

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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FIBERCRAFT PRODUCTS OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of common stock of Fibercraft Products Corporation, of 1820 N.E. 146th Street, North Miami, Fla. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed by Fibercraft and two individual selling stockholders, Thomas C. Bennett, Jr., and Jacqueline W. Bennett, a public offering of \$50,000 of Fibercraft stock was proposed (without indication as to the number of shares) pursuant to such an exemption. The Commission's suspension order asserts that it has "reasonable cause to believe" that the said notification fails in numerous respects to provide disclosure of factual information or otherwise comply with the terms and conditions of Regulation A. Among other things, according to the order, (a) no disclosure was made of Fibercraft's business operations; and (b) sales literature in the form of an interim report was distributed to shareholders and disseminated through broker-dealer firms after the Regulation A notification was filed, was not filed with the Commission (as required), and contained false and misleading information concerning Fibercraft's past and projected sales, earnings and net worth. The order also cites Fibercraft for failure to cooperate by reason of its failure to respond to a letter of comment citing deficiencies in the Fibercraft's notification which was sent to the company in November 1964.

SOUTHERN SYSTEM FINANCING. The SEC has issued an order under the Holding Company Act (Release 35-15201) authorizing The Southern Company, Atlanta holding company, to issue unsecured promissory notes to a group of banks during 1965, in amounts not to exceed \$25,000,000 in the aggregate. The proceeds thereof, together with treasury funds, will be used for additional common stock investments in subsidiaries, as follows: Georgia Power Company, \$9,500,000; Gulf Power Company, \$3,000,000; and Mississippi Power Company, \$4,000,000. The three subsidiaries were authorized to issue and sell the additional stock to Southern. According to Southern's application, it intends to pay off the notes by additional common stock financing in 1967.

The Commission also authorized Gulf and Mississippi to make bank borrowings from time to time prior to November 1, 1965, in amounts not to exceed \$10,000,000 each. The three subsidiaries will apply the proceeds of their stock sales and bank borrowings to their 1965 construction programs, estimated at \$81,607,000 for Georgia, \$14,047,000 for Gulf, and \$27,897,000 for Mississippi.

A fourth subsidiary, Alabama Power Company, also had joined in the financing proposal. It proposes to issue and sell an additional \$14,000,000 of common stock to Southern, the proceeds to be applied to its 1965 construction program estimated at \$91,688,000. Action on Alabama's proposed financing was deferred pending further consideration of a request for hearing thereon filed by Alabama Electric Cooperative, Inc.

FRESNILLO CO. RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4185) declaring that The Fresnillo Company, New York, is primarily engaged in a business other than that of investing, reinvesting, owning, holding or trading in securities.

ISRAEL DEVELOPMENT - INVESTORS AMEND APPLICATION. Israel Development Corporation, 17 E. 71st St., New York; Israel Investors Corporation, 850 Third Ave., New York; and Victor M. Carter (a director of Israel Development), 10375 Wilshire Blvd., Los Angeles, have amended their applications (as reported in the SEC News Digest of February 19, 1965) for exemptive orders under the Investment Company Act; and the Commission has issued an order (Release IC-4186) extending to March 25 the period for interested persons to request a hearing thereon. The amended application corrects information contained in the original filing which relates to the applicants' investments in Neshor-Cement Holdings, Ltd., and two of its subsidiaries engaged in the manufacture and sale of cement, Israel Portland Cement Works "Neshor" Ltd. and Israel Portland Cement Works Neshor-Ramle Ltd., and in particular their proposal to purchase additional securities of the two Israel Portland Cement companies and options to purchase Neshor-Cement "B" Ordinary shares.

NUCLEONICS, CHEMISTRY & ELECTRONICS SHARES RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4187) declaring that Nucleonics, Chemistry & Electronics Shares, Inc., Englewood, N. J., has ceased to be an investment company.

AMERICA AND ISRAEL GROWTH FUND SEEKS ORDER. America and Israel Growth Fund, Inc., a Maryland, open-end, diversified investment corporation, has applied to the SEC for an exemption order under the Investment Company Act authorizing it to purchase from Brager & Company certain American Depository Receipts representing shares of stock in American Israeli Paper Mills Ltd. (an Israeli corporation). The Commission has issued an order (Release IC-4189) giving interested persons until March 30 to request a hearing thereon. According to the application, the companies are affiliated by virtue of Brager & Co.'s ownership of all of the capital stock of America and Israel Management Corporation, the Fund's investment adviser. Harry E. Brager, president of the Fund, owns approximately 27% of the stock of Brager & Co. and is also its president.

OVER

PITNEY-BOWES FILES STOCK PLAN. Pitney-Bowes, Inc., Walnut and Pacific Streets, Stamford, Conn., filed a registration statement (File 2-23271) with the SEC on March 11 seeking registration of \$1,935,000 of participation in its Stock Purchase Plan, together with shares of common stock that may be acquired pursuant thereto.

DYMO INDUSTRIES FILES STOCK PLAN. Dymo Industries, Inc., 6701 Bay St., Emeryville, Calif., filed a registration statement (File 2-23272) with the SEC on March 11 seeking registration of 150,000 shares of capital stock to be offered under its Selected Employees Stock Option Plan, and 20,000 common shares to be offered pursuant to the company's Employee Stock Purchase Plan.

CROWN ZELLERBACH PROPOSES STOCK PLAN. Crown Zellerbach Corporation, One Bush St., San Francisco, Calif. 94119, filed a registration statement (File 2-23273) with the SEC on March 11 seeking registration of \$10,500,000 of interests in its Salaried Employees Savings and Stock Purchase Plan, together with 177,966 shares of common stock that may be acquired pursuant thereto.

NIPPON T&T PROPOSES BOND OFFERING. Nippon Telegraph & Telephone Public Corporation, No. 1, 1-Chome, Uchisaiwai-cho, Chiyoda-ku, Tokyo, Japan, filed a registration statement (File 2-23274) with the SEC on March 11 seeking registration of \$20,000,000 of 5-3/4% guaranteed telegraph and telephone dollar bonds due 1980. The bonds, to be unconditionally guaranteed as to payment of principal and interest by Japan, are to be offered for public sale through underwriters headed by Dillon, Read & Co., Inc., 46 William St., The First Boston Corp., 20 Exchange Pl., and Smith, Barney & Co. Inc., 20 Broad St., all of New York 10005. The public offering price and underwriting terms are to be supplied by amendment.

The company was formed in 1952 to take over from the Government the furnishing of public telephone, telegraph and related communication services in Japan. The prospectus indicates that control of the company's business and financial activities is exercised by various Governmental bodies, with principal supervision by the Minister of Posts and Telecommunications. Net proceeds from the company's bond sale will be used primarily for additions and improvements to its telephone facilities. On April 1, 1963, the company entered into its current five-year expansion program which calls for the expenditure of approximately \$5,000 million. Taiji Owada is board chairman and Hachiro Ohashi is president.

FORMS 12 AND 12-K ADOPTED. The SEC today announced the adoption of new Form 12 under the Securities Exchange Act, for use by companies which file reports with ICC, FPC and FCC (1) when they apply for listing and registration of the securities on a national securities exchange or (2) when they register equity securities traded over-the-counter pursuant to requirements of the recently enacted Section 12(g) of the Act (See Release 34-7552).

The Commission also has adopted a new Form 12-K, for use by such companies in the filing of annual reports with the SEC (See Release 34-7553).

BROADWALL SECURITIES SUSPENDED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7556) suspending the broker-dealer registration of Broadwall Securities, Inc., 26 Broadway, New York City, pending decision on other issues in the proceedings, including the question whether Broadwall's registration should be revoked. The proceedings were based upon staff charges that Broadwall and certain individuals offered and sold securities of The Coast to Coast Company, Inc., in violation of the anti-fraud provisions of the Federal securities laws. Following a hearing, the hearing examiner ruled that a sufficient showing had been made of such violations to make it necessary and appropriate in the public interest and for the protection of investors to suspend Broadwall's registration pending determination of the question of revocation and other issues involved. Broadwall filed general exceptions to the initial decision of the hearing examiner which failed to comply with the requirements for a petition for review set forth in the Commission's Rules of Practice, in that they did not specify the findings and conclusions which were the basis for the exceptions and did not state supporting reasons for them. Counsel was advised of the insufficiency of its filing and given an opportunity to file a petition for review, but it failed to do so. However, on March 9th telegraphic notice was received from Broadwall advising that because of a civil attachment it could no longer continue in business and was terminating its activities.

NEW REGISTRATIONS OF O/C COMPANIES. Giant Food Properties, Inc., Washington, D. C. (File 0-55); Holland Furnace Co., Holland, Mich. (File 0-54).

SECURITIES ACT REGISTRATIONS. Effective March 12: Baldwin-Montrose Chemical Co., Inc. (File 2-23151).

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