

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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SEC ISSUES "NET CAPITAL RULE" GUIDE. The SEC today published an interpretation of, and guide to computations under, its "net capital" rule (Rule 15c3-1) under the Securities Exchange Act of 1934 applicable to broker-dealer firms (Release 34-8024). The rule, which establishes safeguards with respect to financial responsibility of broker and dealers, provides that a broker or dealer subject to the rule shall maintain a specified minimum net capital, and shall not permit his aggregate indebtedness to exceed 20 times his net capital. The interpretation and guide are intended to assist brokers and dealers in complying with the rule. Part I explains the operation of Rule 15c3-1, including the exemptions therefrom, and discusses the application of the rule with respect to questions frequently presented to the staff for interpretation. Part II consists of an example of the computation of "net capital" under the rule made by a hypothetical broker-dealer, and includes a detailed trial balance work sheet with explanatory notes. The work sheet is illustrative of the application of the rule. Copies of the interpretation and guide are being distributed today to the 4,268 registered broker-dealer firms.

The Commission also announced the adoption (Release 34-8023) of a March 1965 proposal to amend related Rules 17a-3 and 17a-4 (which require the preparation of a monthly trial balance by brokers and dealers) to provide that brokers and dealers shall prepare and preserve a record of the computation of "aggregate indebtedness" and "net capital," as defined in Rule 15c3-1, as of the date of the trial balance. While a broker or dealer must preserve only the monthly computation, he should, of course, keep currently informed as to his net capital position and make a computation as often as necessary to insure that his net capital position is adequate at all times.

ALLEN AIRCRAFT RADIO FILES FOR OFFERING AND SECONDARY. Allen Aircraft Radio, Inc., 2050 Touhy Ave., Elk Grove Village, Ill., filed a registration statement (File 2-25898) with the SEC on January 17 seeking registration of 155,390 shares of common stock. Of this stock, 100,000 shares are to be offered for public sale by the company and 55,390 (being outstanding stock) by the present holders thereof. The offering is to be made through underwriters headed by William Blair & Co., 135 S. LaSalle St., Chicago, Ill. 60603, and Bache & Co. Inc., 36 Wall St., New York 10005. The public offering price (\$11 per share maximum*) and underwriting terms are to be supplied by amendment.

The company overhauls, certifies as airworthy, and sells used electronic navigation and communication equipment, flight instruments and related accessories for use in commercial and business aircraft, as well as electronic equipment for the testing of these products. Of the net proceeds of its sale of additional stock, approximately \$100,000 will be used for the purchase of additional equipment and fixtures and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 420,350 common shares, of which management officials own 70%. The prospectus lists 22 selling stockholders, including Ira A. Eichner (president), who is offering 26,250 of 258,440 shares held, and First Capital Corporation of Chicago, 8,750 of 35,000.

WOODWARD, WIGHT & CO. VOTING TRUST FILES. Trustees under a voting trust agreement involving common stock of Woodward, Wight & Co., Ltd., 451 Howard Ave., New Orleans, La., filed a registration statement (File 2-25899) with the SEC on January 16 seeking registration of voting trust certificates for 25,028.50 shares of such stock.

INDUSTRIAL KINETICS 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 stock by Industrial Kinetics, Inc., of St. Paul, Minn. 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 a public offering of securities not exceeding \$300,000 in amount. In a notification and offering circular filed in April 1966, the company proposed the public offering of 165,000 shares of common stock and 16,500 shares of 5% preferred (\$10 par non-cumulative) stock for a total of \$200,000. The Commission asserts in its suspension order that the company's offering circular includes untrue statements of or omits material facts concerning the development, manufacture and sale of its proposed aerial track for the landing of airplanes.

PINESTOCK ASSOCIATES SEEKS ORDER. Pinestock Associates, Inc. (applicant), New York investment company, and Pinestock Associates (partnership) have applied to the SEC for an exemption order under the Investment Company Act authorizing applicant to acquire the partnership's assets, including its portfolio of investment securities which, at November 30, 1966, had an aggregate market value of \$1,336,151. The Commission has issued an order (Release IC-4820) giving interested persons until February 3 to request a hearing thereon. The exemption is sought because of interaffiliations of the two firms by virtue of the fact that Donaldson, Lufkin and Jenrette (which organized the partnership) or the partnership may be considered the promoter of applicant and that the applicant's investment adviser, Whitehall Management Corporation, is controlled by the Donaldson firm.

OVER

COMPONENTS FILES FOR SECONDARY. Components, Inc., Smith St., Biddeford, Me. 04005, filed a registration statement (File 2-25897) with the SEC on January 16 seeking registration of 26,978 outstanding shares of common stock. The present holders thereof propose to offer the stock for public sale through underwriters headed by Thomas & Company, 305 Porter Bldg., Pittsburgh, Pa. The public offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture, distribution and sale of components for use in electronic and electrical circuits. In addition to indebtedness, it has outstanding 408,954 common shares, of which management officials own approximately 52%. The prospectus lists four selling stockholders, including Herman Schneider (president), who is offering 10,432 of 88,532 shares held; and John F. Hartigan (executive vice president), 9,000 of 58,936. The remaining two sellers are offering 6,000 and 1,546 shares, respectively.

SOUTHERN CO. PROPOSES OFFERING. The Southern Company, 3390 Peachtree Rd., N.E., Atlanta, Ga. 30326, today filed a registration statement (File 2-25901) with the SEC seeking registration of 1,800,000 shares of common stock, to be offered for public sale at competitive bidding. A utility holding company, the company will use the net proceeds of its stock sale (together with treasury funds to the extent required) for the payment of \$36,000,000 of bank loans (the funds from which were invested in three of its subsidiaries) and for further investments during 1967 in such companies. The subsidiaries' construction programs for 1967, 1968 and 1969 are estimated at \$759,479,000.

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 captions of the several items of the form was included in the January 3 News Digest.

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|---------------------------------------------------------|-----------|------------------------------------------------------|-----------|
| International Tel & Tel Corp Dec 66 (4,13) | 1-1558-2 | General Motors Acceptance Corp Dec 66 (7,8,11,13) | 1-3754-2 |
| Irving Air Chute Co Inc Dec 66 (4,7,10) | 1-149-2 | Cox Broadcasting Corp Dec 66 (12) | 1-4933-2 |
| Global Industries Inc Dec 66 (6) | 2-20526-2 | Ohio Brass Co Dec 66 (3) | 1-47-2 |
| Gulf American Land Corp Dec 66 (11,12,13) | 1-4470-2 | Union Oil Co Of Calif Dec 66 (8) | 1-554-2 |
| McLean Trucking Co Dec 66 (12) | 1-4093-2 | Zions Utah Bancorporation Dec 66 (12,13) | 2-24072-2 |
| Northern Indiana Public Service Co Dec 66 (13) | 1-4125-2 | Bloomfield Bldg Industries Inc Dec 66 (11,12) | 1-4608-2 |
| Tenney Engineering Inc Dec 66 (8,13) | 1-4142-2 | Iowa Southern Utilities Co Dec 66 (7,13) | 0-849-2 |
| Tidewater Oil Co Dec 66 (8) | 1-160-2 | Liberty Loan Corp Dec 66 (3) | 0-1054-2 |
| Transcontinental Investing Corp Dec 66 (2,3,8,12,13) | 1-4945-2 | Norton Co Dec 66 (7,13) | 1-4760-2 |
| R C Williams & Co Inc Dec 66 (3,12,13) | 1-545-2 | Trans-Canada Pipe Lines Ltd Dec 66 (7,8) | 2-12927-2 |
| Kysor Industrial Corp Nov 66 (9,13) | 1-3609-2 | Wyatt Industries Inc Dec 66 (2,13) | 0-701-2 |
| Canadian Delbit Oil Ltd Dec 66 (1) | 2-11196-2 | First National Life Insurance Co Dec 66 (3,12) | 2-13503-2 |

SECURITIES ACT REGISTRATIONS. Effective January 17: California Computer Products, Inc., 2-25737; Ferro Corp., 2-25799 (Feb 26); Filmways, Inc., 2-25846; Gulf States Utilities Co., 2-25836. Effective January 18: Carolina Power & Light Co., 2-25825 (Feb 27).

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.