

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington, D.C. 20549

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

(Issue No. 66-27)

FOR RELEASE February 9, 1966

**THREE FUNDS RECEIVE EXEMPTION ORDER.** The SEC has issued an order under the Investment Company Act granting applications of the Tax Exempt Income Fund, Series 2 (Release IC-4505), Municipal Investment Trust Fund, Series G (Release IC-4506), and Municipal Investment Trust Fund, First California Series (Release IC-4507) all of New York, for exemption from the minimum net capital provisions of the Act. According to the applications, the three companies have filed registration statements under the Securities Act of 1933 covering securities, as follows: Tax Exempt Income Fund, 5,000 units of undivided interest in a portfolio of municipal bonds; Municipal Investment Fund, Series G, 15,000 units of undivided interest in a portfolio of municipal bonds; and Municipal Investment Fund, First California Series, 5,000 units of undivided interest in a portfolio of municipal bonds. Goodbody & Co. will act as sponsor for the Tax Exempt Income Fund, and Goodbody & Co., Hornblower & Weeks - Hemphill, Noyes and Bache & Co. Inc. will sponsor the Municipal Investment Trust Funds.

**WARNER-LAMBERT INTERNATIONAL SEEKS ORDER.** Warner-Lambert International Capital Corp., Morris Plains, N. J., subsidiary of Warner-Lambert Pharmaceutical Co., has applied to the SEC for an order under the Investment Company Act exempting it from all provisions of the Act; and the Commission has issued an order (Release IC-4508) giving interested persons until February 23 to request a hearing thereon. According to the application, Capital Corp. was recently organized by Pharmaceutical to provide assistance in improving the balance of payments position of the United States, in compliance with the voluntary cooperation program instituted by President Johnson in February 1965, while at the same time continuing the expansion and development of operations of Warner-Lambert outside the United States. Pharmaceutical is principally engaged in the manufacture of pharmaceuticals, toiletries, fine chemicals and similar items. Capital Corp. intends to issue and sell an aggregate of \$15,000,000 of its guaranteed debentures (due 1981) to a group of underwriters for offering outside the United States. The debentures are to be guaranteed as to principal, premium, if any, and interest by Pharmaceutical, as will any additional debt securities to be issued to or held by the public will be so guaranteed. It is intended that the debenture proceeds will be used outside the United States to form or acquire additional businesses or to make loans to investments in subsidiaries or affiliates of Pharmaceutical. All the companies in which Capital Corp. funds will be invested shall be primarily engaged in a business other than investing, reinvesting, owning, holding or trading in securities.

**MAHLER SENTENCED.** The SEC New York Regional Office announced February 7 (LR-3422) that Arnold N. Mahler, president of Broadwall Securities, Inc., was sentenced to a two-year prison term, after having been found guilty of making and conspiring to make false statements to SEC officers. Mahler was continued on \$10,000 bail pending appeal.

**CORTLANDT INVESTING, PRESIDENT ENJOINED.** The SEC New York Regional Office announced February 7 (LR-3423) the entry of a Federal court order (USDC, SDNY) enjoining Cortlandt Investing Corp., a New York broker-dealer, and its president, Melvin Cantor, from further violations of the Commission's net capital and hypotecation rules and the anti-fraud provisions of the Securities Exchange Act. Herbert F. Schmelzer was appointed receiver of the assets of Cortlandt Investing.

**LIBERIAN IRON ORE SEEKS ORDER.** Liberian Iron Ore Limited and The Liberian America-Swedish Minerals Company have applied to the SEC for an order under Section 304(d) of the Trust Indenture Act of 1939; and the Commission has issued an order giving interested persons until February 23, 1966, to request a hearing thereon.

The Liberian American-Swedish Minerals Company (LAMCO) is a corporation organized under the laws of the Republic Liberia, and the Liberian Iron Ore Limited (LIO) is a Canadian corporation. The two companies have filed a Securities Act registration statement with respect to the proposed offering of 659,171 shares of capital stock of LIO and \$11,000,000 principal amount of 6½% junior subordinated debentures of LAMCO. The said debentures are to be purchased by LIO and are not to be offered publicly. The present application requests an order of the Commission finding that the debentures of LAMCO may be exempted from the Trust Indenture Act as not necessary in the public interest and for the protection of investors.

**LONGCHAMPS FILES FINANCING PROPOSAL.** The Longchamps Corporation, 575 Madison Ave., New York 10022, filed a registration statement (File 2-24472) with the SEC on February 8 seeking registration of \$2,600,000 of 6½% subordinated debentures due 1986 and 260,000 shares of common stock. The securities are to be offered for public sale in units consisting of \$100 principal amount of debentures and 10 common shares. The public offering price (\$105 per unit maximum\*), and underwriting terms are to be supplied by amendment. Lee Higginson Corporation, 20 Broad St., New York, is listed as the principal underwriter.

The company owns all the outstanding common stock of Longchamps, Inc., which operates the Longchamps restaurant chain. Control of Longchamps, Inc., was acquired by Jan Mitchell, the company's president, in 1959; and the company acquired Mitchell's interest on January 5, 1966. The subsidiary currently operates nine restaurants, all in the Manhattan area. Two more are proposed, one at 635 Madison Ave. and the other

OVER

at Two Pennsylvania Plaza (which includes the new Madison Square Garden), in New York. Of the net proceeds of this financing, the company will apply \$2,063, 334 to repay two bank loans. The balance will be used to meet a portion of its cash requirements arising other than in the ordinary course of business which are expected to amount to about \$1,000,000 in 1966 (including \$300,000 for the redecoration of three existing restaurants).

In addition to indebtedness, the company has outstanding 155,000 common shares, of which Mitchell owns 32.3% and Albert M. Zlotnick, a director, 29%. Other management officials own about 13.5%.

**BURLINGTON INDUSTRIES FILES STOCK PLAN.** Burlington Industries, Inc., 301 N. Eugene Street, Greensboro, N. C., filed a registration statement (File 2-24473) with the SEC on February 8 seeking registration of 500,000 shares of common stock, to be offered pursuant to its 1966 Stock Option Plan.

**VARIAN ASSOCIATES FILES STOCK PLAN.** Varian Associates, 611 Hansen Way, Palo Alto, Calif. 94303, filed a registration statement (File 2-24474) with the SEC on February 8 seeking registration of 300,000 shares of common stock, to be offered pursuant to its Employee Stock Purchase Plan.

**SCM CORP. FILES STOCK PLAN.** SCM Corporation, 410 Park Ave., New York 10022, filed a registration statement (File 2-24475) with the SEC on February 7 seeking registration of 239,559 shares of common stock, to be offered under SCM stock option plans.

**ASSOCIATED OIL TRADING BAN TO BE LIFTED.** The SEC has issued an order under the Securities Exchange Act of 1934 terminating as of the close of business February 9, 1966, its earlier order suspending exchange and over-the-counter trading in securities of Associated Oil and Gas Company, of Houston, Texas. Thus, trading in these securities may be resumed on Thursday, February 10, 1966.

On Monday, February 7, Associated Oil issued a statement clarifying its January 18 release concerning ore properties of an affiliate, Salmon River Mining Co., near Riggins, Idaho. Copies of this statement have been mailed to Associated Oil shareholders. Accordingly, the Commission concluded that it is appropriate to permit the resumption of trading in Associated Oil securities on February 10.

**O/C REGISTRATIONS REPORTED.** The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "\*\*\*"):

File No.	O-Registrant	Location
2014	Acme Visible Records, Inc	Crozet, Va.
2019	American Music Stores, Inc.	Detroit, Mich.
2022	Cavitron Ultrasonics, Inc.	Long Island City, N.Y.
2017	Management Assistance Inc.	New York, N.Y.
2016	Pacific Delta Gas, Inc.	San Jose, Calif.

**SECURITIES ACT REGISTRATIONS.** Effective February 8: Trinity Steel Co., Inc., 2-24331 (Mar 21). Effective February 9: The Ansul Co., 2-23700 (40 days); Aristo Foods, Inc., 2-24354 (May 11).

**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.

---ooo0ooo---