

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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FUNDAMENTAL INVESTORS RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-4065) authorizing Fundamental Investors, Inc., of Elizabeth, N. J. (a Delaware open-end diversified investment corporation) to issue its shares at net asset value for substantially all of the assets of Distribution Warehouses, Inc. (DWI). According to the application, DWI is a Michigan personal holding company with seven stockholders and had net assets valued at \$938,221 on June 30, 1964. DWI will distribute the Fundamental Investors shares acquired through the exchange to its shareholders upon the liquidation of DWI.

CORPORATE OFFERINGS REPORTED. The SEC announces (For October 28th Newspapers) that new corporate securities offered for cash sale in the third quarter of 1964 totaled \$2.8 billion. This was considerably less than new offerings of \$4.9 billion in the preceding quarter, but compares with \$2.4 billion in the third quarter of 1963. For further details, see Stat. Release 2009.

COMPLAINT CITES JOHNSON AND MATOBA. The SEC Denver Regional Office announced October 22 (LR-3063) the filing of a complaint (USDC Col.) seeking to enjoin Beverly Johnson, individually and doing business as Magnolia Co., of Magnolia, Ark., and Ben T. Matoba, of Denver, from further violating the Securities Act registration and anti-fraud provisions in the sale of oil and gas interests in Cooke County, Tex.

WILLIAM MORRIS INC. PROPOSES OFFERING. William S. Morris, Inc., 44 Wall St., New York, filed a registration statement (File 2-22872) with the SEC on October 23 seeking registration of 200,000 shares of Class A stock. The shares are to be offered for public sale at \$6 per share through underwriters headed by First Philadelphia Corp., 44 Wall St., New York, which will receive a 54¢-per-share commission. The company has also agreed to sell to the underwriters for \$200, three-year warrants to purchase 20,000 Class A shares at \$6 per share, and to reimburse the underwriters for expenses up to \$20,000.

Organized under New York law in 1964, the company intends to act as a dealer in and underwriter of debt instruments, including bonds, debentures, participations and other securities of the U. S. Government and its agencies as well as those of states and their political subdivisions. To a large extent, it proposes to rely on the ability of William S. Morris (president) to make business determinations including the analysis and determination of interest rates, yields and market prices or in the solution of institutional portfolio and debt management programs through the use of analog and digital computer systems developed by him. Net proceeds from the company's stock sale will be added to general funds and will be committed from time to time in bidding for and purchasing securities. If needed, part of the proceeds may be used for current expenses. The company has outstanding 20,000 Class A and 5,000 Class B shares. Morris and Alvin Abrams (vice president) purchased all of the outstanding Class B shares at \$5 per share. Abrams owns 6,000 of the outstanding Class A shares. In addition, Morris and Abrams have agreed to purchase 60,000 and 30,000 Class A shares, respectively, at \$6 per share by January 1970.

AMERICAN AGENCY LIFE INS. PROPOSES OFFERING. American Agency Life Insurance Company, 1447 Peachtree St., Atlanta, filed a registration statement (File 2-22873) with the SEC on October 26 seeking registration of 1,000,000 shares of common stock, to be offered at \$3 per share through company officials to selected persons engaged primarily in the insurance business. The registration statement also includes 200,000 common shares, which may be issued upon exercise of stock options. The company has entered into an underwriting agreement with J. C. Bradford & Co., Inc., 414 Union St., Nashville, Tenn., wherein it will purchase 300,000 of the shares if the company sells a minimum of 600,000 shares. Bradford will receive \$15,000 for such commitment; in addition, as reimbursement for certain bookkeeping services performed for the company, it will receive 5¢ for each share sold through company officials. The company is also registering (File 2-22874) an additional 900,000 shares, which together with the 300,000 shares and pursuant to said underwriting agreement, will be purchased at \$2.70 per share by Bradford and offered for public sale at \$3 per share.

Organized under Georgia law in September 1964, the company is licensed to engage in the life insurance business in that State. Net proceeds from its stock sale will be added to capital and surplus and used to conduct its business. The company has outstanding 200,000 common shares, which were sold to management officials and certain other persons at \$2.80 per share. William M. Fambrough is board chairman and George M. Erwin 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. 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 October 2 News Digest.

OVER

8K for Sept. 1964

Coastal Acceptance Corp (2)
 Consumers Cooperative Assoc. (8)
 Insurance Co of North America (11,13)
 Lockwood Grader Corp (12,13)

 Honolulu Rapid Transit Co, Ltd (Dec. 1963)
 (2,7)
 Pargas, Inc (7)

 Avon Products, Inc (10,11,13)
 Community Charge Plan (11)
 General Finance Corp (Del) (3,11,12,13)
 J. Herbert Orr Enterprises, Inc (11,13)
 Southeastern Timberland Trust (7)

 Financial General Corp (12,13)

 Channing Financial Corp (2,13)
 Molybdenum Corp of America (8)

 Denver National Life Insurance Co (June 1964)
 (4,11,13)
 Eastern Gas & Fuel Associates (8)
 Knappe & Vogt Mfg. Co (11)
 Savoy Ind, Inc (7,13)

 Kysor Industrial Corp (11)

 Income Properties, Inc (N.Y.)
 (8)
 Laurentide Financial Corp Ltd (11,13)
 Simon Hardware Co (11,13)
 Wetterau Foods, Inc (7,11)

 Associated Grocers, Inc (7)
 Fairchild Camera & Instrument Corp
 (Nov. 1963) (8,13)
 G-L Industries, Inc (May 1963) (7,13)
 (August. 1964) (7,8,13) (Sept. 1964)
 (7,13)
 Waldorf System, Inc (7,13)

 Quebec Natural Gas Corp (7)
 Walnut Grove Products Co, Inc (2,4,7,8)

 Consolidated Water Co (2)

 Avien, Inc (3)
 Davidson Bros., Inc (13)
 Electro-Voice, Inc (Oct. 1964) (13)
 National Propane Corp (11,13)
 Schenit Rubber Co (2,11)
 Soundsciber Corp (7,8,13)
 Tampa Electric Co (7,8,13)
 William Wallace Corp (2,7,13)

 Globe-Wernicke Industries, Inc (3)
 Laboratory For Electronics, Inc (11)

 Merritt-Chapman & Scott Corp (8)
 Revday Ind, Inc (8)

COMMERCIAL STATE LIFE INS. FILES OFFERING. Commercial State Life Insurance Company, 3570 Lindell Blvd., St. Louis, filed a registration statement (File 2-22871) with the SEC on October 23 seeking registration of 300,000 shares of common stock, to be offered for public sale through underwriters headed by Reinholdt & Gardner, 400 Locust St., St. Louis. The public offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in selling life insurance. In October 1964 its name was changed from State National Life Insurance Co. in contemplation of the company's proposed consolidation (in December) with Commercial Life Insurance Company of Missouri. Commercial State is to be the surviving corporation. Under the proposal for consolidation, holders of the 50,000 outstanding shares of Commercial State stock will receive five shares of stock of the surviving company for each share now held; and 277,573 shares of the surviving company stock will be issued in exchange, share for share, for all the outstanding stock of Commercial Life. Emil Green, president, Mortimer S. Green, vice president, and Gale F. Johnston, Jr., director, of each of the two companies, in May 1964 acquired 49,750 of the 50,000 outstanding shares of Commercial State for a price of \$1,675,000; and pursuant to the purchase agreement they will make the equivalent in new shares available for purchase by the surviving company at their cost plus carrying charges. Emil Green and Johnston also acquired all the outstanding stock of Cosmopolitan Life, Health and Accident Insurance Company for \$403,000; and they have agreed to sell this stock to the surviving company for their cost. Net proceeds of the company's cash sale of additional stock will be applied to the acquisition of Commercial Life and Cosmopolitan Life. The prospectus lists Irwin O. Fischer, Sr., as board chairman.

SECURITIES ACT REGISTRATIONS. Effective October 26: AlSCO, Inc. (File 2-22370); Kaweck Chemical Co. (File 2-22462). Effective October 27: Farwest Financial Corp. (File 2-22813); Massachusetts General Life Insurance Co. (File 2-22804); Northern Founders Insurance Co. (File 2-22190).

*As estimated for purposes of computing the registration fee.

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