

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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FOR RELEASE March 12, 1964

ANTILLES ELECTRONICS SUSPENSION PERMANENT. The SEC today announced a decision under the Securities Act (Release 33-4676) making permanent its July 1962 order temporarily suspending a Regulation A exemption from registration with respect to an offering by Antilles Electronics Corporation, San Lorenzo, Puerto Rico, of 100,000 Class A common shares. The offer comprised 11,182 shares reserved for issuance in exchange for previously issued stock and 88,818 shares to be offered to the public for cash at \$3 per share.

According to the Commission's decision, Antilles' offering curricular was materially misleading in stating that the proceeds of the offering would be used for certain corporate purposes. In fact, a substantial part of the proceeds from the sale of the shares was not paid over to the issuer by the underwriter, Fraser & Company, Inc. ("Fraser") of Philadelphia, but was diverted or applied by it to other purposes having no relation to issuer's business. The offering was also made in violation of the anti-fraud provisions of Section 17(a) of the Act. In addition, the issuer admittedly failed to file a report on Form 2-A, a violation of Rule 260 of Regulation A.

Antilles urged that it used reasonable care in selecting and dealing with the underwriter, who caused the circular to be misleading, and that it did not have sufficient information from the underwriter regarding the number of shares sold to enable it to file the Form 2-A report. "While the issuer itself was victimized by the underwriter," the Commission observed, "it must share the responsibility. It failed to use even the most elementary care with respect to safeguarding the proceeds of the offering; by turning over to the underwriter signed checks with amounts and dates left blank, it provided the means by which the funds were diverted from the declared corporate purposes. The lack of information in its possession, moreover, cannot excuse the issuer's failure to file a report on Form 2-A."

BROWN & WHITMORE INDICTED. The SEC announced March 11 (LR-2862) the return of an indictment (USDC DC) charging Darwin Charles Brown and Ralph H. Whitmore, both of Washington, D. C., with violations of the Securities Act anti-fraud provisions and the conspiracy statute in connection with their sale of stock of Inter-American Timber Corporation.

CONTINENTAL VENDING, TASTEE FREEZ TRADING BAN CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation and Tastee Freez Industries, Inc., for a further ten-day period, March 13-22, 1964.

LAYMEN LIFE INS. PROPOSES OFFERING. Laymen Life Insurance Company, 1047 Broadway, Anderson, Ind., filed a registration statement (File 2-22132) with the SEC on March 9 seeking registration of 40,000 shares of common stock. Of this stock, it is proposed to offer 30,000 shares for public sale at \$20 per share. Such offering is to be made by management officials for a commission of 10% of the offering price. The remaining 10,000 shares will be offered to home office and sales employees and to insurance agents through stock option agreements.

Organized in 1957, the company is licensed to do business in Indiana and six other states. It now has outstanding 297,107 common shares, of which management officials own some 15%. Everett A. Hartung is president. Net proceeds of the sale of additional stock will be used to further increase the company's capital and surplus funds; and such increase is expected to make it possible for the company to apply to do business in additional states.

WILDING FILES FOR SECONDARY. Wilding Inc., 1345 Argyle St., Chicago, Ill., 60640, filed a registration statement (File 2-22133) with the SEC on March 10 seeking registration of 200,000 outstanding shares of common stock. The holders of this stock propose to offer same for public sale through underwriters headed by William Blair & Company, 135 So. LaSalle St., Chicago, Ill., 60603. The public offering price (\$16.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the field of creating audio-visual communications for business, industry and governmental agencies. Among its more important functions are the production of industrial motion pictures, business meetings and shows, graphic materials and television commercial films. Ford Motor Company is said to be one of its principal customers. The company now has outstanding 399,420 shares of common stock, of which management officials own 72.4%. The prospectus lists 75 holders of 381,330 shares (95.5%) who propose to sell all or part of their respective holdings. H. W. Hanmer is president and C. B. Hatcher executive vice president. Hanmer owns 94,890 common shares (23.8%) and proposes to sell 47,445 shares, and Hatcher owns 21,990 shares and proposes to sell 10,995 shares. A Profit Sharing Trust owns 39,450 shares and proposes to sell 30,985 shares. The prospectus lists 72 other selling shareholders, who propose to sell amounts ranging from 15 to 13,935 shares.

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ALLEGHENY POWER ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15030) approving a proposal of Allegheny Power System, Inc., New York holding company, to make a \$500,000 cash capital contribution to its subsidiary, Cumberland Valley Electric Company, which in turn will pay, at maturity (March 19, 1964), its unsecured promissory note in the amount due Allegheny Power System.

SEC RULES GOVERNING INVESTIGATIONS. The SEC today announced the adoption of new rules governing the conduct of investigations under the Federal securities laws (Release 33-4677). They have been separated from the Rules of Practice of the Commission, which generally apply to the conduct of formal administrative proceedings (as distinguished from fact-finding investigations). The new rules relating to investigations are designed to clarify existing procedures; and they also incorporate certain established Commission policies and adopt recommendations of the Administrative Conference of the United States and other changes in existing rules deemed appropriate by the Commission.

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 March 9th News Digest.

Automatic Canteen Co of America Feb 64 (It 11)	Victor Comptometer Corp Feb 64 (It 8)
Clear Creek Corp. Feb 64 (It 6)	Ward Baking Co Feb 64 (It 13)
Welch Scientific Co Feb 64 (It 13)	Dunlap and Assoc., Inc Feb 64 (Its 7,13)
United States Envelope Co Feb 64 (It 11)	New Britain Gas Light Co Feb 64 (It 11)
Lawyers Title Ins. Corp Feb 64 (It 11)	Miami Window Corp Feb 64 (Its 4,7,8,10,11,13)
Reynolds Metals Co Feb 64 (Its 12,13)	Investors Funding Corp of NY Feb 64 (It 7)
Catalin Corp of America Feb 64 (It 13)	Delaware Power and Light Co Feb 64 (It 13)
Continental Aviation & Engineering Corp Jan 64 (Its 4,13)	American Urethane, Inc Feb 64 (Its 3,11)
Carolina Natural Gas Corp Feb 64 (It 11)	Phoenix Steel Corp Feb 64 (It 12)
Soundsciber Corp June 63 (Its 7,8), Nov 63 (Its 7,8) and Dec 63 (It 6)	Internatl. Resistance Co Feb 64 (It 13)
Midwest Rubber Reclaiming Co Del Jan 64 (Its 11,13)	Rudd-Melikian, Inc Amend #2 to 8K for Jan 62 (It 7)

SECURITIES ACT REGISTRATIONS. Effective March 11: Cole National Corporation (File 2-22066).
Indian Head Mills, Inc. (File Nos. 2-22094 and 22095).

Correction: Effective March 9: Southwestern Public Service Co. (File 2-22089) (not Southeastern Public Service Co., as reported in the News Digest of March 10, 1964).

*As estimated for purposes of computing the registration fee.

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