

# 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

(Issue No. 67-108)

FOR RELEASE June 7, 1967

**INTERNATIONAL UTILITIES INVESTMENT SEEKS ORDER.** International Utilities Investment Corporation (IU Investment) and International Utilities of the U.S., Inc. (IUUS) have applied to the SEC for an order under the Investment Company Act (1) continuing the order dated November 30, 1966, exempting IU Investment from all provisions of the Act, and (2) exempting IUUS from all provisions of the Act; and the Commission has issued an order (Release IC-4982) giving interested persons until June 23 to request a hearing thereon.

IU Investment was organized by International Utilities Inc. (IU Inc.), which in turn is a subsidiary of International Utilities Corporation (IU Corp.). IU Investment was formed in order that IU Inc. could, for organizational and state tax reasons, transfer to IU Investment its portfolio of investment securities prior to a merger between IU Inc. and one of its wholly-owned subsidiaries which is not an investment company. On Aug. 13, 1965, and Nov. 30, 1966, the Commission issued orders exempting IU Inc. and IU Investment, subject to certain conditions, from all provisions of the Act (IC Releases 4325 and 4773, respectively). IUUS was organized to replace IU Inc. It represents that it will not issue any securities to any person other than IU Inc., IU Corp., or a wholly-owned subsidiary of IU Corp. In addition, IU Inc. will not dispose of any securities of IUUS except to IU Corp. IU Corp., a Canadian resident corporation most of whose shareholders are Canadians, is primarily engaged in the distribution of gas and electricity, the operation of motor bus routes, the ownership, operation and chartering of oil tankers, bulk carriers and refrigerator ships, the operation of truck lines, and other activities.

**CELANESE INTERNATIONAL FINANCE SEEKS ORDER.** Celanese International Finance Company, New York, has applied to the SEC for an order under the Investment Company<sup>Act</sup> exempting it from all provisions of the Act; and the Commission has issued an order (Release IC-4983) giving interested persons until June 19 to request a hearing thereon. According to the application, the applicant was organized by Celanese International Corporation (CIC), which in turn is a subsidiary of Celanese Corporation (Celanese). A principal purpose for the organization of Applicant and CIC was to raise funds abroad for financing the expansion and development of Celanese's foreign operations while at the same time providing assistance in improving the balance of payments position of the United States in compliance with the voluntary cooperation program instituted by the President in February 1965. None of the securities of applicant, other than debt securities, will be held by any person other than Celanese, CIC or a fully-owned subsidiary of Celanese. Applicant proposes to sell to underwriters, for resale abroad, \$20,000,000 of its Guaranteed Debentures, due 1982. Net proceeds from the debenture sale will be used to repay, in part, CIC's foreign bank borrowings in the amount of \$50,000,000. It is proposed that as soon as CIC's bank loans have been repaid in full, CIC and applicant will be combined into one company. Upon completion of the long-term investment of CIC's and applicant's assets, substantially all of their assets will be invested in or loaned to foreign companies which are engaged in businesses other than that of an investment company.

**CARL F. NEWLAND, OTHERS, INDICTED.** The SEC Chicago Regional Office announced May 26 (LR-3740) the return of a 21-count indictment (USDC, Mo.) charging Carl F. Newland, Tucson, Ariz.; John M. Harrison, Little Rock, Ark.; Henry F. Harrison, Memphis, Tenn.; John R. Schaefer, Affton, Mo.; Sidney E. Porter, Overland Park, Kansas; Willis B. Hale, Mt. Vernon, Ill.; William Morlan, Mt. Vernon, Ill.; Lawrence Goodson, Dowingtown, Pa.; and J. C. Lane, Independence, Mo., with violations of the registration and anti-fraud provisions of the Securities Act and Mail Fraud Statute and conspiracy to violate these statutes in the offer and sale of stock of The Presidential Investment Company, Inc.

**ALBERT J. FENSTER ENJOINED.** The SEC San Francisco Regional Office announced June 2 (LR-3741) that the Federal court (USDC Los Angeles) had entered a judgment permanently enjoining Albert J. Fenster from further violations of the Securities Exchange Act anti-fraud provisions in connection with the solicitation of tenders of stock of J. J. Newberry & Co., Inc. The defendant consented to the injunction decree, but without admitting the allegations contained in the complaint.

**MICHAEL J. BOULDS, OTHERS INDICTED.** The SEC Seattle Regional Office announced June 2 (LR-3742) the return of a 16-count indictment (USDC, Idaho) charging Michael J. Boulds, Fred H. Davis and Carl H. Harrison, Jr. with violations of the mail fraud statute, the anti-fraud provisions of the Securities Act, and one count charging violation of the federal conspiracy statute in the sale of securities issued by Fred H. Davis, Command Products, Ltd. (an Idaho common-law trust), Command Products, Inc. (a Delaware corporation, and Mid-Day-Dew, Inc. (an Idaho corporation).

**MIKE JIMENEZ INDICTED.** The SEC Seattle Regional Office announced June 2 (LR-3743) the return of a 2-count indictment (USDC, Idaho) charging Mike Jimenez with violations of the anti-fraud provisions of the Securities Act in the sale of common stock of Sew-Tidy, Inc.

OVER

**SUSPENSION OF NASD FIRM DECLARED EFFECTIVE.** The SEC has issued an order under the Securities Exchange Act declaring effective at the opening of business on June 19, its order of April 18, 1966, which provided for the 90-day suspension of Strathmore Securities, Inc., of Pittsburgh, Pa., from NASD membership and a similar suspension of the registration of Auldus H. Turner, Jr., as a registered representative (this represented a modification of the sanctions of expulsion of the firm and revocation of Turner's registration which had been imposed by the NASD). The Commission also had affirmed a \$1,000 fine against each plus the assessment of costs. The effectiveness of the sanctions had been stayed pending court appeal. On January 3, 1967, the Court of Appeals for the District of Columbia Circuit affirmed per curiam the Commission's April 1966 order and the U. S. Supreme Court on May 22 denied a petition for certiorari.

**CAPITAL EXPENDITURE PROGRAMS REPORTED.** The SEC and the Department of Commerce report (for June 8 newspapers) that business anticipates new plant and equipment expenditures of \$62.4 billion for 1967, 3 percent higher than in 1966, according to the survey conducted in late April and May. Capital outlays projected for 1967 are one percent lower than reported in the survey taken 3 months ago, with downward adjustments occurring throughout the year. The principal downward revisions for the year as a whole were made by nonrail transportation, commercial, and communications industries. Actual capital outlays in the first quarter of 1967 declined to an annual rate of \$61.6 billion after seasonal adjustment, 2 percent below the fourth quarter of 1966. Investment in the second quarter of 1967 is programed at a rate very close to that of the first quarter; and business anticipations indicate a rise in the rate of capital spending in the third and fourth quarter of this year. (For details, see Stat. Release No. 2208.)

**INTERAMERICAN INDUSTRIES TRADING BAN CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in securities of Interamerican Industries, Ltd., Calgary, Alberta, Canada, for the further ten-day period June 8 through June 17, 1967.

**PACKER'S SUPER MARKETS FILES FOR SECONDARY.** Packer's Super Markets, Inc., 150 52nd St., Brooklyn, N. Y. filed a registration statement (File 2-26690) with the SEC on June 6 seeking registration of 160,000 outstanding common shares. The shares are to be offered for public sale by the holders thereof through underwriters headed by Allen & Company Incorporated, 30 Broad St., New York. The public offering price (\$10 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the operation of retail self-service food stores in New York. In addition to indebtedness, it has outstanding 599,164 common shares, of which management officials own 41%. The prospectus lists 15 selling stockholders, including Nathan Packer, president, who proposes to sell 59,176 of his holdings of 198,415 common shares, King Korn Stamp Co., Inc., all of its holdings of 31,824 shares, and Kleiman & Hochberg, Inc., 20,000 of 55,148 shares held.

**INFORMATION DISPLAYS PROPOSES OFFERING.** Information Displays, Inc., 333 North Bedford Road, Mt. Kisco, New York 10549, filed a registration statement (File 2-26691) with the SEC on June 6 seeking registration of 300,000 shares of common stock, to be offered for public sale through underwriters headed by Dempsey-Tegeler & Co., Inc., 1000 Locust St., St. Louis, Mo. 63101. The public offering price (\$5 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell to the underwriter and to Glenn E. Mayer, at 10¢ per warrant, 5-year warrants for the purchase of 22,500 and 7,500 common shares, respectively.

The company designs, manufactures and sells electronic graphic display systems capable upon linkage to a computer of displaying visually the computer output information in the form of diagrams, tables or graphs, as well as in the form of alpha-numeric characters, on the face of a cathode-ray tube similar to a television picture tube. The net proceeds of its stock sale will be used to pay some \$307,000 of outstanding indebtedness, to expand marketing activities, and for working capital. In addition to indebtedness, the company has outstanding 305,160 common shares, of which management officials own 50% (including 31% owned by Kenneth L. King, board chairman and president, and his wife).

**COMMONWEALTH OIL REFINING PROPOSES OFFERING.** Commonwealth Oil Refining Company, Inc., San Juan, Puerto Rico 00918, filed a registration statement (File 2-26695) with the SEC on June 6 seeking registration of \$20,000,000 of convertible subordinated debentures, due 1992, to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York 10005. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is engaged in the independent refining of petroleum products and the production of aromatic and other petrochemicals. Net proceeds of the debenture sale and the private sale of \$20,000,000 of 6½% note due 1985 will be used to retire \$31,125,000 of bank borrowings and \$3,000,000 of short-term debt. The balance will be applied to the company's expansion and modernization program, estimated at \$130,000,000 for the period 1967-70. In addition to indebtedness, the company has outstanding 11,835,675 common shares.

**SUPERIOR COACH FILES FOR OFFERING AND SECONDARY.** Superior Coach Corporation, Lima, Ohio 45802, filed a registration statement (File 2-26696) with the SEC on June 6 seeking registration of 300,000 shares of common stock. Of the common shares being registered, 140,000 shares are to be offered for public sale by the company and 160,000 (being outstanding shares) by the holders thereof. The offering is to be made through an underwriting group headed by Shields & Company, 44 Wall St., New York 10005. The public offering price (\$14.50 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is a transportation equipment manufacturer (including coach bodies for school buses). Net proceeds of its sale of additional stock will be added to working capital and used to reduce bank loans. In addition to indebtedness, the company has outstanding 1,154,040 common shares, of which management officials and their families own 25%. The prospectus lists 12 selling stockholders, including the Estate of Ellouise B. Larsen, which proposes to sell 40,000 of its holdings of 110,000 shares, and First National Bank and Trust Company of Lima, as Trustee of Mary L. Breckenridge Trust, 30,000 of 70,050 shares held. John H. Shields is board chairman and chief executive officer and Dwayne A. Shields is president. The former proposes to sell 5,000 of his holdings of 18,804 shares.

**GEORGIA POWER RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15761) authorizing Georgia Power Company, Atlanta subsidiary of The Southern Company, to acquire and retire up to \$10,000,000 principal amount of its outstanding First Mortgage Bonds, 3 $\frac{1}{2}$ % Series, due 1971. Georgia Power now has outstanding first mortgage indebtedness in the amount of \$426,605,000 of which \$79,886,000 principal amount consists of the 3 $\frac{1}{2}$ % Series bonds; and it is believed that about 92% of the outstanding 3 $\frac{1}{2}$ % Series bonds are held by institutional investors. The company intends to effect purchase of the 3 $\frac{1}{2}$ % Series bonds in the open market or by publishing a request for tenders, or both, in its discretion, at the best price to the company which may be obtainable.

**MUNICIPAL INVESTMENT TRUST SEEKS ORDER.** Municipal Investment Trust Fund, Series H, New York, a unit investment trust, has applied to the SEC for an order under the Investment Company Act exempting the company from the provisions of Section 14(a) of the Act; and the Commission has issued an order (Release IC-4984) giving interested persons until June 21 to request a hearing thereon. Section 14(a) requires that no registered investment company shall make a public offering of securities of which it is the issuer unless it has a net worth of at least \$100,000. The fund has filed a registration statement under the Securities Act under which it will offer for public sale 6,000 units of undivided interest in a portfolio of tax-free municipal bonds.

**AMERICAN AIRLINES PROPOSES RIGHTS OFFERING.** American Airlines, Inc., 633 Third Ave., New York 10017, filed a registration statement (File 2-26694) with the SEC on June 6 seeking registration of \$157,703,500 of subordinated debentures, due 1992. The debentures are to be offered for subscription by stockholders at the rate of \$100 principal amount of debentures for each 12 shares of common stock held of record. Any unsubscribed debentures are to be offered for public sale through underwriters headed by Lazard Freres & Co., 44 Wall St., New York 10005. The record date, interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the transportation by air of persons, property and mail. Net proceeds of the debenture sale will be added to its general corporate funds to meet a portion of American's commitments for new jet aircraft and related equipment. In addition to indebtedness and preferred stock, the company has outstanding 18,647,360 common shares. C. R. Smith is board chairman and Marion Sadler president.

**MASSACHUSETTS VARIABLE ANNUITY FILES FOR OFFERING AND SECONDARY.** Massachusetts Variable Annuity Insurance Company, 40 Broad St., Boston, Mass., filed a registration statement (File 2-26693) with the SEC on June 6 seeking registration of 444,132 outstanding shares of common stock. Of this stock, 380,000 shares are to be offered for public sale by the company and 64,132 by the present holder thereof, Boston Balanced Distributors, Inc., which is also listed as the principal underwriter. The offering is to be made on a best efforts basis at \$5 per share by the underwriter, which will receive a \$.50 per share selling commission.

The company is a stock insurance company organized in March 1966 to sell variable annuity contracts. Net proceeds of its sale of additional stock sale will be credited to the paid-in surplus account of the company, for use in expanding its business and for other working capital purposes. The company has outstanding 474,000 common shares, of which Massachusetts Life Insurance Co. holds 63.3% and management officials 5.1%. Charles A. Breslin is board chairman and Robert E. Curtis president. Breslin is president and board chairman of Massachusetts Life and Curtis is its general counsel; and Breslin also is board chairman of the underwriter, which proposes to sell all of its holdings of 64,132 shares.

**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 June 1 News Digest.

Duke Power Co  
Apr 67 (11) 1-4928-2  
Duraloy Co  
Dec 66 (2,13) 1-3475-2  
El Paso Electric Co  
May 67 (11) 0-296-2  
Exeter Oil Co Ltd  
Apr 67 (11) 1-1877-2  
Falstaff Brewing Corp  
Apr 67 (3) 1-950-2  
Farmers Union Cooperative Marketing Assoc  
Apr 67 (7,8) 2-22230-2  
First Inv Corp  
Apr 67 (3,13) 0-580-2  
First Republic Corp of Amer  
Apr 67 (3,13) 0-1427-2

Gibraltar Financial Corp of Calif  
Apr 67 (7,8) 1-4575-2  
A C Gilbert Co  
Apr 67 (2,11,13) 1-245-2  
Great Republic Holding Corp  
Apr 67 (7) 0-2237-2  
Guardsman Chemical Coatings Inc  
May 67 (11,13) 1-4707-2  
H M Harper Co  
Apr 67 (11) 0-384-2  
Harvard Ind Inc  
Apr 67 (12,13) 1-1044-2  
Hastings Mfg Co  
Apr 67 (11) 13-12-2  
Horn & Hardart Co  
Apr 67 (11,13) 1-5066-2

K-T Oil Corp Apr 67 (11,13) 0-2144-2	Texas Eastern Transmission Corp Apr 67 (2,13) 1-4456-2
Kane-Miller Corp May 67 (11) 1-5014-2	Thermotech Ind Inc Apr 67 (12,13) 0-1309-2
Kaufman & Broad Building Co Apr 67 (7,11,13) 1-4618-2	Traid Corp Apr 67 (11) 0-1173-2
Keystone Custonian Funds Inc Apr 67 (4,7,11) 0-282-2	Trane Co Apr 67 (4,12) 1-2869-2
Lorillard Co Apr 67 (11,13) 1-1283-2	Trans-Gulf Development Corp Apr 67 (12,3,7,11,12) 2-13035-2
Macmillan Bloedel & Powell River Ltd Apr 67 (11) 2-15488-2	Warner Lambert Pharmaceutical Co Apr 67 (2,7,11,12,13) 1-3608-2
Memorex Corp Apr 67 (11,13) 0-1947-2	Allied Artists Pictures Corp Amd #2 to 8K for Feb 66 (7,13) 1-2965-2
Mississippi Valley Gas Co May 67 (11) 0-353-2	Amd #2 to 8K for Mar 66 (8) 1-2965-2
Natl Brands Inc Mar 67 (13) 0-1793-2	Amd #2 to 8K for Apr 66 (8) 1-2965-2
Natl Capitol Life Ins Co Apr 67 (3,13) 2-22920-2	Amd #1 to 8K for May 66 (8) 1-2965-2
Northern Illinois Corp Jan 65 (7,13) 1-2887-2	Anken Chemical & Film Corp Amd #2 to 8K for May 66 (13) 1-4186-2
Ojibway Press Inc Apr 67 (2,11,13) 2-19027-2	Early and Daniel Co Amd #1 to 8K for Mar 67 (13) 1-548-2
Owens-Illinois Overseas Capitol Corp Apr 67 (7) 1-5344-2	Hardee's Food System Inc Amd #2 to 8K for Feb 67 (13) 0-2399-2
Penobscot Co Apr 67 (12,13) 0-1586-2	New England Electric System Amd #1 to 8K for Apr 67 (11) 1-3446-2
Pittsburgh Steel Co Apr 67 (6,12,13) 1-196-2	Reda Pump Co Amd #1 to 8K for Nov 66 (2,13) 1-3566-2
Pocono Downs Inc Apr 67 (3,11) 0-2149-2	Texota Oil Co Amd #4 to 8K for Jun 66 (2) 0-892-2
Prairie Oil Royalties Co Ltd Apr 67 (12,13) 1-3955-2	Sel-Rex Corp Amd #1 to 8K for Mar 67 (7) 1-4826-2
Producers Chemical Co Feb 67 (2,7) 0-2242-2	Aluminum Specialty Co. Mar 67 (13) 0-829-2
Prudential Real Estate Trust Apr 67 (2,11,12,13) 0-1061-2	Bowmar Instrument Corp. Mar 67 (12) 1-4817-2
Redwing Carriers Inc Apr 67 (11) 1-4806-2	Browning Arms Co. Apr 67 (11,13) 0-1275-2
Retail Centers of the Americas Inc May 67 (12) 1-4568-2	Cinerama Inc Apr 67 (11,13) 1-4107-2
Royal Castle System Inc Apr 67 (12,13) 0-2276-2	Colt Industries Inc Apr 67 (7,8) 1-64-2
Scope Ind Apr 67 (8,13) 1-3552-2	Cumis Insurance Society Inc Oct-Apr 67 2-22616-2
Southwestern Electric Power Co Apr 67 (11) 1-3146-2	Electronic Associates Inc May 67 (11) 1-4680-2
Standard Prudential United Corp Apr 67 (9,11,13) 1-5273-2	Empire Life Ins. Co. (Calif) Apr 67 (7,9,11) 2-20749-2
Tally Corp Apr 67 (7,11) 0-1104-2	Financial Federation Inc May 67 (12,13) 1-4524-2
Teledyne Inc Apr 67 (2,7,13) 1-5212-2	General Reinsurance Corp Apr 67 (11,13) 2-8097-2
	Walter E. Heller & Co Apr 67 (11,12,13) 1-2291-2
	Instrument Systems Corp Amend #1 Jan 67 (2,13) 0-116-2
	Investors Equity of the West Inc Apr 66 (2) 0-2213-2
	Lamb Industries Inc May 67 (2) 1-712-2
	The Lehigh Press Inc Mar 67 (11) 1-4967-2
	Master Consolidated Inc. Jul 66 (11) 2-22422-2
	Arthur G. McKee & Co Apr 67 (11) 1-146-2
	Monmouth Park Jockey Club May 67 (11) 0-295-2
	Narragansett Elec Co Mar 67 (11) 0-898-2

**SECURITIES ACT REGISTRATIONS. Effective June 6:** Blackstone Valley Electric Co., 2-26509; Cambridge Electric Light Co., 2-26531; Chesebrough-Pond's Inc., 2-26306 (40 days); Commonwealth of Australia, 2-26598 (July 17); EG&G Inc., 2-26591; Electronic Associates, Inc., 2-26365; Semtech Corp., 2-26424 (Sep 4); United Utilities, Inc., 2-26484 (July 17).

**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.