

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

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INDIVIDUALS' SAVING REPORTED. The SEC today announced that individuals' net increases in financial savings amounted to \$10.2 billion during the first quarter of 1967. This was a first quarter record and nearly twice as large as in the comparable 1966 period. The pattern of individuals' saving shifted materially from that of early last year. Direct holdings of securities were reduced somewhat in contrast to large net acquisition in the first quarter last year, and net addition to savings in depository institutions were made in sharply larger volume. These shifts appear to reflect in large part a reaction to the severe strains evident in the nation's credit markets last year.

The \$6.1 billion net increase in time and savings deposits at banks (both commercial and mutual savings banks) was nearly twice as great as last year. Saving shares at savings and loan associations and credit unions increased \$2.5 billion during the quarter, \$1 billion more than the net inflow a year earlier. Moreover, while holdings of currency and demand deposits declined seasonally, the \$0.6 billion drop this year compares with a \$4.6 billion reduction in the January-March period of last year. Individuals' ownership of U.S. Government and Federal agency marketable securities was reduced by \$0.9 billion in contrast to substantial net acquisitions during early 1966. Individuals also reduced their portfolio of tax-exempt securities during the quarter while adding corporate debt issues to their holdings. The addition of corporate debt issues probably reflects the substantial volume of new convertible debentures issued by corporations during the period. There was a \$2.7 billion reduction in individuals' stockholdings, other than investment company issues. Net purchases of the latter issues reached \$1.3 billion, a January-March total exceeded only in 1966. For further details, see Stat. Release No. 2222.

INSURANCE SECURITIES TRUST SEEKS EXEMPTION. Insurance Securities Trust Fund ("ISTF"), San Francisco, open-end diversified investment company, has applied to the SEC for an order under the Investment Company Act exempting from the provisions of Section 22(d) sales at a reduced or no sales load upon the reinvestment of the proceeds of Participating Agreements upon maturity; and the Commission has issued an order (Release IC-5045) giving interested persons until August 11 to request a hearing thereon. Insurance Securities Incorporated ("ISI") is the principal underwriter for, and investment adviser of, ISTF. Beginning March 27, 1967, ISI waived the sales load on the reinvestment at maturity of the proceeds of any Participating Agreement issued on or after March 27, 1967. In addition ISI reduced from 8.85% to 5% the sales load on reinvestment at maturity of the proceeds of any Participating Agreement fully paid and outstanding as of March 24, 1967. In the case of any Accumulative Plan Participating Agreement outstanding but not fully paid on March 24, 1967, the proceeds may be reinvested at a sales load of 5% of the lesser of (a) that portion of the maturity proceeds which is equal to the net asset value on maturity of the sum of the net asset value of such Participating Agreement as of March 24, 1967, and any amounts withdrawn therefrom but not repaid as of March 24, 1967, or (b) the amount reinvested. The minimum amount which may be reinvested upon maturity, or within 60 days following maturity, without load or at the reduced load of 5% is \$1,000, or the entire proceeds if such proceeds are less than \$1,000.

NATIONAL FUEL GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15804) granting an application of National Fuel Gas Company ("National") and three of its subsidiaries Iroquois Gas Corporation ("Iroquois"), United Natural Gas Company ("United"), and Pennsylvania Gas Company ("Penn"), with respect to the proposal of National to sell up to \$12,600,000 of promissory notes to a bank and to issue and sell \$18,000,000 of sinking fund debentures at competitive bidding. National proposes to use the net proceeds from the sale of its notes and debentures (1) to prepay its outstanding bank notes of \$11,900,000 and (2) to acquire for cash \$18,000,000 principal amount of long-term notes from its three subsidiaries. The net proceeds from the proposed long-term notes are to be used by the subsidiaries, together with funds available from other sources, to make additions to utility plant and to increase and replenish working capital. Iroquois, Penn, and United propose to issue and sell, from time to time prior to December 31, 1967, to National, a total aggregate amount of \$12,400,000 of short-term notes. Construction expenditures for 1967 are estimated at \$13,305,000 for Iroquois, \$3,442,000 for United, and \$3,220,000 for Penn.

RALPH A. BARD ENJOINED. Thomas B. Hart, Chicago Regional Administrator of the SEC today announced that Judge James B. Parsons of the U. S. District Court in Chicago entered a Final Judgment permanently enjoining Ralph A. Bard, III, of Chicago, from further violating the anti-manipulative provisions of Sections 9(a)(1) and (2) of the Securities Exchange Act of 1934 in connection with his transactions in the stock of Woods Corporation on the American Stock Exchange. The defendant consented to the court judgment without admitting the allegations of the Commission's complaint upon which it was based.

This matter was first brought to the Commission's attention by the Exchange, which cooperated with the Commission in its development. The Commission was represented before the Court by John I. Mayer, Assistant Regional Administrator, and Judith T. Joyce, Attorney. The investigation leading to the filing of the case was conducted by Ira H. Pearce, Special Counsel, Division of Trading and Markets, and by Judith T. Joyce, Attorney, Paul Smerstik and Norman Vieu, both Securities Investigators, Chicago Regional Office, under the supervision of Thomas B. Hart. (LR-3777)

OVER

KENTUCKY FINANCE FILES RIGHTS OFFERING. Kentucky Finance Co., Inc., 200 E. Main St., Lexington, Ky. 40507, filed a registration statement (File 2-26989) with the SEC on July 27 seeking registration of 100,000 shares of Class A non-voting common stock and \$1,000,000 of 7% subordinated capital notes, Series 1967, due 1987. The company proposes to offer (a) the 100,000 Class A common shares for subscription at \$5.00 per share by common stockholders at the rate of one Class A share for each 10 common shares held; and (b) the \$1,000,000 of notes, in multiples of \$100, for subscription by the present holders of its capital indebtedness, preferred stock, \$1.40 preferred stock and common stock. No underwriting is involved.

The company is engaged in the consumer finance (small loan) business. Net proceeds from the sale of the Class A common and capital notes will be placed in its general funds and initially used to reduce outstanding short term bank loans. In addition to indebtedness and preferred stock, the company has outstanding 1,000,000 common shares, of which G. D. Kincaid (president) owns 48.24% and management officials 71.86%.

MAGELLAN PETROLEUM PROPOSES RIGHTS OFFERING. Magellan Petroleum Corporation, 37 Lewis St., Hartford, Conn. 06103, filed a registration statement (File 2-26993) with the SEC on July 28 seeking registration of 1,752,663 shares of common capital stock. The company proposes to offer its security holders the right to purchase additional shares (to be represented by Voting Trust Certificates), on the basis of rights to subscribe for one unit for each five shares held - each unit will consist of a VTC for one share of stock, plus a warrant to purchase a VTC for $\frac{1}{2}$ of an additional share. The subscription price (\$3.25 per share maximum*) and underwriting terms are to be supplied by amendment (no underwriters are named).

The company is engaged in the exploration for oil. It has interests largely in "undeveloped properties", principally in Australia, acquired in part in transactions with corporations in which the family of the late William F. Buckley have a significant interest. The Catawba Corporation, which is controlled by members of that family, has been engaged to render administrative, technical and other services to the company. Net proceeds from the company's sale of the securities will be used for (a) exploratory work and sustaining expenses of properties in Australia and Canada amounting to approximately \$1,500,000, substantially all of which will be used in Australia; (b) miscellaneous expenses in the United States, Canada and Australia of \$125,000 per annum; and (c) the balance will be added to the funds of the company for possible future acquisitions including the possible acquisition of an interest in Libya. In addition to indebtedness, the company has outstanding 5,094,610 common shares. Benjamin W. Heath is president.

STERLING EXTRUDER FILES FOR OFFERING AND SECONDARY. Sterling Extruder Corporation, 1537 W. Elizabeth Ave., Linden, N. J., filed a registration statement (File 2-26994) with the SEC on July 28 seeking registration of 135,000 shares of common stock. Of this stock, 50,000 shares are to be offered for public sale by the company and 85,000 (being outstanding shares) by the present holders thereof. The public offering price (\$20.00 per share maximum*) and underwriting terms are to be supplied by amendment. Shearson, Hammill & Co. Inc., 14 Wall St., New York 10005, is listed as the principal underwriter.

The company is engaged in the design, development, manufacture and sale of extruders and plastics extrusion systems for the plastics processing industry. Net proceeds of its sale of additional stock will be added to working capital and used to finance anticipated increases in the level of receivables and inventories and for general corporate purposes. In addition to indebtedness, the company has outstanding 437,000 common shares. The prospectus lists ten selling stockholders. Lucien D. Yokana (president) proposes to sell 25,000 of his holdings of 120,900 shares, and John Moss and Albert Moss propose to sell 12,000 and 11,000 shares, respectively, of their holdings of 42,450 shares each. The others propose to sell shares ranging in amount from 2,000 to 10,000 shares.

PRODUCERS OF "HER FIRST ROMAN" PROPOSES OFFERING. The Roman Company, c/o Mr. Joseph Cates, 120 E. 56th St., New York, filed a registration statement (File 2-26996) with the SEC on July 27 seeking registration of \$500,000 of interest in the company. The interests are to be offered for public sale in \$10,000 units.

The issuer is a partnership to be formed under New York law for the purpose of producing a dramatic-musical play presently entitled "Her First Roman." The musical is based upon George Bernard Shaw's play "Caesar and Cleopatra." Ervin Drake is the composer and lyricist. The play is to be produced by its general partners, Joseph Cates and Henry G. Fownes.

HOWARD JOHNSON FILES FOR SECONDARY. Howard Johnson Company, 89 Beale St., Wollaston, Mass., filed a registration statement (File 2-26997) with the SEC on July 28 seeking registration of 650,000 outstanding shares of common stock. The shares are to be offered for public sale through underwriters headed by Blyth & Co., 14 Wall St., New York 10005; F. S. Moseley & Co., 50 Congress St., Boston, Mass. 02109; and Alex. Brown & Sons, 135 E. Baltimore St., Baltimore, Md. 21202. The public offering price (\$55.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in operating and supplying the Howard Johnson restaurant chain. In addition to indebtedness, it has outstanding 4,950,784 common shares, of which management officials own 12.020%. The prospectus lists three selling stockholders, including Howard D. Johnson, who proposes to sell 250,000 of his holdings of 471,176 common shares. Howard B. Johnson, his son and company president, 200,000 of 584,554 shares, and Dorothy J. Weeks, 200,000 of 530,976 shares.

GULF INSURANCE FILES FOR RIGHTS OFFERING. Gulf Insurance Company, 3015 Cedar Springs Rd., Dallas, Tex. 75219, filed a registration statement (File 2-26998) with the SEC on July 28 seeking registration of 347,219 shares of common stock. It is proposed to offer this stock for subscription by stockholders at the rate of one new share for each five shares held. The record date, subscription price (\$26 per share maximum*) and underwriting terms are to be supplied by amendment. Equitable Securities Corp., 322 Union St., Nashville, Tenn., and First Southwest Co., 927 Mercantile Bank Bldg., Dallas, Tex. 75201, are listed as the principal underwriters.

The company and its subsidiaries are engaged principally in writing property, casualty and life insurance. Net proceeds of its stock sale will be used to reduce indebtedness to the First National Bank of Dallas. In addition to indebtedness, the company has outstanding 1,801,298 common shares. T. R. Mansfield is board chairman and A. R. Buchel president.

GEORGIA POWER FILES FOR OFFERING. Georgia Power Company, 270 Peachtree St., Atlanta, Ga. 30303, filed a registration statement (File 2-26995) with the SEC on July 28 seeking registration of \$50,000,000 of first mortgage bonds, due 1997, and 120,000 shares of preferred stock, to be offered for public sale at competitive bidding.

As reported in the News Digest of July 19, the company will use the net proceeds from the sale of the bonds and the stock, together with \$14,000,000 from the sale of common stock to its parent, The Southern Company, approximately \$49,070,000 of funds expected to be accumulated from usual internal sources, and \$38,003,000 of short-term bank loans, to finance in part its 1967 construction program (estimated at \$123,190,000), to retire \$4,760,000 of outstanding bonds and to pay short-term bank loans outstanding (which it is estimated will amount to \$57,123,000). In addition to indebtedness and preferred stock, the company has outstanding 6,526,500 common shares. Management officials own 8,907 common shares of The Southern Company and 251 shares of preferred stock of Georgia. Edwin I. Hatch is president.

DAMON CREATIONS FILES FOR SECONDARY. Damon Creations, Inc., 16 E. 34th St., New York, filed a registration statement (File 2-27001) with the SEC on July 28 seeking registration of 250,220 outstanding shares of Class A stock, to be offered for public sale by the holders thereof through underwriters headed by Hayden, Stone Inc., 25 Broad St., New York. The public offering price (\$12.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the design, production and sale of adult wearing apparel principally comprised of men's knitted shirts, sweaters and jackets, men's neckwear and ladies' knitted dresses and suits. It has outstanding 250,220 shares of Class A and 750,660 shares of Class B stock all owned by members of the Rappaport family (David Rappaport is president). The Rappaport family will continue to own 100% of the outstanding Class B shares after selling the 250,220 Class A shares.

UNITED GAS SEEKS ORDER. United Gas Corporation ("United"), Shreveport gas utility subsidiary company of Pennzoil Company, and two of its subsidiary companies, United Gas Pipe Line Company ("Pipe Line") and Duval Corporation ("Duval"), have applied to the SEC for an order under the Holding Company Act authorizing United to issue and sell up to \$35,000,000 of commercial paper in the form of promissory notes to Lehman Commercial Paper, Incorporated; and the Commission has issued an order (Release 35-15805) giving interested persons until August 21 to request a hearing thereon. Proceeds from the sale of commercial paper will be added to United's treasury funds which together with cash resources and retained earnings will be used for the proposed acquisition by United of notes to be issued by Pipe Line and Duval. Pipe Line and Duval propose to issue and sell, from time to time as funds are required, promissory notes to United, which United proposes to acquire, in aggregate amounts not exceeding \$25,000,000 and \$15,000,000, respectively. Pipe Line will use the proceeds from its notes sold to United for construction, improvement, and expansion of its facilities in connection with its 1967-1968 construction and expansion program, and for reimbursing its treasury, in part, for expenditures actually made for such purposes, and for other general corporate purposes. Duval will use the proceeds from the sale of its notes to United for the purpose of completing its 1967-1968 construction and expansion program.

FOUR TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Underwater Storage, Inc., Continental Vending Machine Corporation, Pakco Companies, Inc., and Westec Corporation, for the further ten-day period August 1 through August 10, 1967, inclusive.

COMMUNITY NAT'L LIFE, OTHERS ENJOINED. The SEC announced July 31 (LR-3778) that the Federal court in Tulsa had issued an order permanently enjoining Community National Life Insurance Company ("Community") of Tulsa; Brannon, Fulps & Company, a registered broker-dealer of Tulsa; Jimmie J. Ryan, president of Community; H. G. Bill Dickey, a Tulsa attorney and director of Community and principal shareholder of Brannon, Fulps & Company; Arnold R. Brannon, president of Brannon, Fulps & Company; and Howard E. Turrell, a principal stockholder of Community, from further violations of the registration, anti-fraud, and anti-manipulative provisions of the Securities Acts in the sale and distribution of securities of Community. The defendants consented to the entry of the decree. The Commission's motion for preliminary injunction as to defendants Lyndon L. Pearson, a former partner and executive vice president of Andresen & Company, and Roy V. Montgomery, manager of the Oklahoma City Branch Office of A. G. Edwards & Sons, both registered broker-dealers, will be heard August 2.

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 July 7 News Digest.

Vernitron Corp	June 67 (2,7,13)	1-4909-2	Helme Products Inc	
Volt Technical Corp			Amd #1 to 8K for May 67 (13)	1-5309-2
June 67 (11,12)		2-19724-2	Robintech Inc	
Wellington Management Co			Amd #1 for Dec 66 (2,13)	1-4177-2
June 67 (8,12)		0-143-2	Welch Scientific Co	
			Amd #1 for May 67 (13)	1-4711-2

Acme Precision Products Inc June 67 (6,8)	1-3327-2	Ex-Cello Corp June 67 (4,7,13)	0-1334-2
Applied Electronics Corp of N J June 67 (11)	2-16240-2	Herff Jones Co June 67 (2,3,7,8,11,13)	0-1682-2
Borden Co June 67 (7,13)	1-71-2	Insurance Exchange Building Corp July 67 (11)	2-7790-2
Canadian Export Gas & Oil Ltd Aug 66 (11,12)	1-3921-2	Lake Central Airlines Inc June 67 (4,7,13)	0-2147-2
Colt Industries Inc June 67 (7,8)	1-64-2	Maine Sugar Industries Inc June 67 (7)	0-2426-2
Commonwealth United Corp Apr 66 (2,7,8,13)	1-4563-2	Pet Inc June 67 (7,13)	1-242-2
Apr 67 (2,7,8,13)	1-4563-2	Roosevelt Raceway Inc June 67 (3,12)	1-3966-2
Jun 67 (2,7,8,13)	1-4563-2	Western Gas Service Co June 67 (12)	0-919-2
Dickson Electronics Corp May 67 (7,13)	0-2071-2		
Eastern Air Lines Inc June 67 (7)	1-3049-2		
Isram Corp Jan 67 (11,13)	1-3819-2		
Grain Belt Breweries Inc June 67 (11)	1-2078-2	Fram Corp Amd #1 for June 67 (2)	1-4469-2
Oxy Catalyst Inc June 67 (2,7,13)	2-15956-2	Investors Funding Corp of N Y Amd #1 for Dec 66 (2,13)	1-4600-2
Security Capital Life Insurance Co June 67 (12,13)	2-24353-2	Amd #1 for Nov 66 (2,13)	1-4600-2
United Air Lines Inc June 67 (7,13)	1-2673-2	Universal Marion Corp Amd #1 for Mar 67 (7)	1-4194-2
		Colonial Life & Casualty Co Jun 67 (2,13)	2-24379-2
Coburn Corp of America Amd #1 to 8K for Jun 67 (No items)	1-4730-2	Daitch Crystal Dairies Inc Apr 67 (11,12,13)	1-3700-2
Coburn International Corp Amd #1 for Jun 67 (no items)	0-1480-2	Diversified Metals Corp Jun 67 (3,12,13)	1-5227-2
Commonwealth United Corp Amd #1 for Feb 67 (2)	1-4563-2	Levin-Townsent Computer Corp Jun 67 (11,12,13)	1-5242-2
Amd #1 for May 66 (7,13)	1-4563-2	Mammoth Mart Inc Jun 67 (7,8,13)	1-5059-2
Airlift International Inc June 67 (2,3,7,8,13)	0-1846-2	Mid-Continent Corp Jul 67 (11)	2-18246-2
Bankers Investment Corp July 67 (12)	0-1317-2	Purepac Corp Jun 67 (11)	0-953-2
Belmont Iron Works June 67 (2,7,13)	0-51-2	Rusco Ind Inc Jun 67 (12)	1-5087-2
Carolina Pipeline Co June 67 (11,13)	0-1597-2	San Juan Racing Assoc Inc Jun 67 (2,3)	0-1721-2
Central Aguirre Sugar Co June 67 (8)	1-510-2	Trans-Gulf Development Corp Jun 67 (11)	2-13035-2
Continental Enterprises Inc June 67 (2,7,9,13)	0-1471-2	Wayne Mfg Co Jun 67 (2,7)	0-1233-2
		Wright Air Lines Jun 67 (8)	2-26318-2
		The Wurlitzer Co Jun 67 (11,13)	1-5186-2
		Interphoto Corp Amend #1 to 8K for Jun 67 (13)	1-4864-2

SECURITIES ACT REGISTRATIONS. Effective July 28: R. F. Communications, Inc., 2-26567; Dominion Bankshares Corp., 2-26742 (Oct 26); General Motors Acceptance Corp., 2-26922 (40 days); Southern Airways, Inc., 2-26731; Jim Walter Corp., 2-26887 (Sep 12).

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.