

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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PITTSBURGH COKE & CHEMICAL HEARING SET. The SEC has issued an order under the Investment Company Act (Release IC-4845) scheduling for hearing on March 20 an application filed by Pittsburgh Coke & Chemical Company, Pittsburgh, Pa., for an order declaring that it is primarily engaged in a business other than that of investing, reinvesting, owning, holding or trading in securities. The applicant asserts that on September 30, 1966, its investment securities represented 60.2% of the value of its total assets (exclusive of cash items and Government securities), which places it within the definition of an "investment company" as defined in Section 3(a)(3) of the Act. It claims, however, that it is primarily engaged, through majority-owned subsidiaries and through a controlled company, Calgon Corporation, in a business other than that of investing, reinvesting, owning, holding or trading in securities. Applicant states that it is the holder of 1,208,207 common shares of Calgon which it acquired on January 12, 1966, in exchange for all the stock of Pittsburgh Actuated Carbon Company. The shares acquired represent about 33-1/3% of the outstanding common shares of Calgon, its only class of voting securities. The applicant further states that as of October 10, 1966, it was the largest stockholder of Calgon and that its Calgon holdings represent 51.2% of the value of its total assets as of September 30, 1966. It is also represented that Henry L. Hillman, applicant's president and board chairman, and Putnam B. McDowell, one of its vice presidents, were elected to Calgon's 14-member board of directors. It is stated that on November 22, 1966, the Calgon board of directors established a Finance Committee consisting of five persons and Hillman was elected chairman.

RAND DEVELOPMENT SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in securities of Rand Development Corporation for a further 10-day period February 19-28, 1967, inclusive.

SCARNE AND GELLER INDICTED. The SEC New York Regional Office announced February 13 (LR-3648) the return of an indictment (USDC, SD NY) charging David Scarne, Leonard Geller and Harvey Geller with conspiracy to violate the Securities Act anti-fraud provisions in the sale of stock of Midland Capital Corporation and Consumer Credit Corp. The indictment also charged Scarne with violations of the inspection and record-keeping requirements of the Securities Exchange Act. Leonard and Harvey Geller each entered a plea of guilty on the conspiracy count; and a warrant was issued for the arrest of Scarne, who is a fugitive. Named in the indictment as co-conspirators were Larry Burns, Stanley Mindel, Neil Goldfarb and D. Scarne & Co., Inc., a broker-dealer formerly located in New York.

INSCO FILES FINANCING PROPOSAL. Insko, Incorporated, 603 High St., Portsmouth, Va. 23705, filed a registration statement (File 2-25974) with the SEC on February 13 seeking registration of 30,000 shares of Class A common and 120,000 shares of non-voting Class B common stock. The stock is to be offered in units consisting of 100 Class A and 400 Class B shares, at \$5,000 per unit. The offering is to be made to owners of consumer finance companies who indicate an intention to have such companies arrange for their credit life and accident and health insurance requirements through subsidiaries of the company.

Organized under Virginia law in January 1966, the company intends to organize a life and accident and health insurance company to be known as I-C-F Life Insurance Company. Initially the subsidiary will assume reinsurance of credit life and accident and health insurance issued to companies engaged in the consumer finance business. Net proceeds of the company's stock sale will be used to organize the subsidiary and to provide it with capital and surplus. Joseph M. Tusing is president.

FRUEHAUF PROPOSES DEBENTURE OFFERING. Fruehauf Corporation, 10900 Harper Ave., Detroit, Mich. 48232, filed a registration statement (File 2-25990) with the SEC on February 16 seeking registration of \$50,000,000 of sinking fund debentures, due 1987. The debentures are to be offered for public sale through underwriters headed by Lehman Brothers, One William St., New York 10004. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the manufacture, sale, leasing and distribution of truck-trailers, truck bodies, and containers for transportation of cargo. Net proceeds of its debenture sale will be used for general corporate purposes, including additional working capital and expansion of plant facilities. The company plans to expend approximately \$40,000,000 for property additions and improvements in 1967. In addition to indebtedness and preferred stock, it has outstanding 7,793,744 common shares, of which management officials own 2.1%. Walker L. Cisler is board chairman and William E. Grace is president.

BASFIN CORP. SEEKS ORDER. Basfin Corporation, New York, has applied to the SEC for an order under the Investment Company Act exempting it from all provisions of the Act; and the Commission has issued an order (Release IC-4846) giving interested persons until March 9 to request a hearing thereon. According to the application, the applicant was organized in 1966 by BASF Overzee, N. V. ("Overzee") (which owns all of its outstanding stock), at the direction of Badische Anilin - & Soda-Fabrik A. G. (Badische), the parent company of Overzee. Badische is a German corporation engaged in the manufacture of chemicals. The applicant was organized as a borrowing vehicle to finance Dow Badische Company, a Delaware corporation whose outstanding capital stock is owned 50 percent by Overzee and 50 percent by the Dow Chemical Co., also a Delaware

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corporation. Dow Badische is primarily engaged in the manufacturing and marketing of chemicals and synthetic organic fibers in the United States and does not engage in any business outside of the United States. Applicant has no assets or liabilities of any significance; will not deal or trade in securities of any corporation; and does not propose to make any public offering of any securities issued or to be issued by it. It proposes to borrow during 1967 and 1968 an aggregate principal amount of \$30,000,000 from three insurance companies; such notes are to be unconditionally guaranteed by Overzee and Badische. The proceeds of these loans, together with the proceeds of an additional \$30,000,000 of loans to be made to Dow Badische by its 50-percent stockholder, Dow Chemical Company, will be used by Dow Badische for capital construction or general working capital purposes in its business in the United States.

PULLMAN PROPOSES DEBENTURE OFFERING. Pullman Incorporated, 200 S. Michigan Ave., Chicago, Ill. 60604, today filed a registration statement (File 2-25999) with the SEC seeking registration of \$60,000,000 of debentures, due 1997. The debentures are to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and distribution of transportation equipment, and engineering and construction operations. Net proceeds of its debenture offering will be used to reduce some \$89,909,000 of short-term borrowings, which were incurred to provide additional working capital and to finance the expansion of the fleet of freight cars leased to others. It is contemplated that during 1967 the company will invest about \$25,000,000 in additional equipment for its Transport Leasing Division. In addition to indebtedness, the company has outstanding 4,567,558 common shares. W. Irving Osborne, Jr., is chairman and president.

TWA PROPOSES OFFERING. Trans World Airlines, Inc., 605 Third Avenue, New York 10016, filed a registration statement (File 2-25994) with the SEC on February 16 seeking registration of \$100,000,000 of subordinated debentures due 1992 (convertible on or prior to September 1, 1981), to be offered for public sale through underwriters headed by Dillon, Read & Co., Inc., 46 William St., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

TWA is engaged in the transportation of persons, property and mail by air. The management of TWA and of Hilton International Co. have proposed a merger agreement pursuant to which Hilton will be acquired by TWA, subject to certain conditions. Under the proposal, approximately 511,674 shares of TWA common stock and 930,317 shares of the TWA preferred stock would be issued in connection with the merger, an additional 78,402 shares of TWA common stock, and an additional 142,551 shares of the new TWA preferred stock, would be reserved for issuance upon exercise of Hilton stock options and Hilton Hotels Corporation warrants, and 536,434 shares of TWA common stock would be reserved for conversion of the new TWA preferred stock (including the 142,551 shares of new TWA preferred stock so reserved). Net proceeds of the sale of debentures will be added to the general funds of the company; and such proceeds, together with cash generated by the business and funds obtained from the sale of notes and from bank borrowings under existing bank credits, will be used among other things to make payments, including down payments and progress payments, towards the purchase of subsonic and supersonic aircraft and additional ground equipment. As of February 1, TWA had on order 58 subsonic jet aircraft. As a result of this acquisition program, TWA expects to have 201 jet aircraft in service by December 1970. The anticipated cost of the subsonic jet aircraft on order and not delivered as of February 1, 1967, including related spare engines and parts on order and to be ordered, was approximately \$599,800,000, of which amount TWA had already paid approximately \$67,600,000, leaving a balance of \$532,200,000 to be paid prior to the end of 1970. In addition to indebtedness, TWA now has outstanding 9,181,640 common shares. Ernest R. Breech is board chairman and Charles C. Tillinghast, Jr., president.

SEVEN-UP FILES FOR SECONDARY. The Seven-Up Company, 121 S. Meramec Ave., St. Louis, Mo. 63105, filed a registration statement (File 2-25993) with the SEC on February 16 seeking registration of 423,574 outstanding shares of common stock. The present holders thereof propose to offer the stock for public sale through Blyth & Co. Inc., 14 Wall St., New York 10005 (25,000 shares are to be offered initially to company employees). The offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

The principal business of the company is the sale of concentrated extract for 7-Up to independent franchised bottling companies. In addition to indebtedness and preferred stock, it has outstanding 2,550,000 common shares, of which management officials own 18.30%. Ben H. Wells is president. The prospectus lists ten selling stockholders, including H. C. Grigg (board chairman), who is offering 127,158 of 446,250 shares held; Ernstine R. Kiefer, 43,833 of 280,500; Howard E. Ridgway (executive vice president), 43,833 of 272,000; and Louise G. Ridgway, Howard E. Ridgway, and Ernstine R. Kiefer, trustees under I/T for Louise G. Ridgway for life, intervening life estates to Carol Jane Lange and Robert Ridgway, and remainder to their respective descendants, 65,000 of 263,500. The remaining sellers are offering shares ranging in amounts from 2,000 to 35,700.

SECURITIES ACT REGISTRATIONS. Effective February 16: Marion Laboratories, Inc., 2-25800; Maryland Cup Corp., 2-25914 (Mar 28).
Effective February 17: Trustees Equity Fund, Inc., 2-25574.

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.