

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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FOR RELEASE August 4, 1964

REVISED INVESTMENT COMPANY REPORTING PROPOSED. The SEC today announced a proposal for the revision of its Form N-30A-1 annual report for registered investment companies (other than small business investment companies) which are subject to the reporting requirements of the Investment Company Act of 1940 (for details, see Release IC-4026). Interested persons are invited to submit views and comments thereon not later than September 15, 1964. Preliminary drafts of the revision proposal were reviewed by committees of both the open-end and closed-end segments of the investment company industry, as well as by representatives of the accounting profession, with whom the Commission's staff also had extensive conferences; and the present proposal reflects many changes resulting from the comments of these groups.

The last substantiative revision of Form N-30A-1 was made in 1954. Since then, considerable further knowledge and experience has been gained by the Commission and its staff with respect to the operations of investment companies, not only through its examination of annual and other reports filed by such companies but also as a result of the 1962 report on the Study of Mutual Funds conducted for the Commission by the Wharton School and the 1963 Report of the Special Study of Securities Markets. These have been further supplemented by continuing studies by the Commission's staff as well as the inspections made from time to time over the past several years of the records and operations of investment companies. These studies have demonstrated the need for an improved program of reporting under and enforcement of the Investment Company Act. While the inspection program has proved valuable as an enforcement measure, personnel considerations have limited the extent to which the Commission can rely upon it to fulfill its responsibilities under the Act. This revision proposal is considered an important step in furthering the law's objectives of investor protection. Since it also is designed to facilitate compliance with the law by the industry, it is expected to achieve a significant measure of self-regulation and thus lessen the regulatory burden.

While all the items in the proposed revised form are applicable to open-end companies, a substantial number are not applicable to closed-end companies. With respect to certain items, the answers may simply be stated in the negative or may indicate that the items are inapplicable. As to certain other items, the instructions permit reference to answers furnished in a prior annual report where there has been no subsequent change.

The report is divided into two parts -- Part I which would be a public filing, and Part II which would be classified by the Commission as a nonpublic filing. Part II would include an opinion of the investment company's independent public accountant with respect to certain of the answers to items contained in Parts I and II.

Copies of the proposal have been sent to all registered investment companies and certain other persons and firms on the Commission's mailing lists. To minimize the cost of distributing copies, this statement is being distributed to a larger group of persons and firms on the mailing lists so as to advise them of the proposal and thus enable those having a special interest therein to request a copy. Any such request should be directed to the Commission's Publications Unit, citing Release IC-4026.

20TH CENTURY GUARDIAN INS. FILES OFFERING AND RESCISSION PROPOSAL. 20th Century Guardian Life Insurance Company, 402 Security National Tower, Battle Creek, Mich., filed a registration statement (File 2-22657) with the SEC on August 3 seeking registration of 1,725,000 shares of common stock. Of this stock, 774,100 shares are to be offered for public sale at \$2.50 per share on a best-efforts basis through 20th Century Investors Co., Security National Tower, Battle Creek, Mich., which will receive a commission of \$0.375 per share. The prospectus states that 665,900 of the shares being registered have been subscribed for under stock purchase contracts at the rate of \$2.50 per share and that the offers of sale for a portion of such shares were made in violation of the Securities Act of 1933. The company is hereby offering to all stockholders and parties to stock purchase contracts since June 17, 1964 an opportunity to rescind the purchase of their shares and it will offer for public sale any such shares that it purchases pursuant to the rescission offer. The registration statement also includes 60,000 shares to which certain company officials and incorporators have subscribed at a price of \$2.50 per share. The company additionally proposes to issue 225,000 shares of stock pursuant to stock options.

Organized under Michigan law on June 5, 1964, the company intends to write participating and non-participating life insurance. Net proceeds from its stock sale will be added to capital and surplus and used in the conduct of the company's insurance business. A portion of the net proceeds allocated to the surplus account will be used for establishing a sales force, officers' and clerical salaries, and other starting costs of the business. Frank M. Wilson is president.

PACIFIC LIGHTING FILES STOCK PLAN. Pacific Lighting Corporation, 600 California St., San Francisco, filed a registration statement (File 2-22658) with the SEC on August 3 seeking registration of \$11,000,000 of interests in its Retirement Savings Plan, together with 368,000 shares of common stock which may be acquired pursuant thereto.

OVER

WISCONSIN ELECTRIC PROPOSES RIGHTS OFFERING. Wisconsin Electric Power Company, 231 W. Michigan St., Milwaukee, Wisc., today filed a registration statement (File 2-22659) with the SEC seeking registration of 1,234,211 shares of common stock, to be offered to its common stockholders at the rate of one new share for each ten shares held. The subscription price (\$28 per share maximum*) and record date are to be supplied by amendment. Unsubscribed shares will be offered to company employees and to stockholders who exercised their rights to subscribe. The offering will not be underwritten.

The company is engaged principally in the generation, transmission, distribution and sale of electric energy in southeastern Wisconsin. Of the net proceeds from its stock sale, \$4,000,000 will be used for the payment of outstanding short-term bank loans (incurred in connection with construction expenditures in the early part of 1964) and for meeting, in part, the cost of additions and improvements to its utility plant. Construction expenditures for 1964-65 are estimated at \$70,000,000. In addition to indebtedness and preferred stock, the company has outstanding 12,342,110 shares of common stock, of which management officials as a group own 22,014 shares. Lawrence F. Seybold is board chairman and Alfred Gruhl is president.

UDYLITE FILES STOCK PLAN. The UdyLite Corporation, 21441 Hoover Rd., Warren, Mich., filed a registration statement (File 2-22660) with the SEC on August 3 seeking registration of 79,110 shares of common stock, to be offered under its Stock Option Plan.

JAS. H. MATTHEWS FILES STOCK PLAN. Jas. H. Matthews & Co., 3942 Forbes Ave., Pittsburgh, filed a registration statement (File 2-22663) with the SEC on August 3 seeking registration of 50,000 shares of common stock, to be offered under its Employees' Stock Purchase Plan.

AMERICAN DIVERSIFIED INVESTORS PROPOSES OFFERING. American Diversified Investors Fund, Inc., 303 E. Washington St., Bloomington, Ill., filed a registration statement (File 2-22661) with the SEC on August 3 seeking registration of 500,000 shares of common stock, to be offered for public sale at net asset value plus a maximum sales commission of 8.5% (\$10.93 per share maximum*). The principal underwriter of the offering is American Investors Management Corporation, Bloomington, Ill., which is also the Fund's manager and (together with Standard & Poor's Corporation) acts as its investment adviser.

Organized under Maryland law in April 1964, the company is a "mutual fund seeking possible long-term capital growth and income by investing in a diversified and supervised portfolio of securities which will consist primarily of common stocks." Union Automobile Indemnity Association owns 36,500 shares (71.57%) of the Fund's outstanding common stock and 100% of the outstanding common stock of the principal underwriter. Trent A. Shepard is the Fund's president and board chairman.

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. Copies thereof may be ordered from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with photocopy material when mailed. An index of the caption of the several items of the form was included in the August 3 News Digest.

Arkansas Valley Industries, Inc, June 64, (6,11,12,13)
Fairmont Foods, Co., June 64, (2)
Scurry-Rainbow Oil Ltd, June 64, (7,8,13)
Silver Creek Precision Corp, June 64, (2,12)

Brite Universal, Inc, July 64, (12,13)
Cluett Peabody & Co., Inc, June 64, (12,13)
Cutter Laboratories, Inc, June 64, (3)
Levine's, Inc, June 64, (12)
McGraw-Edison Co, June 64, (3)
The Putnam Management Co., Inc, June 64, (7)
Westinghouse Electric Corp, June 64, (3)
Wickes Corp, June 64, (12)

Interlake Steamship Co, June 64, (8,13)

Financial General Corp, June 64, (4)
Great Southwest Corp, June 64, (7,13)
Gulf States Land & Industries, Inc, June 64, (13)
Interstate United Corp, June 64, (4,7,12,13)
Muskegon Piston Ring Co, June 64, (3,12)
National City Lines, Inc, June 64, (2)
Ripley Industries, Inc., & Jomar Plastics, Inc. (May 64, (11)
Yale Express System, Inc, June 64, (12,13)

Monogram Industries, Inc, June 64, (2,13)
Maellier Brass Co, June 64, (12)
The Teleregister Corp, June 64, (12)
U. S. Smelting Refining & Mining Co, June 64, (3)
Western Air Lines Incorporated, June 64, (3)

Eckerd Drugs of Florida, Inc, May 64, (12,13)
" " " " " June 64, (11,13)
Frontier Airlines, Inc, June 64, (12,13)
Irving Air Chute Co, Inc, June 64, (7,11,12)
Lansing Stamping Co, June 64, (7,12,13)
Statham Instruments, Inc, June 64, (8)
Superior Oil Company, June 64, (12)
United Gas Corporation, June 64, (12)

Gulf American Land Corporation, June 64, (12)
Interlake Iron Corp, June 64, (8)
Flour Mills of America, Inc, June 64, (7,13)
Michigan Sugar Co (Mich), June 64, (11)
Mississippi Power Co, June 64, (7,13)
Washington Water Power Co, June 64, (7,8,13)
Kaiser Industries Corp, Amend #1 for June 64, (11)
Rogers Corporation, Amend #1 for Dec 63, (4)
Robosonic, Inc, Amend #1 for Jan 64, (4)
Tillie Lewis Foods, Inc, Amend #1 for May 64, (4)

Effective August 4:

SECURITIES ACT REGISTRATION STATEMENTS. / Balova Watch Co. (File 2-22576); Eihart Corp. (File 2-22636); Petrolane Gas Service, Inc. (File 2-22563).

*As estimated for purposes of computing the registration fee.