Investors Fund, Inc., in violation of the Securities Act registration and anti-fraud provisions.

A hearing will be held, at a time and place to be announced, to take evidence on the staff charges and afford respondents an opportunity to establish any defenses thereto, for the purpose of determining whether the alleged violations occurred and, if so, whether any administrative action of a remedial nature is appropriate in the public interest.

COMPLAINT CITES REESE MINING. The SEC Denver Regional Office announced May 10 (LR-3221) the filing of a complaint (USDC NM) seeking to enjoin Reese Mining and Manufacturing Company, Inc., and Oliver C. Reese, both of Silver City, N. M., from violations of the Securities Act registration and anti-fraud provisions and from dissipating corporation assets. A temporary restraining order was issued.

V. L. HUMPHREYS SENTENCED. The SEC Seattle Regional Office announced May 10 (LR-3222) that Vincent Lee Humphreys of Boise, Ida., was sentenced to a 3-year prison term (USDC ND Wash.), following his plea of guilty to violating the Securities Act anti-fraud provisions in the sale of securities.

BOSTON FUND RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-4245) authorizing Boston Fund, Inc., Boston, Mass., open-end diversified investment company, to issue its shares at net asset value for substantially all of the cash and securities of Ridgcroft Real Estate Trust. According to the application, Ridgcroft is an Illinois common law trust whose shares are held by 17 shareholders. As of February 1, 1965, Ridgcroft assets to be transferred to Boston Fund were valued at approximately \$6,352,000.

GENERAL PUBLIC UTILITIES SEEKS EXTENSION ORDER. General Public Utilities Corporation, New York registered holding company, has applied to the SEC for an order under the Holding Company Act extending for one year (to June 30, 1966) the period within which it may sell an aggregate of \$20,000,000 of promissory notes to banks, as authorized by a June 5, 1964, Commission order. The Commission has issued an order (Release 35-15240) giving interested persons until June 7 to request a hearing thereon. According to the application, only \$11,000,000 of such notes have been issued. It is further stated that at the time the original application was filed, GPU proposed to use the proceeds from the note sale to make additional investments in and capital contributions to its subsidiaries and that it would pay the notes out of proceeds to be derived from the sale of additional shares of its common stock in 1965. One of GPU's subsidiaries, Jersey Central Power & Light Co., has since arranged to sell part of its interest in two generating stations which reduced that company's capital requirements in 1965. Such transactions have made it unnecessary for GPU to sell additional stock in 1965, and it now proposes to sell the stock in 1966.

PUBLIC SERVICE OF OKLA. SEEKS ORDER. Public Service Company of Oklahoma, Tulsa, Okla., electric utility subsidiary of Central and South West Corporation, has applied to the SEC for an order under the Holding Company Act authorizing it to sell an aggregate of \$20,000,000 of unsecured promissory notes to banks from time to time, commencing in June 1965; and the Commission has issued an order (Release 35-15241) giving interested persons until June 8 to request a hearing thereon. According to the application, Public Service proposes to use the proceeds from its note sale to finance partially its construction program, estimated to cost \$23,220,000 in 1965 and \$32,100,000 in 1966.

OVER

MISSOURI EDISON PROPOSES BOND OFFERING. Missouri Edison Company, 123½ N. Fourth St., Louisiana, Mo. 63353, filed a registration statement (File 2-23586) with the SEC on May 13 seeking registration of \$3,000,000 of first mortgage bonds, Series D, due 1995, to be offered for public sale at competitive bidding. The company, which is engaged in the purchase, distribution and sale of electric energy, will add the net proceeds from its bond sale to general funds through reimbursement of its treasury for capital expenditures heretofore made. Such funds will be used (a) to retire short-term bank loans (expected to aggregate approximately \$2,700,000) incurred to meet in part its construction expenditures from 1962 to date, (b) to finance in part the cost of further additions to its properties, and (c) for other corporate purposes. The company's 1965 and 1966 construction expenditures are expected to aggregate \$4,900,000.

CITY OF OSLO PROPOSES BOND OFFERING. The City of Oslo, Kingdom of Norway, filed a registration statement (File 2-23587) with the SEC on May 13 seeking registration of \$15,000,000 of sinking fund external loan bonds, due 1985. The bonds are to be offered for public sale through an underwriting group headed by Kuhn, Loeb & Co. Inc., 30 Wall St., New York 10005; Harriman Ripley & Co., Inc., 60 Broad St., New York 10004, and two other underwriters. The interest rate, public offering price and underwriting terms are to be supplied by amendment. The City will place the net proceeds from the bond sale in its Loan Fund, to be advanced from time to time to certain revenue-producing Municipal Enterprises for capital expenditures.

GENERAL ACCEPTANCE FILES EXCHANGE PROPOSAL. General Acceptance Corporation, 1105 Hamilton St., Allentown, Pa., filed a registration statement (File 2-23588) with the SEC on May 13 seeking registration of 101,195 shares of voting preference stock, \$1 convertible series. The stock is to be offered in exchange for 148,454 shares of 5% convertible preferred stock and 715,050 common shares of Highway Trailer Industries, Inc. (constituting all of its outstanding stock), at the rate of one GAC share for 5 preferred or 10 common shares of Highway Trailer. The offer is conditioned upon the tender of at least 80% of Highway Trailer's outstanding stock. Georgeson & Co., 52 Wall St., New York 10005, has been retained to solicit tenders of such stock. David B. Charnay, a director of Highway Trailer, owns 44% and 15% of that company's preferred and common shares, respectively, and has agreed to accept the exchange offer.

The business of the company (GAC) consists primarily of making instalment loans to individuals; financing retail purchases of automobiles, trucks and other items; wholesale financing of dealers' inventories; rediscounting receivables of other finance and loan companies; and general commercial financing of manufactures and distributors. Highway Trailer is engaged in the manufacture and sale of truck trailers. In addition to indebtedness and preferred stock, the company has outstanding 2,158,612 common shares, of which management officials own 12.18%. F. Reed Wills is board chairman and S. Hayward Wills is president of the company.

DESOTO CHEMICAL FILES STOCK PLAN. DeSoto Chemical Coatings, Inc., 1700 S. Mount Prospect Rd., Des Plaines, Ill. 60018, filed a registration statement (File 2-23591) with the SEC on May 12 seeking registration of 200 memberships in its Savings and Profit Sharing Pension Fund of Employees, together with 60,000 shares of common stock that may be acquired pursuant thereto.

TOLEDO SCALE FILES STOCK PLAN. Toledo Scale Corporation, 5225 Telegraph Rd., Toledo, Ohio, filed a registration statement (File 2-23592) with the SEC on May 11 seeking registration of 66,475 shares of common stock, to be offered pursuant to the company's Key Employee Common Stock Option and Ownership Plan.

CONTINENTAL VENDING TRADING BAN CONTINUED. The SEC has issued an order suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation for a further ten-day period, May 17-26, 1965, inclusive.

WEBB & KNAPP TRADING BAN TO END. The SEC announced that it would not continue its suspension of exchange and over-the-counter trading in securities of Webb & Knapp, Inc., and its subsidiary, Roosevelt Field, Inc., beyond the close of business today (May 14, 1965). However, the American Stock Exchange has advised that it will continue its suspension of trading in the common stock, \$6 cumulative preference stock, and 5% sinking fund debentures of Webb & Knapp, and in the common stock of Roosevelt Field; and the Philadelphia-Baltimore-Washington Stock Exchange will continue its suspension of trading in the Webb & Knapp common. Accordingly, trading in securities of the two companies may be resumed on May 15, 1965, but only in the over-the-counter market.

In its May 5th announcement of the suspension of trading in securities of the two companies for a period of ten days, May 5 to 14, 1965, inclusive, the Commission noted that the companies had not filed their Form 10-K annual reports for 1964, which under the Securities Exchange Act of 1934 were required to be filed not later than April 30, 1965. Moreover, necessary audits had not been commenced, and there appeared to be no reasonable expectation that such audits could be completed and the reports filed in the foreseeable future.

On May 7, 1965, the trustee under the Webb & Knapp debentures filed a petition in the U. S. District Court in New York seeking to reorganize that company pursuant to provisions of Chapter X of the Bankruptcy Act. In its answer, Webb & Knapp acknowledged its inability to pay its debts as they mature and consented to court approval of the petition. The Commission has filed notice of appearance and will serve as advisor to the court and the parties in the reorganization proceedings.

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.	Registrant	Location	File No.	Registrant	Location
53	Berkshire Hathaway Inc.	New Bedford, Mass.	835	Niagara Frontier Transit System Inc.	Buffalo, N.Y.
28	Bird & Son Inc.	E. Walpole, Mass.	858	Northwestern States Portland Cement Co.	Mason City, Iowa
45	Bulkley Building Co.	Cleveland, Ohio	877	Oil Shale Corp. **	N. Y., N.Y.
65	CMC Finance Group, Inc.	Charlotte, N.C.	822	Oilgear Co.	Milwaukee, Wisc.
44	Coca-Cola Btlg. Co. of St. Louis	St. Louis, Mo.	824	Pacific Car & Foundry Co.	Renton, Wash.
76	Computer Instruments Corp. **	Hempstead, Long Island, N.Y.	825	Publication Corp.	N. Y., N.Y.
56	Joseph Dixon Crucible Co.	Jersey City, N.J.	843	Research Inc.	Minneapolis, Minn.
51	Edgcomb Steel Co. **	Phila, Pa.	832	Rockwell Mfg. Co.	Pittsburgh, Pa.
23	Elec. Hose & Rubber Co.	Wilmington, Del.	891	St. Louis Shipbuilding-Federal Barge Inc. **	St. Louis, Mo.
28	Elizabethtown Water Co. **	Elizabeth, N.J.	833	Sanco Finance Co. Inc.	Okla. City, Okla.
82	Financial Corp. of Arizona **	Phoenix, Ariz.	854	Savannah Gas Co.	Savannah, Ga.
21	Franklin Capital Corp.	Newark, N.J.	857	Schlage Lock Co.	San Fran., Cal.
61	Guardman Ins. Investors Inc.	Des Moines, Iowa	852	Seismograph Service Corp. **	Tulsa, Okla.
63	Hamilton National Associates Inc.	Chattanooga, Tenn.	848	Smyth Mfg. Co.	Bloomfield, Conn.
84	Hanover Equities Corp. **	Bayside, N.Y.	850	Society Corp. **	Cleveland, Ohio
49	Iowa Southern Utilities Co. **	Centerville, Iowa	842	Southern Airways Inc.	Atlanta, Ga.
81	King Louie International, Inc. **	Kansas City, Mo.	868	Standard Fruit & Steamship Co.	New Orleans, La.
836	Microwave Electronics Corp.	Palo Alto, Cal.	860	Taylor Publishing Co.	Dallas, Tex.
864	Mississippi Glass Co.	St. Louis, Mo.	892	Texota Oil Co. **	Denver, Colo.
862	Motor Travel Services Inc.	Minneapolis, Minn.	834	United Pacific Corp.	Seattle, Wash.
			859	Wadsworth Publishing Co. Inc.	Belmont, Cal.

WESTERN RESERVE LIFE PROPOSES OFFERING. Western Reserve Life Insurance Company, 1445 S. Poplar St., Casper, Wyo., filed a registration statement (File 2-23585) with the SEC on May 10 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$7.50 per share. The offering is to be made through Ray K. Garrett, president, and Allen Goldsmith, director, who will receive a \$1.125 selling commission. They may also employ salesmen to sell the stock.

Organized under Wyoming law in May 1964, the company is engaged in writing life insurance policies. Net proceeds from its stock sale will be used in the expansion of such business. The company has outstanding 256,371 common shares, of which 200,000 were sold at \$2.50 per share at the time the company was organized. In September 1964 the company offered 150,000 shares at \$5 per share, for cash and on an installment basis. As of March 31, 1965, there remained a total of \$549,195 not yet paid under subscription agreements. Company directors own approximately 27% of the outstanding stock.

ORAL ARGUMENT, COMING WEEK. May 19 - 2:30 P.M. - Kamen & Co.
May 20 - 2:30 P.M. - M. S. Wien & Co., Inc.

SECURITIES ACT REGISTRATIONS. Effective May 13: Alleghany Corp., 2-22959 (40 days); Genesco Inc. (File 2-23510); The Pacific Telephone and Telegraph Co. (File 2-23517); Tennessee Gas Transmission Co. (File 2-23565).

Effective May 14: American Metal Products Co. (File 2-23512); Dravo Corp., 2-23372 (June 25); National Can Corp. (File 2-23558).

NOTE TO DEALERS. The last date or 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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