

# 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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**PROPOSAL WOULD MODIFY OWNERSHIP REPORTING RULES.** The SEC today announced a proposal (Release 34-8202) under the Securities Exchange Act to modify its rules governing the reporting of "insider" holdings and transactions; and it has invited the submission of views and comments thereon not later than January 2, 1968. The proposal would amend Rule 16a-2, which deals with the determination of when a person is the beneficial owner, directly or indirectly, of more than ten percent of a class of equity securities for the purpose of reporting the ownership of such securities, or changes therein, pursuant to Section 16(a) of the above Act. The proposed amendment would add a new paragraph to the rule which would provide that, for the purpose of determining whether a person is the beneficial owner of more than ten percent of any class of equity securities, he shall be deemed to be the beneficial owner of securities of that class which he has the right to acquire through the exercise of presently exercisable options, warrants or rights or through the conversion of presently convertible securities. Securities subject to such options, warrants, rights or conversion privileges would be deemed outstanding for the purpose of computing the percentage of the class owned by such person but would not be deemed outstanding for the purpose of computing the percentage of the class owned by any other person.

**FUNDAMENTAL INVESTORS SEEKS ORDER.** Fundamental Investors, Inc., Elizabeth, N. J., has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed acquisition of substantially all of the assets of A.G.H. Corporation ("A.G.H."); and the Commission has issued an order (Release IC-5184) giving interested persons until December 22 to request a hearing thereon. A.G.H., a Pennsylvania corporation, is a personal holding company all of whose outstanding stock is owned by one stockholder. Applicant proposes to issue its redeemable securities at their net asset value for A.G.H.'s assets, which had a market value of approximately \$490,346 on September 30. Had the transaction been consummated on that date, A.G.H. would have received about 39,544 shares of applicant's stock.

**TWO TRADING BANS CONTINUED.** The SEC has issued orders under the Securities Exchange Act suspending over-the-counter trading in securities of Silver Shield Corp. (formerly Silver Shield Mining & Milling Co.) and North American Research & Development Corp., for the further ten-day period December 7-16, 1967, inclusive.

**UNLISTED TRADING GRANTED.** The SEC has issued an order under the Securities Exchange Act (Release 34-8199) granting an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Midland-Ross Corporation.

**PETROLEUM EXPLORATION FILES FOR OFFERING.** Petroleum Exploration & Development Funds, Inc., 744 Hickory St., Abilene, Texas 79604, filed a registration statement (File 2-27791) with the SEC on December 4 seeking registration of \$5,000,000 of participations in its 1968 drilling program, to be offered for public sale at \$10,000 per unit. The offering is to be made through company representatives (without commission), but units may also be sold by NASD members (who will be entitled to a 5% commission).

The company was organized on November 6, 1967, to engage in the exploration for oil and gas. Net proceeds of its sale of units will be turned over to Petroleum Exploration & Operating Corporation for its use in accomplishing on behalf of Participants the objectives of the 1968 program. Both the company and the Operating Corporation are wholly-owned subsidiaries of The Exploration & Development Corporation, all of whose stock is owned by its management officials. Richard E. Krafve is board chairman and J. E. Connally president of all three companies.

**UNITED STATES GYPSUM FILES STOCK PLAN.** United States Gypsum Company, 101 S. Wacker Drive, Chicago, Ill. 60606, filed a registration statement (File 2-27793) with the SEC on December 4 seeking registration of 100,000 shares of \$1.80 convertible preferred stock and 45,000 shares of common stock to be offered to those employees of A. P. Green Refractories Co. ("A.P. Green") and its subsidiaries who are participants in the A. P. Green Refractories Co. Investment Plan for Salaried Employees. The company is also offering 12,649 preferred shares to seven officers and employees of A. P. Green who hold outstanding options granted to them under the A. P. Green stock option plan. A. P. Green proposes to merge into United States Gypsum on December 29, 1967.

**MINNESOTA P&L PROPOSES BOND OFFERING.** Minnesota Power & Light Company, 30 W. Superior St., Duluth, Minn. 55802, filed a registration statement (File 2-27794) with the SEC on December 5 seeking registration of \$18,000,000 of first mortgage bonds, due 1998, to be offered for public sale at competitive bidding.

An electric utility, the company will apply the net proceeds of its bond sale, together with funds derived from its operations, toward the repayment of some \$11,000,000 of short-term bank loans, the construction of new facilities (principally transmission and distribution), and other corporate purposes. Construction expenditures for 1967 and 1968 are estimated at \$9,300,000 and \$10,400,000, respectively. In addition to indebtedness and preferred stock, the company has outstanding 3,432,188 common shares. A. H. Herbert is board chairman and president.

OVER

**AMERICAN SNACKS FILES FOR OFFERING AND SECONDARY.** American Snacks, Inc., 400 Eastern Ave., Chelsea, Mass 02150, filed a registration statement (File 2-27795) with the SEC on December 5 seeking registration of 225,000 shares of common stock. Of this stock, 113,500 shares are to be offered for public sale by the company and 111,500 (being outstanding shares) by the present holders thereof. The public offering price (\$17.50 per share maximum\*) and underwriting terms are to be supplied by amendment. Dempsey-Tegeler & Co., Inc., 1000 Locust St., and Scherck, Stein & Franc, Inc., 408 Olive St., both of St. Louis, Mo., are listed as the principal underwriters. Certain stockholders of the company have granted to the underwriter five-year options to purchase 12,000 common shares of the company.

The company is engaged in the operation of snack bars, popcorn stands, vending machines and coin-operated amusement devices, all of which are located in discount type department stores. Net proceeds of its sale of additional stock (including 27,000 common shares sold to Zayre Corp.) will be added to working capital and used for general corporate purposes, including expenses incident to the proposed development of the company's free-standing specialty restaurants. In addition to indebtedness, the company has outstanding 486,500 common shares, of which management officials own 81.26%. The prospectus lists 17 selling stockholders. David Casty (board chairman) proposes to sell 21,908 of his holdings of 119,750 shares, Edward Goldberg (president), 15,621 of 50,000 shares, and Ben Faneuil (a director), 36,650 of 117,250 shares; the others propose to sell shares ranging in amount from 500 to 7,816 shares.

**W. A. BENJAMIN FILES FOR OFFERING AND SECONDARY.** W. A. Benjamin, Inc., One Park Ave., New York 10016, filed a registration statement (File 2-27797) with the SEC on December 5 seeking registration of 62,000 shares of common stock. Of these shares, 50,000 shares are to be offered for public sale by the company and 12,000 (being outstanding shares) by the present holder thereof. The public offering price (\$30.00 per share maximum\*) and underwriting terms are to be supplied by amendment. White, Weld & Co., 20 Broad St., New York is listed as the principal underwriter.

The company is engaged primarily in the publication and sale of scientific texts and reference books and related teaching materials for educational, professional, and reference purposes in high schools, colleges, universities, and in academic and industrial research. Of the net proceeds of its sale of additional stock, \$400,000 will be used to retire short-term bank indebtedness incurred to provide additional working capital; \$200,000 to finance new publishing programs for high school science courses; and the balance for other corporate purposes including working capital. In addition to indebtedness, the company has outstanding 156,333 common shares, of which management officials own 17.4% (including 15.7% owned by William A. Benjamin, president). Security Equity Fund, Inc., a Kansas diversified open-end management investment company proposes to sell all of its holdings of 12,000 shares.

**AMERICAN VARIABLE ANNUITY RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5188) exempting American Variable Annuity Life Assurance Company ("Company") and American Variable Annuity Fund ("Fund") from certain provisions of the Act. Fund proposes to offer, through Company as principal underwriter, both group and individual variable annuity contracts, which may or may not include provisions for life insurance and guaranteed fixed annuities. The group variable annuity contracts will be offered to public school systems and tax-exempt organizations for annuity purchase plans under which participating employees will be afforded federal income tax benefits in accordance with Section 403(b) of the Internal Revenue Code of 1954 as amended. Individual variable annuity contracts are of three types: (a) single payment contract, (b) flexible payment contracts, and (c) stipulated payment contracts. Both the group and the individual contracts will offer fixed, variable, and combination fixed and variable/annuity payment options. Company is a subsidiary of State Mutual Assurance Company of America.

**PROJECTED PLANT EXPENDITURES UP.** The SEC and Department of Commerce announce (for December 7 newspapers) that business expenditures for new plant and equipment are expected to rise in the fourth quarter of this year and the first half of 1968, according to the latest survey conducted in late October and November. The expected increase follows three quarters of moderately declining outlays. Capital spending, at a seasonally adjusted annual rate of \$60.9 billion in the third quarter of 1967, is expected to rise to \$62 billion in the fourth quarter and the further increases which are anticipated in 1968, if realized, would bring outlays to \$65.8 billion by the second quarter of the year. Like the earlier surveys of 1967, the current survey indicates that actual plant and equipment expenditures again fell short of businessmen's expectations. Actual third quarter outlays were about 2½ percent lower than previously anticipated, and fourth quarter programs were reduced one percent. All major industries except public utilities contributed to the downward revision of programs for the second half of 1967. The full year 1967 is now expected to total \$61.5 billion, or 1½ percent above 1966. Three months ago, 1967 capital spending was scheduled at \$62 billion. For further details, see Stat. Release No. 2248.

**SECURITIES ACT REGISTRATIONS.** Effective December 5: Alaska Airlines, Inc., 2-27322 (40 days); Bliss & Laughlin Industries Inc., 2-27613 (40 days); Fischer & Porter Co., 2-27576 (40 days); Franklin Stores Corp., 2-27553 (40 days); Inland Steel Co., 2-27651; R. H. Macy & Co., Inc., 2-27740; Mark Systems, Inc., 2-27475 (90 days); Public Service Electric and Gas Co., 2-27696 (1/15); Randolph Computer Corp., 2-27646 (40 days); Revere Copper and Brass Inc., 2-27661 (40 days); Stokely-Van Camp, Inc., 2-27735; Transportation Consultants International, 2-27524 (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.

\*As estimated for purposes of computing the registration fee.