

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. 66-249)

FOR RELEASE December 30, 1966

THREE OF CHRISTOPHER FIRM BARRED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8012) barring from further association with any broker-dealer firm: Alfred Miller and Theodore Sotell, principal officers of Christopher & Co., Inc., formerly of New York, and Bernard Freimark, a Christopher salesman. The Commission's decision affirmed an earlier ruling of its hearing examiner that in 1963 the Christopher firm "engaged in a high-pressure campaign" to sell the "highly-speculative" stock of Alaska International Corporation, by means of "fraudulent and extravagant representations and predictions." The three individual respondents were said to have been "participants in that campaign." Christopher's registration was revoked in July 1965 following its failure to file an answer to the allegations in the order for proceedings. Certain other persons associated with the firm who failed to file an answer to petition for review of the examiner's initial decision were previously barred. The false and misleading predictions and representations concerned, among other things, the issuers assets and prospects and the future market price of its stock. No disclosure was made of the adverse financial history and position of the issuer.

FOTOCROME REHEARING DENIED. The SEC has issued an order under the Securities Exchange Act (Release 34-8013) denying a petition filed by Fotochrome, Inc., for rehearing upon the Commission's October 24 decision granting an application of the American Stock Exchange to strike Fotochrome securities from listing and registration on that Exchange.

SEVEN TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in securities of the following companies for the additional ten-day period January 3 through January 12: Continental Vending Machine Corporation, Lincoln Printing Company, Pinal County Development Association, Sports Arenas, Inc., Underwater Storage, Inc., United Security Life Insurance Company, Westec Corporation.

MODERN AMERICAN LIFE FILES FOR SECONDARY. Modern American Life Insurance Company, 100 West Sunshine, Springfield, Mo., filed a registration statement (File 2-25851) with the SEC on December 28 seeking registration of 118,000 outstanding shares of common stock, to be offered for public sale (at \$12 per share maximum*) by Insurance Securities, of 2674 South Glenstone in Springfield, which will receive a 25¢ per share commission.

The company is engaged in the sale of both participating and non-participating life insurance policies. It has outstanding 630,000 common shares, of which management officials own 276,092 shares. The 20 selling stockholders own an aggregate of 347,904 shares. They include W. E. Parker, President, who proposes to sell 17,262 of his holdings of 86,310 shares, and M. W. Crabtree, Sr. Vice President, 10,687 of 53,436. Investment Corporation proposes to sell 61,351 of its holdings of 62,512 shares.

DUAL-VEST EXCHANGE FUND FILES EXCHANGE PROPOSAL. Dual-Vest Exchange Fund, Inc., 719 Liberty Ave., Pittsburgh, Pa. 15222, filed a registration statement (File 2-25856) with the SEC on December 29 seeking registration of 4,800,000 capital shares and 4,800,000 preferred shares. A diversified closed-end management investment company, the Fund proposes to offer its shares to investors holding substantial blocks of corporate securities included in its "List of Representative Securities" or other securities acceptable to the Fund, in exchange for such securities; and the investor may elect to accept in exchange the Fund's preferred shares (offering both current income and the possibility of growth of income) or its capital shares (offering the possibility of capital appreciation). The basis of the exchange will be one preferred share or one capital share for each \$20 of market value of securities received by the Fund, after deducting from such market value the sales charge to the dealer manager and soliciting dealers aggregating 4% in single transactions of less than \$100,000 and scaled down to 1.50% in single transactions of \$1,000,000 or more. The exchange will not be consummated unless securities having a market value of at least \$10,000,000 are deposited and accepted by the Fund.

The prospectus lists Federated Investors, Inc., as dealer manager. Federated Research Corp. of the Liberty Ave. address will serve as investment adviser. John F. Donahue is president of the Fund and of the dealer manager and board chairman of the adviser (whose voting stock is owned by Donahue).

SIXTH PRESIDENTIAL FUND FILES EXCHANGE PLAN. Sixth Presidential Fund, Inc., 719 Liberty Ave., Pittsburgh 15222, filed a registration statement (File 2-25858) with the SEC on December 29 seeking registration of 960,000 shares of capital stock. An open-end diversified investment company, the Fund proposes to offer its shares to investors holding blocks of securities included in its "List of Acceptable Securities," in exchange for such securities. The basis of the exchange will be one Fund share for each \$50 of market value of securities received by the Fund, after deducting from such market value the sales charge to the dealer manager and soliciting dealers aggregating 4% in single transactions of less than \$100,000 and scaled down to 1.05% in single transactions of \$5,000,000 or more. The exchange will not be consummated unless securities having a market value of at least \$10,000,000 are deposited and accepted by the Fund.

OVER

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SEVENTH EMPIRE FUND FILES EXCHANGE PROPOSAL. Seventh Empire Fund, Inc., 719 Liberty Ave., Pittsburgh 15222, filed a registration statement (File 2-25857) with the SEC on December 29 seeking registration of 2,400,000 shares of capital stock. An open-end diversified investment company, the Fund proposes to offer its shares to investors holding substantial blocks of corporate securities included in its "List of Representative Securities" or other securities acceptable to the Fund, in exchange for such securities. The basis of the exchange will be one Fund share for each \$20 of market value of securities received by the Fund, after deducting from such market value the sales charge to the dealer manager and soliciting dealers aggregating 4% in single transactions of less than \$100,000 and scaled down to 1.05% in single transactions of \$5,000,000 or more. The exchange will not be consummated unless securities having a market value of at least \$10,000,000 are deposited and accepted by the Fund.

The prospectus lists Federated Investors, Inc., as dealer manager. Federated Research Corp. of the Liberty Ave. address, will serve as investment adviser. John F. Donahue is president of the Fund and of the dealer manager, and board chairman of the adviser (whose voting stock is owned by Donahue).

ALLIED LIFE INS. FILES EXCHANGE PROPOSAL. Allied Life Insurance Company, 7 Office Park, Mountain Brook, Birmingham, Ala. 35223, filed a registration statement (File 2-25860) with the SEC on December 29 seeking registration of 325,000 shares of common stock. It is proposed to offer these shares to stockholders of American Preferred Life Insurance Company, also of Birmingham, on an exchange basis of 2 shares of Allied common for each 3 shares of American Preferred common. Allied now owns 51,946 shares of the 500,075 outstanding common shares of American Preferred. The purpose of the tender offer is to enable Allied to secure voting control of American Preferred.

Allied was organized in July 1964 and received a license to transact a life insurance business in Alabama on the same date, commenced the issuing of life insurance in December 1964. American Preferred received its Alabama license in August 1962 and commenced the writing of life insurance in June 1963. Allied has outstanding 535,408 common shares, of which management officials own 28.43%. Claude M. Elrod is board chairman and president.

DYNELL ELECTRONICS PROPOSES OFFERING. Dynell Electronics Corporation, Newtown Road, Plainview, N. Y., filed a registration statement (File 2-25861) with the SEC on December 29 seeking registration of 85,000 shares of common stock, to be offered for public sale at \$6.50 per share. The offering is to be made through Arnold, Wilkens & Co., Inc., 50 Broadway, New York, which will receive a 65¢ per share commission. Principals of the underwriter also will acquire, for \$10, four-year warrants to purchase 10,000 common shares, exercisable initially at \$6.955 per share.

The company's principal business consists of the development and manufacture of data processing equipment for use with radar systems; it also provides engineering consultation services and has begun research and development studies in the field of underwater acoustics and torpedo detection. Of the net proceeds of this financing, \$100,000 will be applied to the repayment of bank loans and \$125,000 reserved to defray the cost of the consolidation of all its facilities under one roof, now under consideration. The balance of the proceeds will be added to working capital and used for research and development contracts prior to reimbursement, for the purchase of raw materials and parts for production contracts, and to defray the cost of purchasing additional manufacturing equipment and test devices as deemed advisable. The company now has outstanding 173,600 common shares, of which management officials own some 51%. Paul DiMatteo, president and board chairman, owns about 30% of the outstanding stock and Arnold Weinstein, secretary-treasurer, 19%.

EXCHANGE INCOME/CAPITAL FUND FILES. Exchange Income/Capital Fund, Inc., 89 Broad St., Boston, Mass. 02110, filed a registration statement (File 2-25862) with the SEC on December 29 seeking registration of 5,000,000 capital shares and 5,000,000 cumulative income shares. Fund shares are to be offered to investors in exchange for securities owned by them which are included in the Fund's "Representative List of Acceptable Securities," provided at least \$30,000,000 of acceptable securities are deposited. The basis of the exchange will be one Fund share for each \$20 of exchange value of deposited securities, after deducting the exchange fee payable to the dealer manager and soliciting dealers (5% of the market value in single transactions of less than \$100,000, the minimum deposit being \$20,000, scaled down to a minimum of 1.125% in transactions of \$5,000,000 and over).

The prospectus lists New York Securities Co. as the dealer manager. Income/Capital Management, Inc. ("ICM"), of the Broad St. address will serve as the investment adviser. Jarvis J. Slade is the Fund's board chairman and David L. Babson its president. Slade is a partner of New York Securities Co. and president of ICM. Babson is president of David L. Babson and Company, Inc., which will furnish investment advice to ICM. Babson and Company has a 20-year option from New York Securities Co. to purchase 50% of the outstanding stock of ICM at an option price equal to the book value of such shares at the time of purchase.

SECURITIES ACT REGISTRATIONS. Effective December 27: Electronic Assistance Corp., 2-24921 (Feb 4). Effective December 29: USLife Holding Corp., 2-25711 (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.