

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington, D.C. 20549

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

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

(Issue No. 66-15)

FOR RELEASE January 21, 1966

BROKER'S EXEMPTION CLARIFIED. The SEC today issued a further clarifying statement with respect to its Rule 154, which provides an exemption from Securities Act registration with respect to certain brokers transactions (Release 33-4818) and clarifies the discussion contained in Release 33-4669 of February 17, 1964. The rule provides an exemption from registration for transactions by a broker acting as agent for a control person (but not the issuer), provided certain specified conditions are met (including a limitation on the amount of shares involved).

The principal aspect of Rule 154 contained in the clarifying statement relates to the application of the brokers' exemption to dealers who have inserted quotes in the quotation sheets for securities of the issuer. Under the rule, the Commission stated, a broker is free to solicit control persons to determine whether they wish to sell securities of the controlled company. However, Rule 154 prohibits the solicitation of an order to buy "in anticipation of or in connection with" the transactions for which exemption is sought. An offer placed in the sheets is deemed the solicitation of an order to buy. However, where such an offer has not been inserted in anticipation of one or more orders to sell under 154, and where it was inserted prior to the time any understanding was reached with respect to any proposed sale to be made in reliance on the rule, it will be regarded as a part of normal trading activity in the security. An understanding may have been reached, for this purpose, notwithstanding that the terms and conditions of the offering have not been agreed upon. When the controlling person and a broker-dealer have reached an understanding that the shares will be offered, the broker-dealer must from that time on discontinue his appearance in the "sheets" while executing the order. The broker-dealer must also refrain from initiating any other solicitations relating to the security being sold during the period in which the order is being executed.

REPORTING REQUIREMENTS MODIFIED. The SEC has modified its registration Forms 10 and 12 under the Securities Exchange Act, and the related annual report Forms 10-K and 12-K. Forms 10 and 10-K are general forms for registration and reporting, while Forms 12 and 12-K may be used by issuers which file reports with other Federal agencies. One amendment to these forms provides that, in reporting the number of holders of outstanding equity securities, the number of holders of nontransferable employee stock options need not be reported; and the other provides that, in reporting increases or decreases in outstanding shares over the previous year under Item 2 of Forms 10-K and 12-K, information with respect to employee stock options (which is required to be set forth in notes to the financial statements) need not be included in the reconciliation. (Release 34-7799)

JERSEY CENTRAL P&L SEEKS ORDER. Jersey Central Power & Light Company, Morristown, N. J., has applied to the SEC for an order under the Holding Company Act authorizing an increase in its outstanding bank notes to \$26,600,000 for the period commencing on the granting of this application and ending on December 31, 1966. The Commission has issued an order (Release 35-15385) giving interested persons until February 18 to request a hearing thereon. According to the application, the company will use the proceeds of the borrowings for construction expenditures and/or to repay other short-term borrowings, the proceeds of which have been so applied. Its 1966 construction program is estimated to cost \$71,257,000.

ASTREX FILES FOR OFFERING AND SECONDARY. Astrex, Inc., 150 Fifth Ave., New York, filed a registration statement (File 2-24423) with the SEC on January 19 seeking registration of \$1,250,000 of 10-year, 5% subordinated convertible debentures (due 1976), to be offered for public sale at 100% of principal amount. Shaskan & Co., Inc., 67 Broad St., New York, is listed as the principal underwriter. The company has sold to Shaskan & Co. (for \$300) 4-year warrants to purchase 30,000 shares of common stock at \$8.50 per share. In addition, the company is registering 157,500 shares of common stock. Of such stock, 52,500 shares (being outstanding stock) are held by The Franklin Corporation and 7,500 shares by Clayton Securities Corporation. The remaining 97,500 shares are to be issued to The Franklin Corp., upon exercise of certain purchase warrants and conversion of certain of the company's debentures. According to the prospectus, the holders of such stock may offer the shares for public sale from time to time on the American Stock Exchange at the prevailing market price (\$9.50 per share maximum*).

Organized under New York law in 1960, the company is primarily engaged in the distribution of electronic parts, components and equipment. Of the net proceeds of its debenture sale, \$324,875 will be used to prepay a portion of \$500,000 of long-term debt; \$6,498 will be used to defray the premium payable upon such prepayment; and \$600,000 will be used to repay all of the company's existing short-term bank indebtedness. The balance of the proceeds will be added to general funds. In addition to indebtedness, the company has outstanding 938,186 common shares, of which management officials own 32.5% (including 12% owned by Myron A. Loewinger, vice president). Mark Schindler is board chairman and Morris Kass is president.

J. C. PENNEY FILES STOCK PLAN. J. C. Penney Company, Inc., 1301 Avenue of the Americas, New York 10019, filed a registration statement (File 2-24428) with the SEC on January 20 seeking registration of \$9,600,000 of participations in the Penco Retirement Plan, together with 431,000 shares of common stock that may be acquired pursuant thereto.

OVER

DIVERSIFIED METALS FILES FOR OFFERING AND SECONDARY. Diversified Metals Corporation, 123 Byassee Dr., Hazelwood, Mo., filed a registration statement (File 2-24427) with the SEC on January 20 seeking registration of 260,000 shares of common stock. Of such stock, 183,000 shares are to be offered for public sale by the company and 67,000 shares (being outstanding stock) by the present holder thereof. New York Securities Co., 52 Wall St., New York 10005, is the principal underwriter. The public offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of reclaiming non-ferrous metals from the by-products of manufacturers, including wire mills, foundries and metal fabricators. Of the net proceeds of its sale of additional stock, approximately \$900,000 will be used to purchase additional machinery, equipment and plant facilities and to complete additional plant space, and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 820,788 Class B common shares, substantially all of which is owned by management officials and their associates. Ben Fixman (president) is the selling stockholder. He owns 790,403 Class B common shares and proposes to convert 67,000 of such shares into common stock for public offering and sale.

LOUISIANA P&L PROPOSES BOND OFFERING. Louisiana Power & Light Company, 142 Delaronde St., New Orleans, La. 70114, filed a registration statement (File 2-24429) with the SEC on January 20 seeking registration of \$35,000,000 of first mortgage bonds (due 1996), to be offered for public sale at competitive bidding. A subsidiary of Middle South Utilities, Inc., the company will use the net proceeds of the bond sale to finance its construction program (estimated to cost \$50,000,000 in 1966), to repay some \$15,000,000 of bank loans, and for other corporate purposes.

MADISON FUND PROPOSES RIGHTS OFFERING. Madison Fund, Inc., 660 Madison Ave., New York 10021, filed a registration statement (File 2-24430) with the SEC on January 20 seeking registration of 1,285,000 shares of convertible preferred stock. The stock is to be offered for subscription by stockholders at the rate of one preferred share for each seven common shares held on February 9, 1966. Any unsubscribed shares are to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 30 Wall St., New York. The dividend rate, offering price (\$26 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is a management investment company of the closed-end type. Net proceeds of its stock sale will be added to general funds and will be available for additional investment and for general corporate purposes. The company has outstanding 8,983,634 common shares. Edward A. Merkle is president.

ROHR CORP. FILES STOCK PLANS. Rohr Corporation, Foot of H St., Chula Vista, Calif., filed a registration statement (File 2-24431) with the SEC on January 19 seeking registration of \$2,773,599 of employee contributions in its (a) Savings Plan for Employees Covered by Collective Bargaining Agreements, (b) Savings Plan for Hourly Employees not Covered by Collective Bargaining Agreements, and (c) Savings Plan for Salaried Employees, together with debentures and common stock which may be acquired pursuant thereto.

TWO STOCKS DELISTED. The SEC has issued an order under the Securities Exchange Act (Release 34-7803) granting an application of the New York Stock Exchange to strike from listing and registration the common stocks of Manati Sugar Co. and The Francisco Sugar Co., effective at the opening of business on January 31. According to the application, the said companies failed to publish and submit to stockholders a statement of financial condition for the fiscal year ending October 31, 1960, in accordance with their listing agreements with the Exchange. According to information filed by the companies with the Commission, the Cuban revolutionary government seized the assets in Cuba of the companies and their subsidiaries in August 1960. Since the seizure of the business, properties and records of the companies, financial reports have not been filed by the companies with the Commission or with the Exchange.

SAN FERNANDO VALLEY LIFE PROPOSES OFFERING. San Fernando Valley Life Insurance Company, 15300 Ventura Blvd., Sherman Oaks, Calif. 91403, filed a registration statement (File 2-24432) with the SEC on January 20 seeking registration of 30,000 shares of capital stock, to be offered for public sale at \$50 per share. The offering is to be made on a "best efforts, all or none" basis through company officials. The company is also registering 3,000 and 2,400 capital shares to be offered, respectively, under its Incentive Options for Insurance Agents and its Options for Organizers.

Organized under California law in November 1964, the company proposes to engage in writing life and disability insurance in California. Net proceeds of its stock sale will be added to capital and surplus and used in the conduct of such business. Carl A. Daniels is president.

FARM BUILDERS, OTHERS CITED. The SEC Denver Regional Office announced January 19 (LR-3405) the filing of a complaint (USDC, Phoenix) seeking to enjoin Farm Builders, Inc., an Arizona corporation, H. Jack Grover and E. Keith Grover of Phoenix, Morris L. Haderlie of Scottsdale, Ariz., and Kenneth E. Porter of Mesa, Ariz., from further violations of the registration and anti-fraud provisions of the Federal securities laws in the sale of common stock and promissory notes of Farm Builders. A hearing was scheduled for February 11.

CONTINENTAL VENDING SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation for a further ten-day period, January 22-31, 1966, inclusive.

BRISTOL AND NORAMCO SUSPENSIONS CONTINUED. The SEC today announced that it has issued orders under the Securities Exchange Act suspending exchange and over-the-counter trading in the securities of Bristol Dynamic, Inc., and Noramco, Inc., for a further ten-day period, from January 22, 1966, to January 31, 1966, inclusive. Trading in these securities was initially suspended on December 23, 1965, pending clarification of reports appearing in news media and elsewhere with respect to developments concerning these companies.

The Commission stated that it has been advised by the two companies that they intend to issue to the news media information concerning the foregoing developments. The Commission also stated that, upon the prompt release and dissemination of that information in satisfactory form to the public, it is prepared to permit the resumption of trading at the opening of business on Tuesday, January 25, 1966.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items on the form was included in the January 3 News Digest.

Automatic Retailers of America Inc. Dec 65 (7)	1-4762-2	Mertronics Corp. Dec 65 (2)	0-826-2
Central Aguirre Sugar Co. Jan 65 (11)	1-510-2	New England Gas & Elec Assn Dec 65 (11,13)	0-688-2
Clear Creek Corp. Dec 65 (6)	0-1379-2	North Penn Gas Co. Dec 65 (1)	0-1886-2
Creole Petroleum Corp. Dec 65 (12)	0-584-2	Pennzoil Co. Dec 65 (2,7,13)	1-4774-2
El Paso Natural Gas Co. Dec 65 (7,8,12,13)	1-2700-2	The Putman Management Co Inc. Dec 65 (11)	2-20664-2
First Bancorporation Dec 65 (1,12)	2-23400-2	Tool Research and Engineering Corp. Dec 65 (11)	2-15355-2
Huyck Corp. Dec 65 (7,13)	0-523-2	U.S. Pipe & Foundry Co. Dec 65 (3)	1-121-2
Illinois Bell Telephone Co. Dec 65 (13)	1-2222-2	Weyerhaeuser Co. Dec 65 (12)	1-4825-2
Mill Factors Corp. Dec 65 (4,7,13)	1-4340-2	Windsor Raceway Holdings Ltd. Dec 65 (11)	2-22868-2
Mountain States Tel & Tel Co. Dec 65 (3)	1-3040-2	Coastal States Life Ins. Co. Dec 65 (11)	2-14918-2
New England Tel & Tel Co. Dec 65 (3)	1-1150-2	Edu-Tronics, Inc. Nov 65 (1,12)	2-23553-2
Northrop Corp. Dec 65 (11,13)	1-3229-2	Flexible Tubing Corp. Jan 66 (7)	1-4866-2
Pacific Northwest Bell Telephone Co. Dec 65 (3)	1-4946-2	Futterman Corp. Sept. 65 (3,9,13)	0-594-2
Pacific Tel & Tel Co. Dec 65 (3)	1-1414-2	Kelsey-Hayes Co. Dec 65 (11)	1-477-2
Frank Paxton Co. Dec 65 (4,7,8,11,13)	2-17814-2	Kern County Land Co. Dec 65 (12,13)	1-3463-2
Thrift Drug Co. of Penn. Dec 65 (7,10)	0-1-2	Management Assistance, Inc. Dec 65 (7)	2-21532-2
The Winter Park Telephone Co. Dec 65 (8,13)	0-1254-2	National Aeronautical Corp. Dec 65 (2,13)	1-5037-2
Capital Finance Corp. Dec 65 (7,8,11,13)	0-813-2	Orrtronics, Inc. Dec 65 (12)	2-20327-2
Chenango & Unadilla Telephone Corp. Dec 65 (12,13)	1-4948-2	Publication Corp. Dec 65 (2,13)	0-825-2
Cluett Peabody & Co., Inc. Dec 65 (8,12,13)	1-895-2	Western Investment Real Estate Trust Dec 65 (2)	2-23013-2
Crompton & Knowles Corp. Dec 65 (12,13)	1-4663-2	Wrather Corp. Dec 65 (12,13)	0-988-2
Federated Corp. of Del. Dec 65 (1)	2-14643-2	American Consumer Industries, Inc. Dec 65 (7,8,13)	1-235-2
Kaiser Aluminum & Chemical Corp. Dec 65 (3,12)	1-3605-2	Diamond M. Drilling Co. Dec 65 (1,11)	0-1377-2
International Railroads Weighing Corp. Dec. 65 (12,13)	0-1440-2	Federal Screw Works Dec 65 (12,13)	0-1837-2
Kaiser Steel Corp. Dec 65 (13)	0-433-2		

Financial General Corp. Dec 65 (7)	1-3272-2	Daffin Corp. Dec 65 (10)	0-475-2
Mead Corp. Dec 65 (7)	1-2267-2	Diversa, Inc. Dec 65 (7,13)	0-996-2
Mercantile Financial Corp. Dec 65 (4,7,13)	0-909-2	Hartfield Stores Inc. Dec 65 (7)	1-4091-2
Oklahoma Natural Gas Co. Dec 65 (10,13,14)	1-2572-2	Kleer-Vu Industries, Inc. Dec 65 (12)	1-4522-2
Robert Reis & Co. Dec 65 (6)	1-1419-2	Liggett & Myers Tobacco Co. Dec 65 (12,13)	1-535-2
Western Transmission Corp. Dec 65 (3)	0-339-2	Louisiana Power and Light Co. Dec 66 (7)	0-1236-2
Associated Brewing Co. Dec 65 (2,7,8,10,13)	1-909-2	Mangood Corp. Dec 65 (7,8,13)	0-791-2
Corduroy Rubber Co. Dec 65 (3)	0-943-2	Maxson Electronics Corp. Dec 65 (2,7,13)	1-4843-2
Deer Park Baking Co. Dec 65 (11)	2-19220-2	Michigan Seamless Tube Co Dec 65 (7,10)	1-5090-2
John Deere Credit Co. Nov 65 (7,13)	2-17065-2	Mohasco Industries, Inc. Nov 65 (12)	1-3320-2
Empire Petroleum Co. Dec 65 (12,13)	0-788-2	United Gas Corp. Dec 65 (3,12)	1-3257-2
The Marley Co. Dec 65 (13)	0-166-2	Allied Chemical Corp. Dec 65 (7)	1-1269-2
Memorex Corporation Dec 65 (11,13)	0-1947-2	Atlas Credit Corp. Dec 65 (12,13)	1-4771-2
National Can Corp. Dec 65 (12)	1-2915-2	Colorado Interstate Gas Co. Dec 65 (7,13)	1-4874-2
New England Electric System Dec 65 (3)	1-3446-2	Computer Sciences Corp. Dec 65 (3)	1-4850-2
North Carolina Natural Gas Corp Dec 65 (7,11)	0-82-2	International Silver Co Dec 65 (10)	1-3348-2
Pacific American Corp. Dec 65 (12,13)	1-1807-2	Koppers Co., Inc. Dec 65 (7,13)	1-3224-2
Parke, Davis & Co. Dec 65 (13)	1-2365-2	National Dairy Products Corp. Dec 65 (3)	1-1146-2
Trak Electronics Co Inc. Dec 65 (2,3,12)	2-14256-2	New Jersey Life Insurance Co Dec 65 (3,7,9,13)	2-22069-2
Union Investment Co. Dec 65 (4,7,13)	1-2529-2	Ohio Edison Co. Dec 65 (11,13)	1-2578-2
U.S. Smelting Refining & Mining Co. Nov 65 (12)	1-908-2	Potash Co. of America Dec 65 (4,8)	0-1832-2
American Chain & Cable Co Inc. Dec 65 (13)	1-1172-2	Trans World Airlines, Inc. Dec 65 (11,12,13)	1-975-2
American Mfg Co Inc. (Del) Dec 65 (2,13)	0-283-2	Udylite Corp. Nov 65 (13)	1-3095-2
Certain-Teed Products Corp. Dec 65 (3)	1-292-2	The Warner Brothers Co. Dec 65 (13)	1-4715-2

SECURITIES ACT REGISTRATIONS. Effective January 20: Fashion Tress, Inc., 2-24222 (Mar 1).
Effective January 21: Bristol-Myers Co., 2-24325; First Church Financing Corp. of America, 2-24065 (90 days).
Withdrawn January 21: Mutual Petroleum Company, Inc., 2-22017.

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.

*As estimated for purposes of computing the registration fee.

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