

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

Washington 25, D.C.

In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 63-6-8)

FOR RELEASE June 12, 1963

BROWN CO. FILES STOCK PLAN. Brown Company, Berlin, New Hampshire, filed a registration statement (File 2-21481) with the SEC on June 10 seeking registration of 111,078 shares of common stock, to be offered pursuant to its Executive Stock Option Plan.

PEOPLE'S INSURANCE FILES FOR STOCK OFFERING. People's Insurance Company, 307 Lenox Ave., New York, filed a registration statement (File 2-21482) with the SEC on June 10 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$10 per share. The offering will be made directly by the company's officers and directors who will receive a 5% selling commission. Organized under New York law in December 1961, the company has no operating history nor insurance in force. It intends initially to write generally liability and automobile coverages; and when an aggregate of \$700,000 of stock is sold it intends to apply to the New York State Insurance Department for a license to transact such business. The company has no stock outstanding. Donald A. Hawkes is president and Arthur J. McNaught is board chairman.

PHILIPPINE OIL FILES FOR RIGHTS OFFERING. Philippine Oil Development Company, Inc., Manila, Philippines, filed a registration statement (File 2-21483) with the SEC on June 11 seeking registration of 325,000,000 shares of capital stock. It is proposed to offer such stock for subscription by United States stockholders at the rate of one share for each two shares held. No underwriting is involved. The record date and subscription price (maximum 1¢ per share*) are to be supplied by amendment.

The company is engaged in the exploration and testing for oil, gas and other hydrocarbons in certain areas in the Philippines. According to the prospectus, the company has been engaged in such activities since 1936 (except during the Japanese occupation) and, up to this time, has had no income from operations and has not discovered any commercial quantities of oil or gas. The net proceeds from the stock sale will first be applied to repayment of all or part of the company's current indebtedness (including trade accounts payable and indebtedness in respect of advances by directors and affiliates), and the balance to meet current expenses and place the company in a position to exercise its rights to participate to a greater extent in any commercial discovery resulting from a drilling program to be undertaken on certain of the company's properties by Union Oil Company of California. In addition to certain indebtedness, the company has outstanding 670,289,738 shares of capital stock, of which Andres Soriano, president and board chairman (and his family) owns 7.4%.

CITY OF MILAN PROPOSES BOND OFFERING. The City of Milan, Republic of Italy, filed a registration statement (File 2-21484) with the SEC on June 11 seeking registration of \$20,000,000 of 5½% external loan bonds due 1978, to be offered for public sale through underwriters headed by Dillon, Read & Co. Inc., 46 William St., New York. The public offering price and underwriting terms are to be supplied by amendment. The net proceeds from the bond sale will be used for the City's capital projects, including schools, sewerage systems, streets, and water systems.

ELECTRO-OPTICAL SYSTEMS FILES FOR OFFERING AND SECONDARY. Electro-Optical Systems, Inc., 300 North Halstead St., Pasadena, Calif., filed a registration statement (File 2-21485) with the SEC on June 11 seeking registration of 443,000 shares of common stock, of which 140,000 shares are to be offered for public sale by the company and 263,000 shares, being outstanding stock, by the holders thereof. White, Weld & Co., Inc., 20 Broad St., and Kidder, Peabody & Co., Inc., 20 Exchange Place, both of New York, head the list of underwriters. The public offering price (maximum \$10 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in research and development, systems management, design and fabrication of systems and subsystems, and component manufacture for military and space programs of the United States Government and for industry. A subsidiary manufactures semiconductor strain gages, temperature sensors, and similar transducer and measurement devices. Of the net proceeds from the company's sale of additional stock, \$500,000 will be used to pay in full a promissory note issued to Aerojet-General Corporation, a principal stockholder. A portion of the proceeds will be used to reduce outstanding short-term bank loans incurred for working capital purposes, and the balance will be added to general funds. In addition to certain indebtedness, the company has outstanding 816,813 shares of common stock, of which A. M. Zarem, president and board chairman, Aerojet-General Corp., and the trustees of The Zarem Trust (for the benefit of Zarem's three children) own 478,065, 203,000 and 73,080 shares, respectively. They propose to sell 50,000, 203,000 and 10,000 shares, respectively. According to the prospectus, Aerojet-General acquired its holdings in 1959-60 for \$1,000,000.

FOUNDERS LIFE OF FLORIDA FILES FOR STOCK OFFERING. Founders Life Assurance Company of Florida, Marine Bank Bldg., Tampa, Fla., filed a registration statement (File 2-21486) with the SEC on June 11 seeking registration of 800,000 shares of common stock, to be offered for public sale by Pierce, Wulbern, Murphey, Inc., 222 West Adams St., Jacksonville, Fla. If 620,000 shares are not sold within 45 days, the entire purchase price of shares then sold will be refunded to purchasers. The public offering price (maximum \$3 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 100,000 common shares which may be issued upon exercise of stock options and stock warrants.

OVER

Organized under Florida law in May 1963, the company, after the sale of sufficient shares to raise \$1,800,000, intends to engage in the writing of life, accident and health insurance. The net proceeds from the stock sale will be added to general funds and used to engage in the insurance business. The company has outstanding 200,000 shares of common stock, of which management officials as a group own about 60%. Loper B. Lowry is board chairman and C. W. Thaxton is president.

GRADSKY BROTHERS SENTENCED. The SEC Atlanta Regional Office announced June 10 (LR-2651) that Leon Gradsky (of Miami and West Palm Beach, Fla.) was sentenced to eight years in prison and his brother, Norman Gradsky (of Melbourne and West Palm Beach) to five years and a \$10,000 fine, following their conviction (USDC, SD, Fla.) of violations of the Securities Act anti-fraud provisions in the offer and sale of promissory notes of Inter-City Finance Corporation, a Miami small loan company. In addition, both defendants were placed on probation for five years following completion of their sentences.

FIVE SENTENCED IN UNITED DYE CASE. The SEC announced today (LR-2652) that five defendants received the following sentences (USDC, SDNY) following pleas of guilty to charges of violating the Federal securities laws in the offer and sale of unregistered stock of United Dye & Chemical Corporation: Irving Pasternak, 2½ years in prison and \$50,000 fine; Joseph H. Lederer, 18 months and \$10,000 fine; Garland L. Culpepper, 1 year; J. H. Lederer and Company, fined \$25,000; and Rockwell Securities Corporation, fined \$25,000.

SECURITIES ACT REGISTRATIONS. Effective June 11: Automatic Canteen Co. of America (File 2-21265); The Crowell-Collier Publishing Co. (File 2-21400).
Effective June 12: Reliance Life Insurance Co. of Illinois (File 2-21245); St. Louis Shipbuilding-Federal Barge, Inc. (File 2-21228).

*As estimated for purposes of computing the registration fee.

---ooo0ooo---