

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)
SEC

(Issue No. 67-59)

FOR RELEASE March 29, 1967

INSTITUTIONAL TRANSACTIONS REPORTED. The SEC announces (for March 30 newspapers) that the pace of institutional trading in common stocks continued to expand in 1966. Information collected for four principal financial institutions--noninsured private pension plans, mutual funds, life insurance companies and property and casualty insurance firms--indicates that total transactions in common stocks for these institutions amounted to a record \$32.5 billion for the year, 42 percent more than in 1965. All institutions, except property and casualty insurance companies, showed increased turnover rates in 1966. Mutual funds were especially active traders during the year; their annual turnover rate increased to nearly 32 percent from less than 19 percent in 1965. Life insurance companies and noninsured pension funds increased their trading moderately during the year; the turnover rate for life insurance companies exceeded 13 percent and for pension funds the rate was slightly less than 10 percent. The turnover rate for all financial institutions was over 16 percent in 1966, up from approximately 11 percent in 1965. (For further details, see Stat. Release 2192.)

TWO PHILADELPHIA FUNDS CITED. The SEC has ordered administrative proceedings under the Securities Act of 1933 involving two Philadelphia mutual fund companies, Delaware Fund, Inc. ("Delaware"), and Decatur Income Fund, Inc. ("Decatur"), both of Seven Penn Center Plaza, in Philadelphia. The Commission also has ordered administrative proceedings under the Securities Exchange Act of 1934 against Delaware Management Company, Inc. ("Management"), of the Philadelphia address, investment adviser to and principal underwriter for the shares of the two funds, as well as Mutual Funds Associates, Inc. ("Associates"), a dealer in the shares of Delaware and Decatur, of 2 Penn Center Plaza, in Philadelphia. Named as individual respondents in these proceedings are W. Linton Nelson, president and a director of Management and of each of the two funds (he is a 90% owner of Delaware Company, a partnership which owns all of the stock of Management); James P. Schellenger and Arnold M. Ganz, vice presidents of Management and of the two funds; R. Wallace Bowman, who was a vice president until November 1965 of each of the three companies; Martin Mallin, president and 50% owner of Associates; and Max Fisher, secretary-treasurer and 50% owner of Associates.

The proceedings are based upon staff charges that since September 1961, contrary to representations contained in the prospectuses of Delaware and Decatur, the most favored prices and executions for the purchase and sale of portfolio securities by those companies were neither being sought nor obtained; on the contrary, the staff alleges, Management, Nelson, Schellenger, Bowman and Ganz induced Delaware and Decatur to incur unnecessary brokerage costs and charges by "interposing" Associates between the two funds and other broker-dealers in connection with those over-the-counter transactions in portfolio securities which were executed through Associates. The staff also charges that on or about March 5, 1965, Management induced Delaware to sell approximately 202,000 shares of Libby, McNeill & Libby stock at a price which was substantially less than Delaware had been offered and could have obtained for said shares.

All four proceedings have been consolidated; and a hearing will be held commencing at 10:00 A.M. on April 11, 1967, to take evidence on the staff charges and afford the respondents an opportunity to offer any defenses thereto, all for the purpose of determining whether the charges are true in fact and, if so, whether any action of a remedial nature is necessary or appropriate in the public interest.

In announcing the administrative proceedings, the Commission observed that the staff charges should not be construed as affecting the soundness of the investment portfolios of the respective funds.

FOREIGN RESTRICTED LIST. Euroforeign Banking Corporation Limited, a Panamanian corporation, has been added to the Commission's Foreign Restricted List (Release 33-4859). This increases to 38 the number of foreign companies whose securities the Commission has reason to believe recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

BLAIR FUND RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-4899) with respect to the acquisition by The Blair Fund, Inc., New York, of all the assets of Digby Associates. A newly organized investment company, the Fund proposes to issue its shares of common stock at net asset value in exchange for all of the assets of Digby as a means of providing it with the initial net worth of \$100,000 required by Section 14(a) of the Act. Digby is a joint venture whose assets had a value of \$1,600,823 on September 30, 1966. The Fund will be managed by Blair Advisory Co., Inc., 90% of whose capital stock is owned by Blair & Co., Inc., which will be its principal underwriter. The Fund has proposed a public offering of 2,500,000 of its common shares. The exemption is sought because of the affiliation with Digby of Jay B. Samson and R. Percy Nugent, Jr., officers of the Fund.

CRITERION INSURANCE PROPOSES RIGHTS OFFERING. Criterion Insurance Company, 1001 Vermont Ave., N. W., Washington, D. C. 20005, filed a registration statement (File 2-26199) with the SEC on March 27 seeking registration of 56,000 shares of common stock. The stock is to be offered for subscription by common stockholders as of May 22, the subscription rate to be supplied by amendment. (The prospectus states that 4,000 of the shares are reserved for issuance under rounding out provisions of this offering.) Any unsubscribed

OVER

shares are to be offered for public sale through Johnston, Lemon & Co., Southern Bldg., Washington, D. C. 20005, and Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York 10005. The offering price (\$53 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized under District of Columbia law in 1961, the company is engaged in writing liability and physical damage insurance on private passenger automobiles. Net proceeds of its stock sale will be added to capital and surplus and used in the conduct of such business. The company has outstanding 520,000 common shares, of which management officials own 28.01% (including 16.6% owned by Leo Goodwin, Jr., founder chairman). Lorimer A. Davidson is board chairman and Alvin E. Kraus is president.

UNITED CAPITAL LIFE INVESTORS PROPOSES RIGHTS OFFERING. United Capital Life Investors Corporation, United Capital Life Bldg., Minneapolis, Minn. 55435, filed a registration statement (File 2-26200) with the SEC on March 27 seeking registration of 510,000 shares of common stock. The stock is to be offered for subscription by common stockholders at the rate of one new share for each three shares held. The record date and subscription price (\$1 per share maximum*) are to be supplied by amendment.

Organized under Minnesota law in 1961, the company's principal business is the ownership of all of the outstanding capital stock of United Capital Life Insurance Company of Minnesota. Of the net proceeds of its stock sale, approximately \$40,000 will be used to meet interest requirements on its outstanding debentures and for other general corporate purposes. The balance of the proceeds will be invested in the subsidiary. In addition to indebtedness, the company has outstanding 1,445,390 common shares, of which management officials and certain members of their families own 31.8%. Hal N. Carr is board chairman and Eldon Siehl is president.

WHITE SHIELD OIL AND GAS PROPOSES OFFERING. White Shield Oil and Gas Corp., 902 First National Bank Bldg., Tulsa, Okla., filed a registration statement (File 2-26201) with the SEC on March 27 seeking registration of 60 units of participation in its 1967 drilling fund. The units are to be offered for public sale at \$50,000 per unit, by officials of the company and its parent, White Shield Corporation.

Organized under Delaware law in October 1965, the company will conduct an oil and gas exploration and development program. J. W. W. Whitney, Jr., is president of the company and its parent.

HOUGHTON MIFFLIN FILES FOR OFFERING AND SECONDARY. Houghton Mifflin Company, 2 Park St., Boston, Mass. 02107, filed a registration statement (File 2-26204) with the SEC on March 28 seeking registration of 615,040 shares of common stock. Of this stock, 250,000 shares are to be offered for public sale by the company and 365,040 shares (being outstanding stock) by the present holders thereof. The offering is to be made through underwriters headed by Paine, Webber, Jackson & Curtis, 25 Broad St., New York. The public offering price (\$32 per share maximum*) and underwriting terms are to be supplied by amendment.

The company publishes general works of fiction and non-fiction, children's books and reference works. Net proceeds of its sale of additional stock will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 3,240,160 common shares (reflecting a proposed recapitalization whereby each record holder of common stock will receive 40 shares in exchange for each common share held). The prospectus states that there are 17 selling stockholders, including Old Colony Trust Company, Agent for Phillips Academy, which is offering 100,000 of 194,560 shares held; Augustus P. Loring et al, trustees u/w/o James Duncan Phillips, 76,000 of 112,000; Augustus P. Loring et al, trustees u/w/o George Harrison Mifflin, 60,000 of 120,000; Old Colony Trust Company and Franklin K. Hoyt (vice president), trustees, u/t/o Franklin S. Hoyt, 50,200 of 65,200. Stephen W. Grant is president of the company.

MIEHLE-GOSS-DEKTER PROPOSES DEBENTURE OFFERING. Miehle-Goss-Dexter, Incorporated, 3100 S. Central Ave., Chicago, Ill. 60650, filed a registration statement (File 2-26205) with the SEC on March 28 seeking registration of \$15,000,000 of sinking fund debentures (due 1987). The debentures are to be offered for public sale through underwriters headed by Smith, Barney & Co. Inc., 20 Broad St., New York 10005, and Blunt Ellis & Simmons, 111 W. Monroe St., Chicago, Ill. 60603. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company manufactures and sells products for the graphic arts industry. Net proceeds of its debenture sale will be used to pay approximately \$11,875,000 of short-term borrowings and for general corporate purposes, including a portion of the company's capital expenditures budget for 1967. In addition to indebtedness, the company has outstanding 2,846,689 common shares, of which management officials own 10.1%. James W. Coultrap is president.

MISSISSIPPI VALLEY STRUCTURAL STEEL FILES FOR SECONDARY. Mississippi Valley Structural Steel Company, 111 W. Washington St., Chicago, Ill. 60602, filed a registration statement (File 2-26202) with the SEC on March 28 seeking registration of 338,430 outstanding shares of common stock, to be offered for public sale by the present holders thereof. Dean Witter & Co., 50 W. Adams St., Chicago, Ill. 60603, is the principal underwriter. The public offering price (\$23 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the fabrication of steel for industrial and other uses. It has outstanding 1,150,320 common shares, as adjusted to reflect a proposed 15-for-1 stock split. Management officials own 39.81% of the outstanding stock. John C. Arntzen is chairman and Marvin R. Boydston is president. Of the 55 selling stockholders, Helen Caldwell Bennett proposes to sell 60,000 of 90,000 shares held; The Citizens National Bank of Decatur, trustee under will of Margaret W. Dick, 39,450 of 48,330; and Sacton & Co., 23,250 of 25,725.

CITY NEWS PRINTING FILES FOR OFFERING AND SECONDARY. City News Printing Corp., 615 W. 131st St., New York 10027, filed a registration statement (File 2-26207) with the SEC on March 28 seeking registration of 200,000 shares of common stock. Of this stock, 100,000 shares are to be offered for public sale by the company and 100,000 shares (being outstanding stock) by the present holders thereof. Francis I. duPont,

CONTINUED

A. C. Allyn, Inc., One Wall St., New York, is the principal underwriter. The public offering price (\$11 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the printing business, including newsprint advertising circulars and lithographic work for promotional uses. Of the net proceeds of its sale of additional stock, \$640,000 will be used to purchase a new Goss press and related equipment and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 100,000 common and 400,000 Class B shares, of which management officials and their wives own 90,029 and 360,120 shares, respectively. The prospectus lists 13 selling stockholders, including Silvia Wiener, who is offering 15,612 shares; Isaac Wiener (board chairman), 16,161; Loretta Rosenberg, 23,430; and Sam Rosenberg (executive vice president), 15,408. The selling stockholders are offering their entire holdings of common stock. Leon Schneider is president.

FLYING TIGER LINE PROPOSES OFFERING. The Flying Tiger Line Inc., International Airport, Los Angeles, Calif., filed a registration statement (File 2-26208) with the SEC on March 28 seeking registration of \$51,000,000 of equipment trust certificates, 1967 Series A, due 1980. The certificates are to be offered for public sale through underwriters headed by Dominick & Dominick, Inc., 14 Wall St., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the scheduled common carriage and charter transportation of property and mail. Net proceeds of its certificate sale will be used to pay up to 80% of the total purchase price of six new DC-8-63F aircraft and 39 Pratt & Whitney Model JT3D-7 jet engines, of which 24 engines will be originally installed on the six aircraft and 15 will constitute spare engines. In addition to indebtedness, the company has outstanding 4,538,138 common shares. Samuel B. Mosher is board chairman and Robert W. Prescott is president.

THREE 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:

- United States Fidelity and Guaranty Company, Calvert & Redwood Sts., Baltimore, Md. 21202 (File 2-26197) (100,000 shares)
- Standard Brands Paint Company, 4300 W. 190th St., Torrance, Calif. (File 2-26203) (15,000 shares)
- The Sperry and Hutchinson Company, 330 Madison Ave., New York 10017 (File 2-26212) (400,000 shares)

BRO-DART PROPOSES OFFERING. Bro-Dart Industries, 56 Earl St., Newark, N. J. 07114, filed a registration statement (File 2-26213) with the SEC on March 28 seeking registration of 300,000 shares of capital stock. The stock is to be offered for public sale through underwriters headed by Shields & Co. Inc., 44 Wall St., New York 10005. The public offering price (\$14 per share maximum*) and underwriting terms are to be supplied by amendment.

The company provides services and products to elementary and secondary school, university, public and industrial libraries. Of the net proceeds of its stock sale, \$1,500,000 will be used to retire a 14% subordinated promissory note and the balance will be used to purchase additional inventory and to carry accounts receivable. In addition to indebtedness, the company has outstanding 750,000 common shares, all of which are owned by Arthur Brody (president) and Sophie Brody (secretary).

STANLEY BICKMAN INDICTED. The SEC San Francisco Regional Office announced March 23 (LR-3676) the return of an indictment by the Federal Grand Jury at Los Angeles charging Stanley Bickman, Beverly Hills, Calif., with violations of the anti-fraud provisions of the Federal securities laws while employed by broker-dealer firms.

JOHN B. SANDERS GUILTY. The SEC Fort Worth Regional Office announced March 27 (LR-3677) that, following a trial (USDC, Lafayette, La.), John B. Sanders, Jr., of Lake Charles, La., was found guilty of conspiring to violate and violations of the anti-fraud provisions of the Securities Act in the sale of securities of Underwriters Investment Corporation, Underwriters Finance Corporation, Underwriters Oil Corporation, and Lords Bank and Trust Co., Ltd.

SECURITIES ACT REGISTRATIONS. Effective March 28: Big Three Industrial Gas & Equipment Co., 2-26026 (May 9); Missouri Power & Light Co., 2-26075; Pinkerton's, Inc., 2-26019 (June 27); Standard Computers Inc., 2-26040 (May 8); Telecredit, Inc., 2-25304 and 2-25308 (May 7).

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.