

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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MUTUAL INVESTORS SEEKS ORDER. Mutual Investors Company, Milwaukee, Wisc., has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company as defined in the Act; and the Commission has issued an order (Release IC-4880) giving interested persons until April 17 to request a hearing thereon. Applicant states that its securities are owned beneficially by 79 persons, that no company owns 10 percent or more of its outstanding voting securities, and that it does not propose to make a public offering of its securities.

TEMPLETON, LIDDELL & SCHROEDER SEEKS ORDER. Templeton, Liddell & Schroeder Fund, Inc., Englewood, N. J., has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company as defined in the Act; and the Commission has issued an order (Release IC-4881) giving interested persons until April 17 to request a hearing thereon. The application states that on November 21, 1966, there were eleven persons holding outstanding shares of the applicant; and its aggregate net asset value was \$87,100. Applicant represents that it is not presently making and does not presently propose to make a public offering of its securities.

UNITED VARIABLE ANNUITIES FUND SEEKS ORDER. United Variable Annuities Fund, Inc., and United Variable Annuities Trust (a Missouri trust and a unit investment trust) have applied to the SEC for an order under the Investment Company Act declaring that they have ceased to be investment companies; and the Commission has issued an order (Release IC-4882) giving interested persons until April 17 to request a hearing thereon. According to the application, no securities of either the Fund or the Trust have ever been sold to the public or otherwise, and neither company has any assets.

NATIONAL AVIATION SEEKS ORDER. National Aviation Corporation, New York closed-end, non-diversified management investment company, has applied to the SEC for an order under the Investment Company Act authorizing it to purchase up to \$2,000,000 of convertible subordinated debentures (due 1992) of Lockheed Aircraft Corporation during the existence of an underwriting agreement with respect to a proposed public offering of \$125,000,000 of such debentures. The Commission has issued an order (Release IC-4883) giving interested persons until April 11 to request a hearing thereon. The application states that Howard E. Buhse, a director of National Aviation, is a partner of Hornblower & Weeks-Hemphill, Noyes, one of the principal underwriters of the public offering. In view thereof, any purchase of said debentures by the said investment company is prohibited by the Act absent the issuance of an exemption order by the Commission.

HAWAIIAN TELEPHONE PROPOSES OFFERING. Hawaiian Telephone Company, 1130 Alakea St., Honolulu, Hawaii, filed a registration statement (File 2-26158) with the SEC on March 21 seeking registration of \$16,000,000 of first mortgage bonds, Series R, due 1997. The bonds are to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Pl., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

A public utility furnishing services throughout the islands of the State of Hawaii, the company will apply the net proceeds of its bond sale to the payment of approximately \$15,000,000 of short-term bank loans, and the balance will be used for its capital expenditure program in 1967 (estimated at \$32,932,000). In addition to indebtedness and preferred stock, the company has outstanding 5,641,420 common shares.

HORN & HARDART BAKING PROPOSES RIGHTS OFFERING. Horn & Hardart Baking Co., 9801 Blue Grass Rd., Philadelphia, Pa. 19114, filed a registration statement (File 2-26160) with the SEC on March 21 seeking registration of \$1,500,000 of 6% convertible subordinated debentures, due 1980. The debentures are to be offered for subscription, at 100% of the principal amount, by common stockholders at the rate of \$100 principal amount of debentures for each 6-2/3 shares held on March 14.

The company produces food products which it distributes throughout its own chain of restaurants and retail stores, as well as other outlets. Of the net proceeds of its debenture sale, approximately \$600,000 will be applied to equipping the company's new restaurant in Philadelphia, and the balance will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 99,491 common shares, of which management officials own 2.3%. D. Hays Solis-Cohen (director) owns approximately 17% of the company's outstanding stock as a fiduciary for the benefit of others under deeds of trust and wills. F. Bruce Baldwin, Jr., is president.

TRADING IN ELECTRO-NUCLEONICS SUSPENDED. The SEC announced March 21 (Release 34-8048) that, on request of Electro-Nucleonics, Inc., of Caldwell, N. J., it ordered a seven-day suspension of trading in the common stock of that company, or during the period March 22-28, inclusive.

The company had requested the trading suspension in order to permit its distribution of a report to shareholders and the public dissemination of information contained therein, concerning an announcement by the Atomic Energy Commission. The AEC announcement stated that "national security interests would best be served if privately sponsored work on the gas centrifuge process for separation of isotopes were discontinued." The company has been engaged solely in research and development work on the gas centrifuge process for separation of isotopes applicable to the field of nuclear fuel cycles. This work has been entirely financed

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by private investment and since 1964 has been conducted on a classified basis with the permission of AEC but without access to classified AEC or other governmental information.

In its announcement, AEC had further stated that it will arrange an orderly transition period for the expiration of existing authorizations which are the basis for the conduct of privately sponsored, classified work in the gas centrifuge field. AEC also stated that it will review the programs of firms which have been doing private work to determine whether or not those companies could make a substantial contribution to the AEC's own classified program under direct government contractual arrangements and that, in time, other industrial or research organizations may be brought into the AEC's direct program. The company in its report to shareholders stated: "The management of Electro-Nucleonics, Inc. intends to explore every possible avenue available to it to continue its technological development--if permitted by the AEC. We have no assurances whatsoever that this will be possible." A special meeting of company shareholders has been called for April 11 to review the implications of the AEC action upon the interests of the company and its stockholders.

CONTRAFUND SEEKS ORDER. Contrafund, Inc., Boston, Mass., investment company, has applied to the SEC for an order under the Investment Company Act authorizing a proposed redemption of a portion of its outstanding capital stock held by Fidelity Foundation; and the Commission has issued an order (Release IC-4884) giving interested persons until April 10 to request a hearing thereon. Contrafund has heretofore issued 26 shares of stock for an aggregate consideration of \$650,000 in cash. Foundation owns 8 of these shares, or about 30.8%. Contrafund proposes to make a public offering of shares at an initial public offering price of about \$10 per share; and preliminary thereto it expects to reclassify the outstanding shares to enable it to offer the new shares at that price. Foundation has indicated its intention to redeem its shares prior to the public offering and has agreed to take payment in kind. The securities involved in the redemption in kind will be chosen by Contrafund from among those having the highest unrealized appreciation at the time of the redemption.

UNLISTED TRADING SOUGHT. The SEC has issued orders under the Securities Exchange Act (Release 34-8049) giving interested persons until April 3 to request hearings on (1) an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks of American Air Filter Co., Inc., Baxter Laboratories, Inc., Becton, Dickinson & Co., Cessna Aircraft Co., Cone Mills Corp., Day Mines, Inc., E G & G Inc., Ideal Cement Co., Piper Aircraft Corp., and Sanders Associates, Inc., and (2) an application of the Pittsburgh Stock Exchange for such privileges in the common stock of Kennametal, Inc. The Commission also has issued an order giving interested persons until April 3 to request a hearing on (1) an application of the Boston Stock Exchange for unlisted trading privileges in the common stocks of Baxter Laboratories, Inc., Brown Co., Container Corp. of America, Ginn & Co., Great Western Financial Corp., Pennsalt Chemical Corp., Seaboard World Airlines, Inc., and Sprague Electric Co., and (2) an application of Midwest Stock Exchange for such privileges in the common stock of Gulf & Western Industries, Inc.

UNLISTED TRADING GRANTED. The SEC has issued orders under the Securities Exchange Act (Release 34-8049) granting applications of (1) the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks of Alloys Unlimited, Inc., Continental Telephone Corp., Foxboro Co., Hecla Mining Co., Lehigh Portland Cement Co., The Beryllium Corp., United Artists Corp., Western Airlines, Inc., and (2) the Boston Stock Exchange and Pacific Coast Stock Exchange for such privileges in the common stock of Gulf & Western Industries, Inc.

O/C REPORTING RULES REVISED. The SEC announced today the amendment of its rules under the Securities Exchange Act concerning reports of transactions in the "third market" (Release 34-8047). One of the revisions eliminates the provision of Rule 17a-9 requiring reports of over-the-counter transactions in stocks traded on the American Stock Exchange or traded solely on regional exchanges. Quarterly trading reports will be required only for common stocks listed on the New York Stock Exchange. However, broker-dealers making markets in other listed common stocks must continue to notify the Commission whenever they commence or cease to make a market in such stocks.

The second revision provides for separate reporting of third market transactions effected by market makers with NYSE members pursuant to Rule 19b-1 and NYSE Rule 394(b). Form X-17A-9(2), Part I has been revised to show separately third market sales under Rule 19b-1 and to show purchases by market makers under that Rule as well.

The amended reporting system will be effective for reports of transactions for the first quarter of 1967 which are due on or before April 30, 1967. Blank copies of these amended forms may be obtained from the Commission's headquarters office or its regional offices.

TWO STOCK PLANS FILED. Form S-8 registration statements have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

The Seeburg Corporation, 1500 N. Dayton St., Chicago, Ill. 60622 (File 2-26157) (25,000 shares)
Braun Engineering Co., 19001 Glendale, Detroit, Mich. 48223 (File 2-26159) (9,000 shares)

SECURITIES ACT REGISTRATIONS. Effective March 21: Betz Laboratories, Inc., 2-25972 (May 1); Commonwealth Edison Co., 2-26055; Lockheed Aircraft Corp., 2-26052 (40 days); Province of Ontario, 2-26088 (40 days); Securities Fund, Inc., 2-25810; Sunbeam Corp., 2-26046.
Effective March 22: Becton Dickinson & Co., 2-26059 (May 2); Lums, Inc., 2-25928 (June 20).

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.