

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. 66-70)

FOR RELEASE April 12, 1966

ELI LILLY CO. FILES FOR SECONDARY. Eli Lilly and Company, 740 S. Alabama St., Indianapolis, Ind. 46206, filed a registration statement (File 2-24837) with the SEC on April 11 seeking registration of 88,000 outstanding shares of Class B common stock. The present holders thereof may offer the stock for public sale in the over-the-counter market at prices prevailing at the time of sale (\$88.75 per share maximum*).

The company is engaged in the development, manufacture, and sale of pharmaceuticals and biologicals for human use. In addition to indebtedness and preferred stock, it has outstanding 5,790,881 Class A common and 10,258,105 Class B common shares, of which management officials own 10.14% and 14.528%, respectively. Lilly Endowment, Inc., owns 48.16% of the outstanding Class A stock. The prospectus lists three selling stockholders, including Eli Lilly (honorary board chairman), who is offering 50,000 of 739,200 Class B shares held. The other two sellers are offering 30,000 and 8,000 shares, respectively. Josiah K. Lilly is board chairman and Eugene N. Beesley is president.

PAUL REVERE VARIABLE ANNUITY FUND SEEKS ORDER. The Paul Revere Variable Annuity Contract Accumulation Fund (the "Fund"), Worcester, Mass., has applied to the SEC for an order under the Investment Company Act exempting it from certain provisions of the Act; and the Commission has issued an order (Release IC-4564) giving interested persons until April 25 to request a hearing thereon. According to the application, the Fund is sponsored by The Paul Revere Variable Annuity Insurance Co. (the "Insurance Co."), a subsidiary of the Massachusetts Protective Association, Inc. The Fund was established to hold the assets designed for the variable annuity contracts which the Insurance Co. proposes to sell. The net proceeds of the sale of all variable annuity contracts will be invested in equity and debt securities and credited to the respective accounts of the contract purchasers. The Fund states that assets set aside for variable annuity contracts are not chargeable with liabilities arising out of any other business the Insurance Company may conduct. The value of the contract purchaser's interest in the Fund will vary in accordance with the investment experience of the Fund's assets.

EDWARD A. GALLAGHER SUSPENDED. The SEC has issued an order under the Securities Exchange Act (Release 34-7858) suspending Edward A. Gallagher (of Malone, N.Y.) from association with any broker or dealer for 30 days, beginning April 12. The order was based upon Gallagher's failure to file a report of his financial condition for 1964. Gallagher tendered a settlement offer in which he consented to the 30-day suspension, provided the Commission permitted withdrawal of the broker-dealer registration of Edward A. Gallagher, doing business as Investors Planning Company. In his offer, Gallagher stated that he owed no money or securities to any customers, and was largely inactive in the securities business during late 1964 and most of 1965; also, that the only accountant in his town qualified to prepare his annual report had moved away. The Commission accepted the offer.

IRA LIPSHUTZ INDICTED. The SEC Chicago Regional Office announced April 4 (LR-3476) the return of an indictment (USDC, Chicago) charging Ira Lipshutz, president of Commerce Insurance Co., with violations of the Securities Act anti-fraud provisions in the sale of common stock of Commerce Insurance.

LOWELL, MURPHY & CO., OFFICERS ENJOINED. The SEC Denver Regional Office announced April 6 (LR-3477) the entry of a Federal court order (USDC, Denver) permanently enjoining Lowell, Murphy & Co., Inc., a Denver broker-dealer, Thomas H. Murphy, its president, and John H. Lowell, its executive vice president, from engaging in business as a broker-dealer in securities, accepting customers' monies and securities at a time when the company was unable to meet its current obligations, and from converting monies or securities of customers.

SHOPPING CENTERS CORP. CITED. The SEC today announced (LR-3478) the filing of a complaint (USDC, WD Pa.) seeking a mandatory injunction compelling Shopping Centers Corp., and its principal officers, Akiba Zilberberg, Paul M. Fierst and Morris Melman (all of Pittsburgh, Pa.) to file with the Commission certain annual and other reports required under the Securities Exchange Act. The complaint also seeks to enjoin the defendants from failing to file with the Commission timely and proper reports as required in the future under said Act.

UNITED SECURITY LIFE SUSPENSION CONTINUED. The SEC has issued an order suspending exchange and over-the-counter trading in securities of United Security Life Insurance Company for a further 10-day period, April 13-22, 1966, inclusive.

OVER

ALEXANDER AND GELLER ENJOINED. The SEC New York Regional Office announced April 8 (LR-3479) the entry of a Federal court order (USDC, SD NY) permanently enjoining Robert J. Alexander and Leonard Geller from further violations of the anti-fraud provisions of the Federal securities laws in the sale of International Camra-Corder Corp. The defendants consented to the entry of the decrees. A preliminary injunction was issued enjoining International Camra-Corder Corp. from violating the anti-fraud provisions of the Federal securities laws in the sale of its securities pending final determination of the action. The Commission's motion for a preliminary injunction as to Daniel Stack (former president of Camra-Corder) was denied. A restraining order was issued against Jerry R. Phillips, a/k/a Gerard De Fillipo, pending final determination of the action.

ARKANSAS P&L SEEKS ORDER. Arkansas Power & Light Company, Little Rock, Ark., electric utility subsidiary of Middle South Utilities, Inc., has applied to the SEC for an order under the Holding Company Act authorizing it to increase its authorized preferred stock, par value \$100 per share, from 500,000 shares to 1,000,000 shares. The Commission has issued an order (Release 35-15441) giving interested persons until April 29 to request a hearing thereon. Arkansas also proposes to amend its charter to conform to certain conditions contained in prior orders of the Commission permitting it to sell various series of its preferred stock. The amendments will be submitted to all stockholders for approval at a special meeting to be held on July 28. In connection therewith, Arkansas proposes to solicit proxies from the holders of its preferred stock.

LEE NATIONAL RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4566) granting a one-year exemption to Lee National Corporation, New York, from certain provisions of the Act. According to the application, Lee has disposed of the tire and rubber business in which it was engaged until recently under the name of Lee Rubber & Tire Co. As a result, its assets consist almost entirely of cash, certificates of deposit, and marketable securities and it comes within Section 3(a)(3) definition of an "investment company." Lee represents that it is engaged in an active effort to acquire an operating business to take the place of its former business and that when it is able to carry out such acquisition program it will not come within such definition.

RECEIVER APPOINTED FOR BROGDON. The SEC Seattle Regional Office announced April 7 (LR-3480) the appointment of Karl L. Wagner of 39 E. 7th Ave., Eugene, Ore., as receiver of all property rights and claims of Ray S. Brogdon, a registered broker-dealer of Eugene, Ore., in connection with the Commission's injunctive action against Brogdon (USDC, Ore.).

SECURITIES ACT REGISTRATIONS: Effective April 8: Microwave Associates, Inc., 2-24510 (40 days). Effective April 11: Miehle-Goss-Dexter, Inc., 2-24489; P. R. Mallory & Co. Inc., 2-24583; Pitney-Bowes, Inc., 2-24635; Tampa Electric Co., 2-24622; Tensor Corp., 2-24598 (July 11); Texas Gas Transmission Corp., 2-24778; The Williamhouse, Inc., 2-24385 (May 21). Withdrawn April 8: Thurlow Weed & Associates, 2-23167.

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.

---0000000---