

# 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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**BRITISH COLUMBIA HYDRO AUTHORITY PROPOSES OFFERING.** The British Columbia Hydro and Power Authority filed a registration statement (File 2-25111) with the SEC on June 8 seeking registration of \$50,000,000 of sinking fund bonds, Series Y, due 1991. The bonds are to be guaranteed unconditionally as to principal and interest by the Province of British Columbia, Canada. They are to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York 10005, and six other firms. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The Authority is engaged principally in the generation, transmission and distribution of electric energy and the distribution of gas in the Province of British Columbia. Net proceeds of its bond sale will be added to general funds of the Authority and will be applied to its capital expenditure program, estimated to cost \$1,299 million for the 5-year period ending March 31, 1971.

**KANSAI ELECTRIC PROPOSES RIGHTS OFFERING.** The Kansai Electric Power Company, Incorporated, 5 Nakanoshima 3-chome, Kita-ku, Osaka, Japan, filed a registration statement (File 2-25112) with the SEC on June 8 seeking registration of 5,000,000 shares of common stock. The stock is to be offered for subscription by common stockholders at the rate of three new shares for each ten shares held on June 20. The shares being registered are part of a subscription offering of 53,006,820 shares to shareholders in Japan and elsewhere. The subscription price (\$1.11 per share maximum\*) is to be supplied by amendment.

The company is a Japanese electric utility. Net proceeds of its stock sale will be used in connection with its construction program, estimated to cost \$236,389,000 in fiscal 1967. In addition to indebtedness, the company has outstanding 176,689,400 common shares. Nats Gumco, c/o First National City Bank, New York, the nominee for First National City Bank, as depositary named in the Deposit Agreement dated March 13, 1963, with the company, held of record 12,298,798 shares (6.96%) of the company's outstanding common stock for the benefit of the holders of ADRs issued under such Deposit Agreement. Yoshishige Ashihara is president.

**TOWNE MINES SEEKS ORDER.** Towne Mines Corporation and Compania Metalurgica Mexicana (CMM), New York, have applied to the SEC for an order under the Investment Company Act declaring that they are primarily engaged in business other than that of an investment company. The Commission has issued an order (Release IC-4621) giving interested persons until June 27 to request a hearing thereon. According to the application, CMM has been engaged in the mining business in Mexico since its organization in 1890. Its capital stock is 70 percent owned by Towne Mines and 30 percent by American Smelting and Refining Co. (ASARCO). In 1961 Mexico imposed certain restrictions upon corporations engaged in mining or metallurgical operations in Mexico which were not incorporated under Mexican law and where 51 percent of the outstanding stock was not held by Mexican nationals. In 1964 CMM transferred substantially all of its assets to its Mexican subsidiary, Compania Minera La Loteria, S. A. (Loteria), and in 1965 all of Loteria's Series "A" stock (51 percent of its capital) was sold to Asarco Mexicana, S. A., a corporation in which ASARCO holds a 49 percent interest and which meets the requirements of Mexican law.

**DELISTING GRANTED.** The SEC has issued an order under the Securities Exchange Act granting an application of the American Stock Exchange to strike from listing and registration the common stock of The A. C. Gilbert Co., effective at the opening of business on June 13. The application states that the company does not meet the Exchange's standards for continued listing.

**UNLISTED TRADING GRANTED.** The SEC has issued an order under the Securities Exchange Act granting an application of the Boston Stock Exchange for unlisted trading privileges in the common stocks of American Bilrite Rubber Co., Inc., Bobbie Brooks, Inc., Consolidated Foods Corp., Draper Corp., Houston Lighting & Power Co., National Airlines, Inc., Philadelphia & Reading Corp., Shamrock Oil & Gas Corp. The Commission also issued an order granting applications of the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the \$3 cumulative convertible preference stock of Atlantic Richfield Co. and in the common stocks of McCord Corp., Slick Corp. and Zayre Corp.

**ROBERT C. KERR ENJOINED.** The SEC Boston Regional Office announced June 6 (LR-3517) the entry of a Federal court order (USDC, Mass.) enjoining Robert C. Kerr, Indian Orchard, Mass., a sole proprietor d/b/a Robert C. Kerr & Co., a registered broker-dealer, from further violations of the anti-fraud and net-capital provisions of the Securities Exchange Act. Kerr consented to the entry of the order.

**SYNTEX FILES FOR SECONDARY.** Syntex Corporation, Edificio Igra, Calle Aquilino de la Guardia No. 8, Panama, Republic of Panama, filed a registration statement (File 2-25088) with the SEC on June 2 seeking registration of 10,000 outstanding shares of common stock. The present holder thereof, Allen & Company Pension Plan, may offer the shares for public sale from time to time on the American Stock Exchange at prices prevailing at the time of sale (\$100 per share maximum\*).

The company is engaged in the pharmaceutical and chemical business. It has outstanding 9,410,880 common shares, of which management officials own 4.5% and Allen & Co. owns 19.1%. George Rosenkranz is president of the company. The 10,000 shares being registered constitute all of the shares in the Allen & Co. Pension Plan.

OVER

**SIX STOCK PLANS FILED.** Form S-8 registration statements have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

Wallace & Tiernan Inc., 91 S. Harrison St., E. Orange, N. J. (File 2-25105) (132,918 shares)  
 Illinois Central Industries, Inc., 135 E. Eleventh Pl., Chicago, Ill. 60605 (File 2-25106) (200,000 shares)  
 Beach-Nut Life Savers, Inc., 605 Third Ave., New York 10016 (File 2-25107) (22,026 shares)  
 McGraw-Edison Company, Elgin, Ill. (File 2-25109) (300,000 shares)  
 Simmonds Precision Products, Inc., 105 Martling Ave., Tarrytown, N. Y. 10592 (File 2-25110) (36,000 shares)  
 Garlock Inc., Division St., Palmyra, N. Y. 14522 (File 2-25113) (72,728 shares)

**EXAMINER'S RULING WOULD IMPOSE SANCTIONS.** The SEC today announced the filing of an initial decision by Hearing Examiner Sidney Ullman providing for the suspension or bar of four former salesmen of Huntington Securities Co., Inc., of New York City, from further association with any broker-dealer firm, as follows: Saul Kay and Erwin Gersten, suspended from such association for six months; and Peter Fotis and James De Mamos, barred from such association. Under Commission rules, the respondents may petition the Commission within fifteen days for review of the Examiner's ruling.

In a decision and order issued March 24, the Commission had revoked the broker-dealer registration of Huntington Securities and barred its president, Benjamin Stein, from further association with any broker-dealer firm. That decision was based upon findings by the Commission that the said firm and Stein violated the anti-fraud provisions of the Federal securities laws in the offer and sale of stock of Consumer Credit Corp. Without admitting or denying the allegations, the said firm and individual consented to the finding and to the revocation and bar order.

According to the Examiner's decision, each of the four remaining individual respondents sold stock of Consumer Credit "without disclosing to customers the minuscule earnings of the company, and each represented, without any reasonable basis therefor, that the price of the stock would increase substantially." He ruled that each therefore violated the anti-fraud provisions of the securities laws. None of the respondent-salesmen took the stand to testify; and only Gersten submitted proposed findings and a brief to the Examiner.

The Examiner characterized Fotis' conduct as "utterly irresponsible" and stated that he "flagrantly violated the trust and confidence essential to the relationship between a salesman of securities and his customers." Because of "superior intelligence and his extensive experience," the Examiner ruled, De Mamos' employment of improper devices and selling methods "was accordingly a more flagrant and reprehensible activity."

The violations by Kay and Gersten were found by the Examiner not to have been sufficiently flagrant to require that they be permanently barred from association with another firm; and, instead, he ordered their six-month suspension from any such association.

**HOME MORTGAGE GUARANTY INS. INVESTMENT PROPOSES OFFERING.** Home Mortgage Guaranty Insurance Investment Company, 804 Frances Bldg., Sioux City, Iowa 51101, filed a registration statement (File 2-25079) with the SEC on May 27 seeking registration of 1,150,000 shares of common stock. The stock is to be offered for public sale at \$2 per share (on a best efforts basis) through University Securities, Inc., 102 Slavens Manor, Bettendorf, Iowa, which will receive a 10% selling commission.

Organized under Iowa law in July 1965, the company plans to organize a mortgage guaranty insurance company in the State of Iowa as a wholly-owned subsidiary. Net proceeds of its stock sale will be used principally to form and conduct the business of the subsidiary. The company has outstanding 287,500 common shares, sold to organizers at \$2 per share. Management officials own 28.6% of the outstanding stock. Fred Davenport is president and board chairman.

**WALL, LUND SENTENCED.** The SEC Denver Regional Office announced June 3 (LR-3518) that Charles L. Wall, Los Angeles, and Howard L. Lund, Salt Lake City, were each sentenced to eight months' imprisonment, with probation for two years to follow service of the prison term (USDC, Salt Lake City). They were convicted of violating and conspiring to violate the Securities Act anti-fraud provisions in the sale of investment certificates issued by Guaranty Trust Deed Corp. Kenneth V. Lund, Salt Lake City, was ordered acquitted.

**CORRECTION RE MIDWEST SECURITIES.** The SEC News Digest of June 7 incorrectly stated that the broker-dealer firm of Midwest Securities Corp. had been enjoined by Federal court order. The injunction was by State court order.

**CLARIFICATION RE SUNASCO.** The Form 8-K report filed by Sunasco Inc., reported in the News Digest of June 7, also responded to Items 1, 2, 4, 7, 8 and 10 of Form 8-K.

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