

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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MATLOCK INVESTMENTS REVOKED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8015) revoking the broker-dealer registration of Woodford A. Matlock (dba Woodford Matlock Investments), of Scarsdale, N. Y., for violating Section 17(a) of the Act by reason of his failure to file a report of financial condition for the year 1965. Matlock failed to file an answer to the charge of violation and was deemed to be in default.

LOUISIANA P&L SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15635) giving interested persons until January 27 to request a hearing upon the bond and preferred stock financing proposal of Louisiana Power & Light Company, New Orleans. As previously reported (News Digest of December 16), Louisiana P&L proposed to offer for public sale at competitive bidding \$16,000,000 of first mortgage bonds due 1997 and 80,000 shares of \$100 par preferred stock. Net proceeds of this financing will be applied to the payment of some \$15,500,000 of bank loans and to the company's construction program, estimated at \$62,000,000 for 1967.

OWENS-ILL. OVERSEAS SEEKS ORDER. Owens-Illinois Overseas Capital Corporation, Toledo, Ohio, has applied to the SEC for an exemption from all provisions of the Investment Company Act; and the Commission has issued an order (Release IC-4810) giving interested persons until January 13 to request a hearing thereon. The company was organized by Owens-Illinois, Inc., which has or will make capital contributions of \$5,000,000. Applicant was organized to raise funds abroad for financing the expansion and development of Owens-Illinois' 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. It intends to issue and sell \$25,000,000 of debentures due 1977 (guaranteed by the parent), the debentures to be sold through underwriters outside the United States. Its assets will be invested in or loaned to foreign companies which are primarily engaged in investment activities and are or will be majority-owned by the parent, under its control, or engaged in a business related to that of the parent in which the parent has an equity interest of 10% or more.

EXAMINER RULES AGAINST MACLAUGHLIN OFFICIAL. SEC Hearing Examiner Sidney Gross has filed an "initial decision" in proceedings involving the firm of Leo G. MacLaughlin Securities Co., formerly of Pasadena, Calif., whose broker-dealer registration was revoked by the Commission on January 5, 1966. The Examiner ordered that John E. Lalich, who served as the firm's president during the first six months of 1962, be barred from further association with any broker-dealer firm. His order will become effective if the case is not appealed to the Commission.

According to the Examiner's decision, Lalich "aided and abetted" violations by the firm of various provisions of the Federal securities laws. Included was the fraudulent practice of interpositioning another firm (Jeanne Wilkins, d/b/a Bond & Share Co., whose registration also has been revoked) in purchase and sell orders for customers of the MacLaughlin firm, resulting in two mark-ups or mark-downs on each such transaction. While Lalich urged that his duties were primarily that of sales manager and a salesman, the Examiner observed: "In accepting the presidency of registrant, Lalich also accepted the responsibilities imposed on him by that office which he cannot escape by pleading ignorance of the actual operations of registrant." Moreover, Lalich effected a substantial number of purchases for one of his customers, all involving double mark-ups resulting from such interpositioning and about which "Lalich knew or should have known." As president he also was held responsible for certain other violations by the firm, including violations of the SEC net capital rule, failure to report changes in management officials, and the making of false and fictitious entries in the firm's books and records.

The Commission's staff had urged that Millard M. Mier, counsel for the firm, also should be held accountable for the firm's misconduct as a "co-controller" with two other officials. The Examiner held that the evidence did not support this contention; but he ruled that Mier was responsible for the firm's refusal to make its books available for examination. He concluded, however, that in view of Mier's advanced age and his expressed intention not to engage in the securities business, "the publicity attendant both in these proceedings and the finding of the violation herein are enough. No further sanction need be imposed."

As to a third respondent, Geraldine C. Gillespie, who served as secretary of the firm, the Examiner held that her functions were "entirely clerical and administrative having no relationship with the public," that she had "no responsibility" in the areas in which the firm's violations occurred, and that "no violations should be found against her."

As indicated, the registrations of the MacLaughlin and Bond & Share firms previously were revoked; a bar order was issued against Wilkins as well as Charlene V. Thompson. Carolyn J. Hendrickson, the only remaining respondent, "defaulted by failing to appear at the hearing;" and the Examiner suggested that a default order be entered as to her.

WESTERN EQUITY FILES FOR OFFERING. Western Equity Corporation, 9000 East Colfax Ave., Aurora, Colo., filed a registration statement (File 2-25866) with the SEC on December 30 seeking registration of 1,000,000 shares of Class A common stock, to be offered for public sale at \$1 per share. The offering is to be made on a best efforts basis by Royal W. Carson & Co., Inc., for which it will receive a 13¢ per share selling commission.

The company was organized under Colorado law in October 1966, principally to own majority-owned insurance companies. Its organizers contributed a total of \$200,000 for 800,000 Class B and 200,000 Class C (non-voting) shares (they also advanced an additional \$20,000 to defray a portion of the underwriter's expenses). Net proceeds of its stock sales will be used primarily to form or acquire majority-owned life insurance companies (and to pay operating expenses). The prospectus lists Jess P. Odom as board chairman and Charles G. Abel as president. Management officials own 23.5% of the Class B and Class C stock (including 12.5% of each owned by Roy Rogers, of Apple Valley, Calif., a director). Investors Equity Corporation and Investors Equity of the West, Inc., both of Little Rock, Ark., own 13.5% and 12.5%, respectively, of the Class B and Class C stocks. Public purchasers of the Class A shares (assuming all shares are sold) will contribute about 83% of the company's capital funds (before deducting underwriting and other expenses) and receive about 55.6% of the voting control, while the promoters contribute about 17% of the funds and receive 44.4% of the voting control.

OIL SHALE CORP. FILES FOR RIGHTS OFFERING. The Oil Shale Corporation, 680 Fifth Ave., New York 10019, filed a registration statement (File 2-25867) with the SEC on December 30 seeking registration of 6,969,586 shares of common stock. The company proposes to offer this stock for subscription at \$1 per share by holders of outstanding stock at the rate of two new shares for each share held, subject to shareholder approval of a proposed charter amendment to increase the number of authorized shares. No underwriting is involved. Under certain circumstances, however, the company may sell unsubscribed shares to Aquitaine Oil Corporation and Auxirap Corporation of America at the \$1 per share offering price.

The company is engaged in carrying on research and development of processes for the production in commercial quantities of oil from oil shale and other solid hydrocarbonaceous materials. Its continuing program involves research and development of such matters as mining, above-ground retorting, oil recovery and treatment, and waste disposal. It is a member of a Joint Venture with Sohio Petroleum Company and The Cleveland-Cliffs Iron Company. In connection with the Joint Venture, as well as by itself, the company has carried out program of acquisition and control of various oil shale reserves situated in Colorado and Utah. The company owns and operates pilot plant and laboratory facilities; and together with the Joint Venturers it owns a "semi-works" scale, non-commercial, oil shale plant and mine in Colorado. If all the new shares are sold, some \$750,000 will be used to repay a bank loan; \$3,500,000 will be used to repay a secured borrowing from Aquitaine; and the balance will be used in unspecified amounts as operating costs of the semi-works facilities, for payment on properties and reserves acquired by the company, for continuing programs of research and development, and for working capital. In addition to indebtedness, the company now has outstanding 3,984,793 common shares, of which Aquitaine and Auxirap each owns 6.34%. H. I. Koolsbergen is president and Huntington Hartford board chairman.

SCUDDER DUAL-PURPOSE FILES EXCHANGE PLAN. Scudder Dual-Purpose Exchange Fund Inc., 320 Park Avenue, New York 10022, filed a registration statement (File 2-25869) with the SEC on December 30 seeking registration of 5,000,000 income preferred shares and 5,000,000 capital shares. The shares are to be offered to prospective investors in exchange for securities acceptable to the Fund. The basis of exchange will be a unit of one income preferred share and one capital share for each \$40 of exchange value of deposited securities, after deducting from such value a \$1.67 per share subscription fee payable to the dealer manager and the soliciting dealers (if the value of deposited securities is less than \$100,000, the fee being scaled down for larger transactions).

The Fund's prospectus lists E. F. Hutton & Company Inc. as dealer manager. Scudder, Stevens & Clark will serve as investment counsel. Hardwick Stires is listed as board chairman and George S. Johnston as president of the Fund; Stires is senior partner and Johnston (along with three other Fund officers) is a general partner of Scudder, Stevens & Clark. Another director, Sylvan C. Coleman, is board chairman and chief executive officer of E. F. Hutton & Company Inc. The seventh director, John M. Kingsley, is president of Bessemer Securities Corporation.

SCUDDER DUO-VEST FUND FILES EXCHANGE PLAN. Scudder Duo-Vest Exchange Fund Inc., 320 Park Ave., New York 10022, filed a registration statement (File 2-25870) with the SEC on December 30 seeking registration of 5,000,000 income preferred shares and 5,000,000 of capital shares. The shares are to be offered in units comprised of equal numbers of each class, and in exchange for securities considered acceptable for the Fund's portfolio; the offering is to be made on the basis of one unit for each \$40 of exchange value of deposited securities after deduction of the subscription fee payable to the dealer manager and soliciting dealers with respect to such deposited securities. The subscription fee will be 4% of the market value of deposited securities of less than \$100,000, the minimum deposit being \$20,000, and will be reduced as the size of the transaction increases to a minimum of 1%.

(The Fund's dealer manager, investment counsel and officers are identical with those referred to in the item above on Scudder Dual-Purpose Exchange Fund Inc.)

FOUR STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC proposing the offering of stock pursuant to their stock plans:

- 2-25852 - NuTone, Incorporated, Cincinnati - 150,000 common shares
- 2-25855 - Avnet, Inc., New York - 150,000 common shares
- 2-25859 - Purex Corporation, Ltd., Lakewood, Calif. - 42,629 common shares
- 2-25865 - Agway, Inc., Dewitt, N. Y. - \$1,000,000 of debentures and 10,000 shares of \$100 par preferred stock

GOULD PROPERTIES SHARES IN REGISTRATION. Gould Properties, Inc., 370 Lexington Ave., New York 10017, filed a registration statement (File 2-25871) with the SEC on December 30 seeking registration of 9,500 shares of Class A stock. The shares are to be issued to the partners of Duberstein Reading Company, a limited partnership, pursuant to an agreement whereby the company is to purchase from the partnership, for \$595,000, a parcel of real estate located in Reading, Pa. Of the purchase price, \$500,000 is to be paid in cash and \$95,000 through the issuance of the stock being registered.

Organized under Delaware law in 1961, the company is engaged in real estate business. In addition to indebtedness, it has outstanding 420,969 Class A and 64,047 Class B shares, of which management officials own 52,374 and 50,114 shares, respectively. Stuart S. Gould is president and Abraham Kamber is board chairman.

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 "**"):

<u>File No.</u>	<u>O- Registrant</u>	<u>Location</u>
2304	Strouse, Inc**	Norristown, Penna.
2306	Ruckbee Mears Co**	St. Paul, Minn.
2308	Amico Properties**	Los Angeles, Calif.
2311	Power Ind. Products Co**	Rutherford, N.J.
2312	National Banner Corp**	Pitts. Penna.

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. The captions of the items are as follows:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Legal Proceedings.
- Item 4. Changes in Securities.
- Item 5. Changes in Security for Registered Securities.
- Item 6. Defaults upon Senior Securities.
- Item 7. Increase in Amount of Securities Outstanding.
- Item 8. Decrease in Amount of Securities Outstanding.
- Item 9. Options to Purchase Securities.
- Item 10. Revaluation of Assets or Restatement of Capital Share Account.
- Item 11. Submission of Matters to a Vote of Security Holders.
- Item 12. Other Materially Important Events.
- Item 13. Financial Statements and Exhibits.

Copies of the reports may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with requested material when mailed.

Allied Artists Pictures Corp May 66(7,8,13)	1-2965-2	Family Bargain Centers Inc Dec 66(13)	1-5173-2
Thomas Jefferson Life Ins Co Nov 66(7)	2-23775-2	Great Southwest Corp Nov 66(7,13)	0-100-2
Great Western Sugar Co Nov 66(12)	1-372-2	Kelly Services Inc Nov 66(7,8)	0-1088-2
Canadian Pacific RY Co Dec 66(12)	1-1342-2	Oct 66(3)	0-1088-2
Poly Inds Inc Oct 66(11,13)	0-1781-2	Nytronics Inc Dec 66(11)	1-5004-2
		Sunset House Nov 66(12)	1-5285-2
		Super Food Services Inc Nov 66(11,13)	1-5171-2
		Wyle Labs Nov 66(12,13)	0-1282-2

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended December 29, 1966, 33 registration statements were filed, 27 became effective, 3 were withdrawn, and 365 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective December 30: Avnet, Inc., 2-25855; The Perkin-Elmer Corp., 2-25776. Effective January 3: Gilford Instrument Laboratories, Inc., 2-25767 (90 days).

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.