

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington, D.C. 20549

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 66-202)

FOR RELEASE October 21, 1966

**OFF-BOARD TRADING RULES ADOPTED.** The SEC announced October 20 the adoption of a new Rule 19b-1 under the Securities Exchange Act (Release 34-7981) relating to off-board trading by members of the New York Stock Exchange. At the request of the Commission, the NYSE has adopted a new Rule 394(b) which permits a member firm, holding a customer's round-lot order for the purchase or sale of stock, to solicit a qualified non-member market-maker to participate in the execution of the order for the non-member's own account, off-the-floor of the Exchange, provided certain conditions are met. Rule 19b-1 establishes minimum capital requirements for the non-member market-makers who may be so solicited. Rule 19b-1 and Rule 394(b) are intended to further constructive inter-relationships among the primary markets and the over-the-counter market in listed securities.

**COURT ENJOINS G.R.R. DEVELOPMENT.** The SEC Seattle Regional Office announced October 18 (LR-3601) the entry of a Federal court order (USDC, Portland) permanently enjoining the further offer and sale of notes in violation of the Securities Act registration and anti-fraud provisions by G.R.R. Development, Inc., also known as Golden Rule Realty and Development, Inc., a California corporation, G.R.R. Development, Inc., an Oregon corporation, Colman Carl Christensen, John C. Wagner and Gordon Z. Jongeward. The defendants consented to the court order, which also restrained them from disposing of the assets received as a result of the acts and practices complained of and in their possession and control for 60 days.

**KLM ROYAL DUTCH AIRLINES FILES.** Koninklijke Luchtvaart Maatschappij N.V. (KLM Royal Dutch Airlines), 1 Plesmanweg, The Hague, The Netherlands, filed a registration statement (File 2-25633) with the SEC on October 19 seeking registration of 499,875 common shares. The company proposes to offer holders of its common shares, right to subscribe for new shares on the basis of one share for each four shares held. Of this stock, The Netherlands Government will subscribe for 252,435 shares by exercising the subscription rights to which it is entitled as the holder of 50.5% of the outstanding shares; and the balance will be offered for subscription by other shareholders. The subscription price is to be \$55.25 per share. Smith, Barney & Co. Inc., 20 Broad St., New York, heads the list of underwriters for the public offering; the underwriting terms are to be supplied by amendment.

The company is said to be "the second largest of all international carriers." Net proceeds of its sale of additional stock, together with funds generated from internal sources (and supplemental borrowings, if necessary) will be applied to finance the company's present capital expenditure program, which for the period ending March 31, 1971, contemplates the acquisition of 19 additional jet aircraft at a cost of \$118.4 million and the making of other capital outlays amounting to \$31.3 million. In addition to indebtedness, the company now has outstanding 1,999,500 shares. J. E. de Quay is board chairman and F. van der Wal president.

**BAYSTATE CORP. FILES FOR EXCHANGE.** Baystate Corporation, 77 Franklin St., Boston, Mass. 02110, filed a registration statement (File 2-25634) with the SEC on October 20 seeking registration of 110,000 shares of preferred stock (\$2 convertible series, \$10 par) and 178,750 shares of common stock. Baystate proposes to offer these shares in exchange for the outstanding capital stock of The Merchants Bank of New Bedford, at the rate of either 1 share of preferred for each share of Bank stock or 1.625 shares of common for each share of Bank stock. The offer is subject to at least 88,000 shares (80%) of the Bank stock being exchanged.

Baystate owns a majority of the voting shares of four national banks and seven trust companies, all located in Massachusetts. The trust companies have commercial banking powers comparable to those of national banks. Baystate now has outstanding 1,724,332 common shares. Mark M. Duff is president.

**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 October 4 News Digest.

American Electronic Laboratories inc. Sept 66(7,10)	0-230-2	Atlas Corp Sept 66(12)	1-2714-2
Bangor Punta Alegre Sugar Corp Sept 66(13)	1-4972-2	Boston Edison Co Sept 66(12)	1-2301-2
Chamberlin Co of America Sept 66(7)	1-4207-2	Chesapeake & Ohio RY Co Sept 66(3)	1-1261-2
Communications Satellite Corp Sept 66(3)	1-4929-2	Sigma Instruments Inc Sept 66(7)	1-5130-2
Riegel Paper Corp Sept 66(12,13)	1-3959-2	Frontier Airlines Inc Sept 66(2,12,13)	1-4877-2
		Wec Inc Sept 66(2,4,8,13)	1-4049-2

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Clark Oil & Refining Corp Sept 66(7,13)	1-5233-2	Allegheny Airlines Inc Sept 66(7)103631-2	
Comac Liquidating Corp Sept & Oct 66(2,11,13)	2-17799-2	Bendix Corp Sept 66(7,10,13)	1-952-2
Richardson Co Sept 66(7)	0-574-2	Bib Manufacturing Co Sept 66(3,7,8)	0-307-2
Superior Industries Corp Sept 66(2,13)2-18803-2		Corn Products Co Sept 66(6)	1-4199-2
Technical Measurement Corp Sept 66(6)	1-4836-2	Eastern Air Lines Inc Sept 66(7,8)1-3049-2	
Tudor City Ninth Unit Inc Sept 66(2,8,11,13)	0-1323-2	J-K Industries Inc Sept 66(2,13)	0-1734-2
		Equitable Savings and Loan Association Sept 66(3)	0-1345-2
Aic Corp Sept 66(7)	0-148-2	Technical Animations Inc Sept 66(9)2-19408-2	
American Investment Co Sept 66(4,7,13)	1-2335-2	Associated Grocers Inc Sept 66(7)2-12454-2	
Civic Center Redevelopment Corp Sept 66(7,12)	2-19289-2	General Tel Co of Illinois Sept 66(7,13)	0-1048-2
		Ohio Brass Co Sept 66(3)	1-47-2
Corrugated Container Co Sept 66(2,4,7,8,13)	2-24597-2	Schenley Industries Inc Aug 66(13)1-2377-2	
Dashew Business Machines Inc May 66(2)	0-142-2	California Consumers Corp Sept 66(11)2-11917-2	
Aug 65(3,6,10,11)	0-142-2	Elgin National Watch Co Sept 66(7,8,13)	1-1330-2
Ehrenreich Photo-Optical Industries Inc. Sept 66(7,13)	1-4989-2	Family Bargain Centers Inc Sept 66(7,8)1-5173-2	
Glen Alden Corp Sept 66(13)	1-4180-2	Foremost Dairies Inc 8K for Sept 66 (2,7,13)	1-3884-2
Rogers Brothers Co Sept 66(7,11,13)0-1920-2		Great SW Corp Sept 66 (7,13)	0-100-2
Texas Tennessee Industries Inc Oct 66(2,7,13)	0-11-2	Hertz Corp Sept 66 (4,7,13)	1-1149-2
		St Paul Ammonia Products Inc Sept 66 (4,11,13)	0-1794-2
Art Metal Inc Sept 66(12,13)	0-1779-2	Saladmaster Corp Sept 66 (12,13)0-30-2	
Coastal States Gas Producing Co Sept 66(3,12)	1-4718-2	American Export Isbrandtsen Co Inc Sept 66 (4,7,13)	1-5054-2
Commercial Acceptance Corp Sept 66(11)	0-1874-2	Aqua-Chem Inc Sept 66 (11,13)	1-4833-2
Computing & Software Inc Sept 66(2,7,13)	2-24456-2	Clopay Corp Sept 66 (12)	1-3454-2
Eltra Corp Sept 66(7)	1-1842-2	DC Internatl Inc Sept 66 (13)	0-914-2
Lanvin-Charles of the Ritz Inc Sept 66(2,13)	1-4508-2	Famous Artists Schools Inc Sept 66 (12)	1-4692-2
Vendo Co Sept 66(3)	1-4267-2	Process Plants Corp Sept 66 (11)0-2246-2	
		Triangle-Pacific Forest Products Corp Sept 66 (12,13)	1-5127-2
American Realty & Petroleum Corp Sept 66(11)	1-4702-2	Brown & Sharpe Mfg Co Sept 66 (11)	1-5106-2

**PACIFIC TELEPHONE FILES FINANCING PROPOSAL.** The Pacific Telephone and Telegraph Company, 140 New Montgomery St., San Francisco, Calif. 94105, today filed two registration statements proposing (a) the public offering at competitive bidding of \$130,000,000 of 36-year debentures due 2002 (File 2-25637) and (b) the offering of 10,956,942 common shares for subscription at \$18 per share by common and preferred shareholders. \* Common stockholders will be entitled to subscribe to the new common shares at the rate of one share for each eleven common shares held of record at the close of business November 25; and preferred stockholders will be entitled to subscribe to the new common shares at the rate of seven shares for each eleven preferred shares then held. The stock offering is not underwritten. American Telephone and Telegraph Company, which owns 90.21% (103,544,761 shares) of Pacific Telephone's outstanding common shares and 78.17% (640,957 shares) of its preferred, representing 89.63% of total voting power, is expected to purchase the 9,821,041 new common shares which represent its pro rata portion of the offering. \*(File 2-25638)

Upon receipt of the proceeds of the debenture sale, Pacific Telephone proposes to apply an equivalent amount toward the repayment of advances from A T & T, which are expected to approximate \$245,000,000 at the time the proceeds are received. Following receipt of the proceeds of the stock sale, it will repay advances from the parent which are expected then to approximate \$181,000,000; and the balance will be used for general corporate purposes, including property additions and improvements.

**SECURITIES ACT REGISTRATIONS.** Effective October 20: Dial Finance Co., 2-25529 (40 days); First Church Financing Corporation of America, 2-25505 (90 days); National General Corp., 2-25494; Niagara Mohawk Power Corp., 2-25526; The Southern New England Telephone Co., 2-25578; Visual Electronics Corp., 2-25471 (Jan 18).  
Withdrawn October 20: Brown & Sharpe Manufacturing Co., 2-25431.

**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.