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. 65-12-21)

FOR RELEASE December 30, 1965

REPORTING TO SHAREHOLDERS. The SEC has adopted a new Regulation 14C under the Securities Exchange Act (Release 34-7774) to implement the 1964 amendment of that Act. Under Section 14(c) of the Act, as amended, issuers of securities listed on exchanges and issuers of equity securities traded over-the-counter required to register pursuant to Section 12(g), must send to security holders from whom proxies are not solicited in connection with stockholder meetings, information comparable to that which would be furnished in proxy material if proxies were solicited in accordance with the Commission's proxy rules. Regulation 14C requires the sending of information (in such situations) containing substantially the same information as that which would be included in a proxy statement if proxies were solicited. If the information statement relates to an annual meeting of the issuer at which directors are to be elected, the issuer must also send to shareholders an annual report, including certified financial statements, similar to the annual report required to be sent when proxies are solicited. The new regulation applies to shareholder meetings held on or after March 15, 1966.

MIDDLE SOUTH UTILITIES RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15371) authorizing a proposed stock split and related transactions by Middle South Utilities, Inc., New York holding company. According to the application, Middle South proposes to increase and reclassify its authorized common stock from 25,000,000 shares($10 par) to 50,000,000 shares ($5 par) and to distribute to its common stockholders one additional share of $5 par stock for each share of $10 par stock presently held. All presently outstanding shares of $10 par common stock will thereafter, without notation or exchange, represent the same number of shares of $5 par common stock. Such proposed 2-for-1 split will require the issuance of 16,879,200 common shares, increasing the company's outstanding common to 33,758,400 shares. The proposed charter amendment will require the favorable vote of the holders of two-thirds of Middle South's outstanding common shares. The company proposes to solicit proxies with respect thereto at a special meeting of common stockholders scheduled for February 14, 1966.

NORTHWEST UTILITY RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-4462) granting an application of the Northwest Utility Associates, Seattle, Wash. pursuant to Section 6(d) of the Act. According to the application, the company is a closed-end non-diversified investment company organized in May 1965. It has one general partner and one limited partner, each of whom has contributed $250 to qualify the company as a limited partnership. Section 6(d) of the Act provides that the Commission shall exempt a closed-end investment company from any or all provisions of the Act, subject to such terms and conditions as may be necessary or appropriate in the public interest or for the protection of investors, if the aggregate sums received from the sale of its securities (outstanding and proposed to be offered) do not exceed $100,000 and if the sale of its securities is restricted to the residents of the state of its organization.

VIKING GROWTH FUND RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-4463) granting an application of the Viking Growth Fund, Inc., Minneapolis, Minn., open-end non-diversified management investment company, and its investment adviser, Pioneer Financial Services, Inc., with respect to shareholder approval of a new investment-advisory contract. According to the application, Pioneer acts as investment adviser to Viking pursuant to an agreement approved by Viking's shareholders on September 22, 1964. It is proposed to change this agreement (1) to reduce the advisory fee from 1/4 of 1% to 3/16 of 1% of the value of Viking's net assets on a quarterly basis, and (2) to provide that Pioneer reimburse Viking quarterly for all of Viking's administrative costs which exceed 1/16 of 1% of Viking's net assets rather than those which exceed 1/8 of 1% of Viking's net assets in each quarter. The reduced advisory fee and increased reimbursement of Viking's costs were included in a new advisory contract, which was approved by Viking's shareholders and which was to become effective on November 15, 1965, when it was contemplated that the present agreement would terminate according to its terms by its assignment by Pioneer. The contemplated termination having failed to take place, the present proposal was adopted to give Viking the reductions as nearly as possible, and without the expense attending a special meeting of shareholders for the purpose of approving these changed terms of the existing contract. The changed contract will be submitted to shareholders at their next annual meeting scheduled to be held in September 1966.

POWDRELL & ALEXANDER RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4464) declaring that Powdrell & Alexander, Inc., Boca Raton, Fla., has ceased to be an investment company as defined in the Act. The applicant represents that its outstanding securities are beneficially owned by not more than 100 persons and that it is not making, and does not propose to make, a public offering of its securities.

PILGRIM FINANCIAL AND GROWTH FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4465) authorizing Pilgrim Financial and Growth Fund, Inc., Tenafly, N. J., open-end investment company, to issue its shares at net asset value for substantially all of the cash and securities of Cambridge Growth Fund Inc., a Delaware corporation which is also registered as an open-end diversified investment company. According to the application, the net assets on November 12, 1965, of Pilgrim Financial amounted to $493,623 and the net assets of Cambridge were $154,895.

OVER

WARNER BROS. SHARES IN REGISTRATION. The Warner Brothers Company, 350 Lafayette St., Bridgeport, Conn., filed a registration statement (File 2-24363) with the SEC on December 27 seeking registration of 165,076 shares of $1.50 cumulative convertible sinking fund preferred stock, to be issued to stockholders of White Stag Manufacturing Co. in connection with a proposed merger of White Stag into the company. The registration statement also covers 141,151 outstanding shares of $1.22½ convertible preferred stock of the company, which shares were issued to former stockholders of The Puritan Sportswear Corp. pursuant to the merger of Puritan into the company in March 1964. In addition, the company is registering 50,000 outstanding shares of $1.22½ convertible preferred stock acquired by Massachusetts Mutual Life Insurance Co. from certain selling stockholders, and 937 outstanding shares of $1.22½ convertible preferred stock acquired from certain selling stockholders by partners of the law firm of Singer, Levine & Singer upon exercise of option warrants held by such partners. According to the prospectus, the present holders of such shares (as well as holders of shares issued pursuant to the White Stag merger) may offer the stock for public sale from time to time on the New York Stock Exchange at current market prices at the time of sale ($40 per share maximum*).

The company is principally engaged in the design, manufacture and sale to retail stores of a line of ladies' foundation garments and other apparel. White Stag (located in Portland, Ore.) produces sportswear for women and girls, ski clothing, camping and sports products, and other equipment. The prospectus states that the plan of merger of White Stag into the company is to be voted upon by stockholders of both companies at meetings to be held on January 18, 1966. In addition to indebtedness and preferred stock, the company has outstanding 1,140,162 common shares, of which company directors own approximately 19%. John Field is board chairman and John W. Field is president of the company.

HOLIDAY INNS OF AMERICA FILES STOCK PLANS. Holiday Inns of America, Inc., 3736 Lamar Ave., Memphis, Tenn., 38118, filed a registration statement (File 2-24368) with the SEC on December 29 seeking registration of 164,318 shares of common stock, to be offered pursuant to the company's 1957, 1961, 1962, and 1965 Employe Stock Option Plans and its 1957 Stock Option Plan for Non-Employees.

PIASECKI AIRCRAFT FILES STOCK PLAN. Piasecki Aircraft Corporation, International Airport, Philadelphia, Pa., filed a registration statement (File 2-24370) with the SEC on December 28 seeking registration of 400 participations in its 1965 Stock Participation Plan, together with 10,000 shares of common stock that may be acquired pursuant thereto.

FRANKLIN INVESTMENT PROGRAMS FILES. Franklin Distributors, Inc., 99 Wall St., New York 10005, depositor and sponsor for the Franklin Investment Programs--Utilities Series--for the accumulation of shares of Franklin Custodian Fund, Inc., filed a registration statement (File 2-24375) with the SEC on December 29 seeking registration of $20,000,000 of securities to be offered pursuant to said programs.

WHEELING STEEL FILES STOCK PLAN. Wheeling Steel Corporation, Wheeling Steel Corporation Bldg., Wheeling, W. Va., filed a registration statement (File 2-24377) with the SEC on December 27 seeking registration of $6,000,000 of participations in its Thrift Plan, together with 150,000 shares of common stock and 50,000 shares of $5 cumulative preferred stock that may be acquired pursuant thereto.

SOLON INDUSTRIES FILES FOR OFFERING AND SECONDARY. Solon Industries, Inc., 115 L St., S.E., Washington, D.C. 20003, filed a registration statement (File 2-24367) with the SEC on December 28 seeking registration of 65,000 shares of common stock. Of this stock, 55,000 shares (being outstanding stock) are to be offered for public sale by the present holders thereof and 10,000 shares by the company. The offering is to be made primarily through company officials. The public offering price ($12 per share maximum*) is to be supplied by amendment.

The company is principally engaged in operating and maintaining coin-operated laundry equipment. Net proceeds of the company's sale of additional stock (together with funds received by the company for repayment of loans by the selling stockholders) will be used to reduce bank loans recently made to finance its acquisition of Lew N. Lewis, Inc., Metered Laundry Service, Inc., and Hanover Sales & Service Co., as well as 50% interest in International Dryer Corporation. In addition to indebtedness, the company has outstanding 535,000 common shares, substantially all of which is owned by management officials. The prospectus lists four selling stockholders, including S. Solon Cohen (board chairman), offering 31,500 of 315,000 shares held, and Martin H. Slutsky (president), 13,000 of 126,111. The remaining sellers are offering 4,500 and 6,000 shares.

PORTLAND GAS LIGHT PROPOSES RIGHTS OFFERING. Portland Gas Light Company, 5 Temple St., Portland, Me., filed a registration statement (File 2-24369) with the SEC on December 29 seeking registration of 34,800 shares of common stock. The stock is to be offered for subscription by common stockholders at the rate of one new share for each five shares held. The record date and subscription price ($9 per share maximum*) are to be supplied by amendment. The company is also registering options to purchase 10,000 common shares and the underlying stock. Such options are to be issued to The Mutual Benefit Life Insurance Company in connection with its financing of the company's natural gas project and pursuant to a stock purchase agreement. The options are exercisable until September 30, 1985, at a price per share of the lesser of $10 or 110% of the bid price for the company's common stock on the date immediately preceding the date that the Stock Purchase Agreement is executed.

The company is engaged in distributing manufactured and natural gas in the State of Maine and is now in the process of converting to the natural gas business. In July 1965 it purchased (for $873,983) all of the outstanding common stock of Granite State Gas Transmission, Inc., a New Hampshire corporation which owns and operates a pipeline in that State for the transportation and sale of natural gas. Net proceeds

CONTINUED

of the company's stock sale (together with a $2,200,000 financing by Mutual Benefit Life) will be applied to the cost of its natural gas project estimated at $2,824,000. The purchase of $1,000,000 of notes by the insurance company is conditioned upon the company's selling not less than $300,000 of the stock being registered. In addition to indebtedness and preferred stock, the company has outstanding 168,594 common shares, of which management officials own 8.35%. E. F. Jeffe is board chairman and Walter M. Jeffords, Jr., is president.

THERMOBIOS PHARMACEUTICALS PROPOSES OFFERING. Thermobios Pharmaceuticals, Inc., 15 Park Row, New York 10036, filed a registration statement (File 2-24364) with the SEC on December 28 seeking registration of 105,000 shares of common stock, to be offered for public sale through D. H. Blair & Co., 66 Beaver St., New York, N.Y. The public offering price ($4 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to reimburse the underwriter in an amount up to $5,000 for expenses in connection with the offering. In addition, it has agreed to sell to the underwriter, for $75, three-year common stock warrants to purchase an aggregate of 7,500 common shares at $5 per share.

Organized under New York law in 1961, the company is engaged in research in microbiological fermentation to develop the medical and industrial potential of a group of microorganisms. Net proceeds of this offering will be used primarily to equip a laboratory and office. The company has outstanding 274,770 shares of common stock (as adjusted to reflect a 200% stock dividend in July 1965), of which management officials own 9.7%. The prospectus states that the company in January 1962 issued to M. D. Tendler 70,600 common shares (prior to the stock dividend) in exchange for all of his research data, inventions and patent rights which "were arbitrarily valued by the company's board of directors at $140,000." The Tendler Foundations owns 13.8% of the outstanding stock, and in January 1965 Tendler transferred a total of 70,000 shares (as adjusted for the stock dividend) to certain trusts for the benefit of members of his family. Leonard Friedman is president.

FOREIGN RESTRICTED LIST. The SEC has added American International Mining to its Foreign Restricted List (Release 33-4814). The list is comprised of names of foreign companies whose securities it has reason to believe recently have been, or currently are being, offered for public sale and distribution within the United States in violation of the registration requirements of the Securities Act of 1933.

MIDDLE SOUTH UTILITIES SEEKS ORDER. Middle South Utilities, Inc., New York, and its public-utility subsidiary, New Orleans Public Service, Inc., have applied to the SEC for an order under the Holding Company Act authorizing the subsidiary to transfer $1,710,000 of its earned surplus as of December 31, 1965, to its common capital stock account and to issue to the parent company an additional 171,000 shares of its common stock. The Commission has issued an order (Release 35-15372) giving interested persons until January 21 to request a hearing thereon. According to the application, the issuance of such common stock will permit New Orleans to convert into permanent capital a portion of its retained earnings.

OHIO BELL TEL. PROPOSES DEBENTURE OFFERING. The Ohio Bell Telephone Company, 100 Erieview Plaza, Cleveland, Ohio 44114, today filed a registration statement (File 2-24383) with the SEC seeking registration of $60,000,000 of 40-year debentures (due 2006). The debentures are to be offered for public sale at competitive bidding. A subsidiary of the American Telephone and Telegraph Co., the company will apply the net proceeds of its debenture sale toward the repayment of some $85,000,000 of advances from the parent company. The company's construction expenditures were approximately $110,000,000 for 1965 and are expected to be somewhat higher in 1966.

PINAL COUNTY DEVELOPMENT SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in bonds of Pinal County Development Association for a further ten-day period, December 31, 1965-January 9, 1966, inclusive.

CONTINENTAL VENDING SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation for a further ten-day period, January 2-11, 1966, inclusive.

TRADING SUSPENSION IN THREE SECURITIES CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Fotochrome, Inc., Noramco, Inc., and Bristol Dynamics, Inc., for a further ten-day period, January 2-11, 1966, inclusive.

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended December 23, 1965, 47 registration statements were filed, 41 became effective, and 308 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective December 29: National Steel Corp., 2-24200; New York Telephone Co., 2-24304. Effective December 30: Aldrich Chemical Co., 2-24064 (90 days); Eagle General Corp., 2-23989 (90 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.

*As estimated for purposes of computing the registration fee.

---oooOooo---