

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Brief summary of financial proposals filed with and actions by the S.E.C.

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AMERICAN & FOREIGN POWER ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-3912) permitting American & Foreign Power Company Inc., New York subsidiary of Electric and Share Company, a registered investment company, to sell all its holdings of stock of C. A. Luz Electrica de Venezuela, a majority-owned subsidiary, to C. A. La Electricidad de Caracas, for a cash price of \$18,563,048. Foreign Power owns 1,459,640 shares (76.2%) and La Electricidad owns 353,787 shares (18.5%) of the stock of Luz Electrica.

PAUL A. SANDBLOM. The SEC Fort Worth Regional Office announced January 29th (LR-2833) the entry of a Federal court order (USDC Corpus Christi, Tex.) permanently enjoining Paul A. Sandblom of Corpus Christi, with his consent, from further violating the Securities Act registration requirements in the sale of personal notes and investment contracts.

INDICTMENT NAMES RUPERT NEILY, JR. The SEC Boston Regional Office announced January 30th (LR-2834) the return of an indictment (USDC, Boston) against Rupert Neily, Jr., of Boothbay Harbor, Me., president and controlling stockholder of Mainco Electronics and Marine Development Corporation, charging Neily with violations of the Securities Act anti-fraud provisions (in the sale of Mainco stock) and Section 1001 of the Federal Criminal Code (in the filing of a false Regulation A notification for the Mainco offering, false amendments thereto, and a false affidavit).

ELIOT, ROBERTS CO. ENJOINED. The SEC New York Regional Office announced January 30th (LR-2835) the entry of a Federal court order (USDC, Newark) enjoining (with their consent) Eliot, Roberts & Co., Inc., Newark, and its president and sole stockholder, Robert E. Shafarman, from further violating the SEC capital and bookkeeping rules.

GUILTY PLEAS TO STATE INDICTMENT IN ALASKA. The SEC Seattle Regional Office announced January 30th (LR-2836) that on January 27th in a State action in Anchorage, Alaska, pleas of guilty to violations of Alaska law in the sale of stock in First Alaskan Investment Company and securities of American Bankers Mortgage and Loan Corporation were entered by the following (the first prosecution since the Alaska Securities Act was enacted in May 1959: J. M. Bogan, Ralph Browne and Donald E. Smith. Indictment dismissed as to James G. Duncan; and case against American Bankers Mortgage and Loan Corporation, Capital Management Corporation and First Alaskan Investment Company was continued until consummation of attempts to extradite Thomas S. Browder and James S. Browder from Texas.

KEYSTONE DISCOUNT STORES FILES FOR OFFERING AND SECONDARY. Keystone Discount Stores, Inc., Lebanon, Pa., filed a registration statement (File 2-22057) with the SEC on February 3d seeking registration of \$750,000 of 6% Subordinated Debentures due 1979 with 8-year warrants (detachable) to purchase 75,000 shares of common stock. It is proposed to offer the debentures (with warrants) for public sale in units of a \$500 debenture with warrants to purchase 50 common shares. The public offering price of the units, as well as underwriting terms, are to be supplied by amendment (as is the exercise price of the warrants). The principal underwriters are Suplee, Yeatman, Mosley & Co., Inc., of 1500 Walnut St., Philadelphia, and P. W. Books & Co., Inc., of 120 Broadway, New York. Keystone will sell to the two firms, for \$1,000, 8-year warrants to purchase 10,000 common shares. The two firms now hold 5-year warrants for the purchase of 10,000 shares of Keystone common at \$4 per share, which warrants were acquired for \$2,500 in connection with an October 1962 public offering of stock by Keystone which they underwrote; and these warrants are included in this registration statement.

Also included in the registration statement are 28,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through the same underwriting group. Of these shares, 25,000 are to be offered by Harry Miller, president, and 3,000 by Fred Klompus, vice president. The offering price (\$5.75 per share maximum*) and underwriting terms are to be supplied by amendment. Miller now owns 25.9% of the 290,000 outstanding common shares (as does Norman Braman, treasurer) and Klemper 3.4%.

The company operates six self-service discount department stores under the name of Bargaintown U.S.A., three vitamin centers and one gift and jewelry store in various communities in central Pennsylvania. Net proceeds of its sale of units will be used to open approximately fifteen additional discount vitamin centers in central Pennsylvania and adjacent counties of Maryland within the next year.

SECURITIES ACT REGISTRATIONS. Effective February 3: Pyrofax Gas Corporation and Texas Eastern Transmission Corp. (File 2-21928); Dallas Power & Light Co. (File 2-22020); Jewel Tea Co., Inc. (File 2-22005); **Effective February 4:** Pension Life Ins. Co. of America (File 2-21901); Zale Jewelry Co., Inc. (File 2-22002).

*As estimated for purposes of computing the registration fee.