

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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COLUMBIA GAS SYSTEM RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-14889) authorizing certain transactions among The Columbia Gas System, Inc., New York registered holding company, and 15 wholly-owned subsidiaries. In order to provide funds for construction programs, 14 of the subsidiaries propose to borrow from Columbia Gas an aggregate of \$58,025,000; and three subsidiaries, The Manufacturers Light and Heat Company, Cumberland and Allegheny Gas Company, and Columbia Gas of New York, Inc., propose to issue to Columbia Gas additional common shares aggregating \$2,063,950, \$204,850 and \$175,000, respectively. To provide funds for five of its subsidiaries to purchase inventory gas for storage, Columbia Gas proposes to borrow from a group of commercial banks an aggregate of \$80,000,000 and to advance such funds on open account to the subsidiaries from time to time as needed during 1963, as follows: United Fuel Gas Company, \$20,000,000; The Ohio Fuel Gas Company, \$37,000,000; The Manufacturers Light and Heat Company, \$14,000,000; Home Gas Company, \$2,500,000; and Atlantic Seaboard Corporation, \$6,500,000.

DELISTING APPROVED. The SEC has granted an application of the New York Stock Exchange to delist the common stock of The Lehigh Coal and Navigation Company, effective at the opening of business on June 11, 1963. (Release 34-7089)

UNLISTED TRADING SOUGHT. The SEC has issued an order (Release 34-7089) giving interested persons until June 21, 1963 to request a hearing upon an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Control Data Corporation.

UNLISTED TRADING GRANTED. The SEC has granted an application of the Pacific Coast Stock Exchange (Release 34-7089) for unlisted trading privileges in the common stocks of Xerox Corporation and McDonnell Aircraft Corporation.

COMMISSIONER COHEN ENTERS UPON NEW TERM. Manuel F. Cohen today entered upon a new, five-year term, ending June 5, 1968, as a Member of the Securities and Exchange Commission. Commissioner Cohen joined the Commission on October 11, 1961, after serving for nearly twenty years on the Commission's staff in various legal capacities, including service for several years as Chief Counsel and later Director of the Division of Corporation Finance and as Adviser to the Commission. Before joining the Commission's staff in April 1942, he had engaged in the practice of law in New York; and during 1933-34 he was a Research Associate in the Twentieth Century Fund studies of the securities markets. Commissioner Cohen was born on October 9, 1912 in Brooklyn, N. Y. He was graduated from Brooklyn College of the College of the City of New York in 1933 (B.S. in Social Science) and from the Brooklyn Law School in 1936 (LL.B.).

EASTERN INVESTORS FILES FOR STOCK OFFERING. Eastern Investors, Incorporated, 147 Northeast Main St., Rocky Mount, N. C., filed a registration statement (File 2-21467) with the SEC on June 4 seeking registration of 100,000 shares of Class A stock, to be offered for public sale at \$4 per share. The offering will be made through underwriters headed by Paul C. Kimball & Co., 209 S. LaSalle St., Chicago, which will receive a 40¢ per share commission, and \$5,000 for expenses. The Underwriters have agreed to purchase only 75,000 shares, and the principal underwriter has the right (but no obligation) for 90 days following the purchase of the first 75,000 shares to purchase the additional 25,000 shares on the same terms upon which the initial purchase is made.

The company is engaged in the business of making small loans in North Carolina. The net proceeds from the stock sale will be used by the company for the expansion of its business and for general working capital (and initially may be used to reduce certain short term bank debt). In addition to certain indebtedness, the company has outstanding 314,101 shares of common stock, of which C. W. Bailey, president, John W. Lewis, secretary-treasurer, and United Investment Company (94.8% owned by Bailey and his son) own 24.25%, 14.93% and 17.83%, respectively. Pursuant to a proposed recapitalization, the company intends to offer to holders of common stock the right to exchange such holdings for a like amount of Class B common shares; and according to the prospectus, holders of an aggregate of 74% of the outstanding common stock intend to except the exchange.

ACTION VS. MOSES LUBETS DISMISSED. The SEC Boston Regional Office announced May 27th (LR-2643) the entry of a Federal court order (USDC, Boston) dismissing without prejudice, on stipulation of the parties, the Commission complaint against Moses Lubets, dba Investors Advisory Services, of Brookline, Mass.

LOVELITE COSMETICS ENJOINED. The SEC San Francisco Regional Office announced June 4th (LR-2644) the entry of a Federal court order (USDC, Las Vegas) permanently enjoining Lovelite Cosmetics, Inc., and its president, Frank E. Nemeč, from further sale of Lovelite Cosmetics stock in violation of the Securities Act registration and anti-fraud provisions. The defendants consented to the injunction. The complaint is still pending as to defendants Frank Gancarz of Las Vegas and Walter Gancarz of Muskegon, Mich.

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ARROWHEAD OIL & GAS ENJOINED. The SEC Fort Worth Regional Office announced June 4 (LR-2645) the entry of a Federal court order (USDC, Dallas) permanently enjoining Arrowhead Oil & Gas, Inc., a Delaware company, Marion Edmond Barnett, Charles L. Gouse and Marion Palmer Barnett (also known as M. P. Barnett), all of Dallas, from further violations of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of unregistered fractional undivided working interests in oil and gas rights. The defendants consented to entry of the injunction. Upon the Commission's motion, the complaint was dismissed as to Joy Nell Cook (also known as J. N. Mitchell), of Midwest City, Oklahoma.

COMPLAINT CITES MEADE & CO. The SEC New York Regional Office announced June 4 (LR-2646) the filing of a court order (USDC, SDNY) seeking to enjoin Paul Richter, of New York, individually and doing business as Meade & Company, from violating the Commission's net capital, bookkeeping and hypothecation rules and the Exchange Act anti-fraud provisions. The complaint also seeks appointment of a receiver of the defendant's assets.

MIDDLESEX WATER FILES FOR STOCK OFFERING. Middlesex Water Company, 52 Main St., Woodbridge, N. J., filed a registration statement (File 2-21470) with the SEC on June 5 seeking registration of 35,000 shares of common stock, to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Place, New York. The public offering price (maximum \$36 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of collecting and distributing water for domestic, commercial, industrial and fire protection in certain areas of Middlesex and Union Counties, N. J. The net proceeds from the stock sale will be used to repay an equal amount of outstanding notes incurred for construction purposes. Construction costs were \$351,541 for the first four months of 1963 and are estimated at \$1,700,000 for the remainder of the year. In addition to certain indebtedness and preferred stock, the company has outstanding 115,634 shares of common stock, of which A. Stanley Mundy, a director, owns 12.7% and management officials as a group 19.9%. Members of their respective families own an additional 14.8%. Carl J. Olsen is president.

CHAPTER IX OF MARKET STUDY REPORT AVAILABLE. Printed copies of Chapter IX, "Obligations of Issuers of Publicly Held Securities," of the Report of the Special Study of Securities Markets filed with Congress on April 3, 1963, by the Securities and Exchange Commission, may be purchased at 50¢ per copy from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., on and after June 7, 1963. Chapter IX is printed as Part 3 of House Document No. 95. Part 1 comprises Chapters I through IV, available for purchase at \$2.25 per copy. The remaining chapters of the report have not yet been issued.

SEC - P.R. SOCIETY MEET. Representatives of the SEC met on June 5, 1963 with a liaison committee of the Public Relations Society of America, Inc., to explore areas of cooperation between the Society and the Commission in evaluating standards for the practice of financial public relations. The meeting, which was the first between the two groups, arose out of recommendations made by the Commission's Special Study of Securities Markets with respect to financial publicity.

The Society's committee consisted of: John L. Fleming, Pittsburgh, Pa., Bert C. Goss, New York, N. Y., John F. Moynahan, New York, N. Y., Thomas Robertson, Rochester, N. Y., Thomas C. Thomsen, New York, N. Y.

EMERY INDUSTRIES FILES STOCK PLAN. Emery Industries, Inc., Carew Tower, Cincinnati, Ohio, filed a registration statement (File 2-21465) with the SEC on June 4 seeking registration of 8,000 common shares, to be offered pursuant to its Salaried Employees Stock Plan.

WORLD OIL & GAS ENJOINED. The SEC Denver Regional Office announced June 3 (LR-2647) the entry of a Federal court order (USDC, Denver) permanently enjoining World Oil & Gas Corporation and J. B. Walling, of Ft. Worth, Texas, from further violations of the Securities Act registration and anti-fraud provisions in the offer and sale of stock of World Land Corporation and certain other promissory note agreements. The defendants consented to entry of the injunction.

SECURITIES ACT REGISTRATIONS. Effective June 4: Red Kap, Inc. (File 2-21351). Effective June 5: Peterson, Howell & Heather, Inc. (File Nos. 2-21213 and 2-21458). Effective June 6: Lane Bryant, Inc. (File 2-21392); Owens-Corning Fiberglas Corp. (File 2-21423). Withdrawal June 4: North America Real Estate Trust (File 2-19270).

*As estimated for purposes of computing the registration fee.

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