

# 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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FOR RELEASE October 28, 1963

Statistical Release No. 1935. The SEC Index of Stock Prices, based on the closing prices of 300 common stocks for the week ended October 25, 1963, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1963 is as follows:

	1957-59 = 100		Percent Change	1963	
	10/25/63	10/18/63		High	Low
Composite	150.6*	149.1	1.0	149.1	130.6
Manufacturing	141.9*	140.4	1.1	140.7	121.1
Durable Goods	141.0*	139.0	1.4	139.0	116.2
Non-Durable Goods	142.8	141.7	0.8	144.3	125.8
Transportation	128.7	129.0	-0.2	131.7	106.4
Utility	186.9*	184.5	1.3	184.5	170.3
Trade, Finance & Service	180.2	180.7	-0.3	180.9	153.8
Mining	129.0	129.9	-0.7	135.6	104.2

\*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended October 24, 1963, 16 registration statements were filed, 24 became effective, 2 were withdrawn, and 270 were pending at the week-end.

UNLISTED TRADING GRANTED. The SEC has granted an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Bristol-Meyers Company. (Release 34-7161).

FRANK J. MOHR REGISTRATION CANCELLED. The SEC has cancelled the broker-dealer registration of Frank John Mohr, doing business as Frank J. Mohr Investment Securities, San Francisco. Mohr was enjoined by Federal court order on September 4, 1963 (with his consent) and has ceased doing business.

SOUTHWESTERN ELECTRIC FILES FOR RIGHTS OFFERING. Southwestern Electric Service Co., 1012 Mercantile Bank Bldg., Dallas, filed a registration statement (File 2-21822) with the SEC on October 24th seeking registration of 24,428 shares of common stock. It is proposed to offer these shares for subscription by common stockholders at the rate of one new share for each seventeen shares held. The record date and subscription price are to be supplied by amendment. No underwriting is involved. Net proceeds of the stock sale will be applied to the payment of bank loans the proceeds of which were used for property additions and improvements. The company now has outstanding 415,283 common shares, of which management officials own 2.67%. The prospectus lists John T. Shewmake as president and board chairman.

AMERICAN MED. ASSN. FILES PLAN. American Medical Association, 535 North Dearborn St., Chicago, filed a registration statement (File 2-21823) with the SEC on October 25 seeking registration of \$25,000,000 of participations in its Members Retirement Plan. Participations are to be offered to all of the approximately 200,000 members of AMA, which is sponsor of the retirement program and which designed the program to take advantage of the tax deductions and important exemptions said to be provided by the 1962 amendment to the Internal Revenue Code of 1954 conferring tax benefits on self-employed persons. The plan provides that any "Employer" (an AMA member or partnership having one or more AMA members) may adopt the retirement plan promulgated by AMA and execute his own separate retirement trust agreement, which designates the Harris Trust and Savings Bank, Chicago, as Trustee. The plan requires each employer to make yearly contributions to the Retirement Trust from his own earned income on behalf of both himself (as his own "employee" participating in the Plan) and all of his full-time employees (those whose customary employment by the employer is for more than 20 hours a week and for more than 5 months in a calendar year) with three or more years service. If an employer so desires, he may also obligate himself under the Retirement Trust agreement to make contributions on behalf of his employees with fewer than three years service.

According to the prospectus, the employer reserves and delegates to the AMA the right to amend or terminate any or all provisions of the Plan or the Retirement Trust. The employer also delegates to the AMA the powers to select the insurance company or companies from which to purchase annuity contracts, to settle compensation of and to remove the Trustee and appoint its successor, and to interpret all provisions of the Plan. In addition, the Trustee may employ the AMA to assist in administration of Retirement Trusts by receiving contributions for transmittal to the Trustee, keeping participant's accounts, maintaining and distributing records and accounts of transactions, and conducting other similar functions. In practice, the AMA will exercise all these powers and duties exclusively through a special Retirement Plan Committee.

The AMA, through a Retirement Plan Committee will exercise supervision over the retirement plan and related trusts; and the committee will be comprised of those individuals who from time to time comprise the executive committee of AMA (now Edward R. Annis, James Z. Appel, Wesley W. Hall, Percy E. Hopkins and Raymond M. McKeown; Hopkins is now board chairman). The AMA will retain one or more registered investment advisory firms to supervise the investment of funds.

OVER

**PUGET SOUND P & L PROPOSES OFFERING.** Puget Sound Power & Light Company, Bellevue, Wash., filed a registration statement (File 2-21824) with the SEC on October 25 seeking registration of \$40,000,000 of First Mortgage Bonds due 1993. The bonds are to be offered for public sale through an underwriting group headed by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine Street, and Blyth & Co., Inc., 14 Wall St., both of New York; and the interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company furnishes electric service in the Puget Sound-Cascade region in Washington. Net proceeds of the bond sale will be used to redeem \$20,000,000 of outstanding 5½% bonds due 1989 at 106.05% of principal amount and \$20,000,000 of 5-3/8% bonds due 1990 at 105.85% of principal amount (plus interest in each case). The balance required to accomplish such redemptions will be obtained from other corporate funds.

**B. F. SAUL REAL ESTATE TRUST FILES FOR OFFERING.** B. F. Saul Real Estate Investment Trust, 925 Fifteenth St., N. W., Washington, D. C., filed a registration statement (File 2-21825) with the SEC on October 25 seeking registration of 30,000 shares of beneficial interest in the Trust, to be offered for public sale at \$100 per share. The offering will be made on a best efforts basis by B. F. Saul Company, of the Fifteenth St., address, which will make no charge to the Trust for the sale of shares.

B. F. Saul Company is Sponsor of the Trust and has designated the initial and proposed trustees who will control the Trust and who are officers and/or directors of B. F. Saul Company. The Trust has not conducted any operations, but was organized for the general purposes of investing in loans secured by deeds of trust or mortgages on real estate and/or in equities in income-producing real estate. It intends to operate, insofar as possible, as a real estate investment trust as defined in the Internal Revenue Code, and also intends to qualify for the conduit tax treatment afforded such trusts by sections 857-858 of the Code. Net proceeds of the sale of shares will be invested in accordance with the foregoing. The trustees will include Francis C. Little, president of B. F. Saul Company.

**VIRGINIA ELECTRIC PROPOSES OFFERING.** Virginia Electric and Power Company, 700 East Franklin St., Richmond, filed a registration statement (File 2-21826) with the SEC seeking registration of \$30,000,000 of First and Refunding Mortgage Bonds, Series S due 1993, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be used to provide for construction expenditures or to reimburse the treasury therefor, including the retirement of notes to banks for that purpose. Construction expenditures for 1963 are estimated at \$89,000,000 and for 1964 at \$95,000,000.

**BERGEN DRUG FILES FOR OFFERING AND SECONDARY.** Bergen Drug Company, Inc., 138-160 Johnson Ave., Hackensack, N. J., filed a registration statement (File 2-21827) with the SEC on October 25 seeking registration of \$1,250,000 of 5½% convertible subordinated debentures due 1978, to be offered for public sale by the company, and 125,000 outstanding shares of Class A capital stock, to be offered for sale by the present holders thereof. The public offering price and underwriting terms with respect to both offerings are to be supplied by amendment. F. Eberstadt & Co., 65 Broadway, New York City, is named as the principal underwriter.

The company is a full-line wholesale drug company engaged in the distribution of ethical drugs, chemicals, proprietary medicines, cosmetics, toiletries, personal health products and sundries to pharmacies, hospitals and surgical supply companies. Net proceeds of its sale of the debentures will be used as follows: \$351,000 to retire the 65, 8% and 9% subordinated promissory notes owned by company directors; \$405,000 to retire the 8% and 9% subordinated promissory notes owned by others; and the balance as additional working capital. In addition to certain indebtedness, the company has outstanding 180,940 Class A and 241,260 Class B shares, of which management officials and their associates as a group own 76.39% in the aggregate. The Class A shares are to be offered by a group of 14 shareholders; and blocks of 20,850 shares each are being offered by Emil P. Martini, Jr., president, and three other officials. The other blocks range in size from 400 to 12,240 shares.

**SECURITIES ACT REGISTRATIONS.** Effective October 24: Pacific Southwest Airlines (File 2-21700). Effective October 25: Celanese Corp. of America (File 2-21754); The Citadel Life Insurance Co. of New York (File Nos. 2-21214 & 2-21291); Old Florida Rum Co. (File 2-21608); Philadelphia Electric Co. (File 2-21816); Tonka Toys, Inc. (File 2-21722); Trans World Airlines, Inc. (File 2-21784). Effective October 28: B. C. Morton Realty Trust (File 2-21513); Columbia Fund, Inc. (File 2-18849). The Proctor & Gamble Company (File Nos. 2-21750, 21751, 21752); Simon Hardware Co. (File 2-21725).

**G. J. RAPPOPORT ENJOINED.** The SEC New York Regional Office announced October 24 (LR-2769) the entry of a Federal court order (USDC SD NY) permanently enjoining Gerald J. Rappoport, of Long Beach, N. Y., former vice president and treasurer of Chase Savings and Loan Association, Inc., from violating the anti-fraud provisions of the Securities Act. Rappoport consented to the injunction order but did not admit or deny the allegations.