

# 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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**CONFORMING RULES ON FEES PROPOSED.** The SEC today announced a proposal under the Securities Act to revise Rules 457 and 458 under the Act, as well as Forms D-1, D-1A and S-6, so as to conform the registration fees included therein to the requirements of the 1965 amendments to the Act. Previously, the fee for the registration of securities amounted to one-hundredth of one percent of the maximum aggregate offering price of the securities involved, with a \$25 minimum. The 1964 amendments increased the fee to one-fiftieth of one per cent, with a \$100 minimum. Interested persons may submit views and comments thereon not later than February 11 (Release 33-4815).

**TWO FIRMS GRANTED EXEMPTION.** The SEC has issued orders under the Securities Exchange Act of 1934 granting applications of the following for exemption from the registration requirements of Section 12(g) of the Act:  
Atlantic Trust Company, Jacksonville, Fla.  
Halibut Producers Cooperative, Seattle, Wash.  
The exemption orders also provide an exemption from compliance by the two companies with the periodic reporting and proxy provisions of the Act; and their officers, directors and 10% owners also are exempted from the Commission's insider trading rules.

Shares of Atlantic Trust were formerly held in trust for the benefit of the stockholders of Atlantic National Bank of Jacksonville. The beneficial interest therein could not be separately transferred, but passed only as an incident to a transfer of the Bank stock. In November 1965 the shares were transferred to the Bank pursuant to express authorization in the trust agreement. Halibut Producers is a non-profit Washington corporation; membership is limited to "persons engaged in the Fishery Industry as fishermen;" and the stock is not freely transferable, the purchase price (\$10 per share) being returned to the stockholder when he resigns from membership.

**SEC JOINS RAVENS-SHINNSTON PROCEEDINGS.** The SEC announced today that it has entered an appearance in the proceeding under Chapter X of the Bankruptcy Act for the reorganization of Ravens-Shinnston Corporation pending in the Federal Court at Clarksburg, West Virginia. The Debtor's reorganization petition was approved on December 10, 1965 by Judge Robert E. Maxwell, who appointed W. Walter Neeley as Trustee.

The Debtor, located in Shinnston, West Virginia, is engaged in the business of manufacturing aluminum trailers of various types and sizes and related products and accessories. An uncertified balance sheet attached to the petition reflects assets of \$1,134,000 as of September 30, 1965 and liabilities of \$969,000. Assets include plant and equipment of \$496,000, accounts receivable of \$232,000 and inventory of \$310,000. Liabilities include trade accounts and notes payable totaling about \$355,000 and mortgages payable totaling \$407,219. The outstanding 184,734 shares of capital stock are held by about 1,100 shareholders.

**PUBLIC SERVICE OF OKLA. SEEKS ORDER.** Public Service Company of Oklahoma (Tulsa) has applied to the SEC for an order under the Holding Company Act authorizing the offering and sale at competitive bidding of \$25,000,000 of First Mortgage Bonds, Series J, due 1996; and the Commission has issued an order (Release 35-15375) giving interested persons until February 7 to request a hearing thereon. The proceeds of the bond sale will be applied to the payment of short-term notes to banks and to Central and South West Corporation (parent), in the estimated amount of \$10,100,000; and the balance will be applied to the company's construction program, estimated at \$35,000,000 for 1966.

**CHANNING FUND - VAN STRUM ORDER ISSUED.** The SEC has issued an exemption order under the Investment Company Act (Release IC-4475) permitting Van Strum & Towne, Inc., to serve as investment adviser to Channing Income Fund, Inc., and two other investment companies, without shareholder approval of the advisory contract, until the annual meeting of the stockholders of the Funds to be held in April 1966.

**BARBER OIL HEARING POSTPONED.** On request of Barber Oil Company, of New York, the SEC has authorized postponement from January 12 to January 26, 1966, the hearing on Barber Oil's application for exemption from the Investment Company Act.

**STANDARD-PACIFIC FILES FOR OFFERING.** Standard-Pacific Corp., 1571 Talbert Avenue, Costa Mesa, Cal., filed a registration statement (File 2-24406) with the SEC on January 10 seeking registration of \$1,500,000 of 6½% Convertible Subordinated debentures due 1981. It is proposed to offer the debentures for subscription by shareholders at 100% of principal amount. The record date for subscriptions is to be supplied by amendment. Unsubscribed debentures may be offered to other persons.

The company in 1961 succeeded to the business of a building supply company, is engaged through a subsidiary in furnishing building materials and supplies and bookkeeping and administrative services to a group of franchised contractors building partially prefabricated homes, acts as an insurance agency, primarily for fire and theft, casualty and life insurance, and through subsidiaries is engaged as a savings and loan association and an escrow company and acts as trustee under deeds of trust in which the savings and loan association is named as beneficiary. Net proceeds of the debenture sale will be applied in part (\$905,000) to the retirement of bank borrowings, the balance to be used for working capital and general corporate purposes. In addition

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to indebtedness, the company has outstanding 1,912,701 common shares, of which management officials own some 57.5%. Arthur E. Svendsen is president and Jack G. Gibson general manager.

#### SEC ANNUAL REPORT FILED WITH CONGRESS

The SEC today filed with Congress its 31st Annual Report reviewing activities of the Commission during the fiscal year ended June 30, 1965.

A principal feature of the Report is its discussion of steps taken to administer the Securities Acts Amendments of 1964, enacted in August 1964, and to implement further the recommendations contained in the 1963 Report of the Special Study of Securities Markets. The Report also reviews the Commission's activities and other significant developments within the past fiscal year.

The Report notes that while the full impact of the 1964 amendments was not felt during the fiscal year, the new legislation has already had significant consequences and that a substantial beginning has been made "toward full incorporation of the new provisions into the fabric of securities regulation." These amendments extended to investors in securities traded in the over-the-counter markets the benefits of financial reporting and related disclosures previously available to investors in listed securities. During the fiscal year, 1,508 issuers of equity securities traded over-the-counter filed registration statements. These companies now must file periodic and annual reports and comply with the Commission's disclosure rules when soliciting proxies, and their "insiders" must report their initial holdings and subsequent purchases and sales of such securities, and can be compelled to give up any profits derived from short-swing trading.

The Commission's Report discusses the various rules and forms revised or adopted during the year to carry out the new requirements applicable to over-the-counter issuers, including rules defining key terms and provisions of the 1964 amendments. It also reviews the progress made by the state insurance regulatory authorities and by the insurance industry to improve disclosure and reporting by insurance companies to meet the conditions for exemption from the new law.

In addition, the Report discusses the Commission's administration of other significant aspects of the 1964 amendments: Orders were issued barring 25 individuals from further association with broker-dealer firms under the expanded disciplinary authority over broker-dealer firms and their employees. Major steps were taken to formulate a new regulatory program governing broker-dealer firms not subject to regulation by the National Association of Securities Dealers, Inc. And, the Commission modified its rules governing the required delivery of prospectuses in the public offering of securities.

Further progress was made during the year to carry out the Special Study's recommendations. This included the adoption of minimum net capital requirements for broker-dealer firms; the adoption by several stock exchanges and the NASD of rules establishing or clarifying standards of supervision by members as well as standards for research and investment advice; the introduction of additional safeguards for customers' funds and securities; and the adoption of new rules, both by the Commission and the New York and American stock exchanges, governing the activities and responsibilities of floor traders and specialists on those exchanges. The Report also reviews the various steps taken to obtain further information about the "third market," the level and structure of the NYSE commission rate, and the odd-lot differential charged by NYSE firms.

Although the Commission's attention during fiscal 1965 focused to a considerable extent on implementing the new legislation and the Special Study recommendations, day-to-day enforcement activities designed to combat fraudulent and other illegal practices in the securities markets continued at a high level. Among other things, 52 cases were referred to the Department of Justice with recommendations for criminal prosecution; and as a result of these and prior referrals, indictments were returned against 208 defendants and 106 criminal convictions were obtained. Over 440 investigations of possible securities violations were started, 103 administrative proceedings were begun against broker-dealer firms based upon staff charges of violations, and 76 injunction and related enforcement actions were brought in the Federal courts.

Copies of the Report can be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402, at a cost of \$.50 per copy.

SECURITIES ACT REGISTRATIONS. Effective January 10: Dallas Power & Light Co., 2-24298; The Muter Co., 2-24266; Tennessee Gas Transmission Co., 2-24324 (40 days).

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.