

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington 25, D.C.

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

(Issue No. 64-11-8)

FOR RELEASE November 12, 1964

CLARIFICATION PROPOSED FOR NEW SEC REGISTRANTS. The SEC today announced a proposal to adopt a new rule 12b-6 under the Securities Exchange Act of 1934 applicable particularly to the issuers of securities traded over-the-counter which may be obliged under the provisions of Section 12 of the Exchange Act, as amended by the Securities Acts Amendments of 1964, to register one or more classes of securities with the Commission. Views and comments upon the rule proposal are due on or before December 11, 1964.

Under the Exchange Act as amended, the periodic reporting and proxy solicitation provisions of Sections 13 and 14 of the Act become applicable to issuers of securities traded over-the-counter when such securities are registered with the Commission; and ownership reports are required by Section 16(a) to be filed by officers, directors and beneficial owners of more than 10% of any registered class of equity security by the effective date of such registration. With respect to applications for the listing and registration of securities upon a national securities exchange, the law provides that registration shall become effective 30 days after the exchange certifies that the security has been approved for listing; and it provides with respect to the registration of securities traded over-the-counter that the registration statement shall become effective 60 days after its filing. Proposed Rule 12b-6 would make it clear that securities are not registered until the application or registration statement is effective (30 days after the exchange certification in respect of listings and 60 days after the filing of the registration statement by the issuer of over-the-counter securities), and that the securities are not subject to the periodic reporting, proxy solicitation and ownership reporting provisions until such effectiveness.

In its announcement, the Commission also makes particular reference to Section 16(b) of the Exchange Act, which provides for recovery by or on behalf of the issuer of a registered equity security of any profit realized by an officer or director of such issuer, or a beneficial owner of more than 10% thereof, on short-swing trading (within any six-month period) in such security. The Commission noted that the courts in interpreting this provision of the law have held that officers and directors may be accountable for profits realized where an equity security is purchased (or sold) before registration and, after registration (but within six months of such transaction), an offsetting sale (or purchase) is made.

DEFENDANT DROPPED IN INJUNCTIVE ACTION. The SEC Washington Regional Office announced November 9 (LR-3071) that, on motion of Commission counsel, James G. Sorce, Jr., had been dismissed as a defendant in the SEC injunctive action (USDC Md.) against American Seal Savings and Loan Association, Inc., of Riverdale, Md. The defendant corporation was enjoined in June 1963 from further violating the anti-fraud provisions of the Securities Act. In a related case involving securities of First Capitol Savings and Loan Association, Sorce was enjoined from further violating the Securities Act registration and anti-fraud provisions.

SALES RESEARCH DEVELOPMENT PROPOSES OFFERING. Sales Research Development Co., 3076 E. 4430 South, Salt Lake City, Utah, filed a registration statement (File 2-22915) with the SEC on November 9 seeking registration of 500,000 shares of common stock, to be offered for public sale on a best-efforts basis at \$1.25 per share. The offering will be made through company officials, who will receive a 25¢-per-share selling commission. The company has also issued 5-year options to various officials and stockholders to purchase 240,800 common shares at \$1 per share.

The company was organized under Nevada law in February 1964 for the purpose of manufacturing or having parts manufactured for assembly into its Olympus Whirlpool Bath units, including home models and commercial models, accessories and whirlpool bath cosmetics. Net proceeds from its stock sale will be used to meet organizational expenses, purchase component parts for the whirlpool bath, and for research and development. The company has outstanding 240,800 common shares which it sold for an aggregate of \$210,800. Management officials as a group own approximately 58% of the outstanding stock. William E. Lloyd is president.

SCOTT PAPER FILES STOCK PLANS. Scott Paper Company, Philadelphia, Pa., filed a registration statement (File 2-22917) with the SEC on November 10 seeking registration of 11,200 memberships in its Employees' Stock Purchase Plan for 1965, together with 107,726 common shares which may be acquired pursuant thereto. The registration statement also includes 11,200 memberships in the company's Employees' Stock Investment Program--1965 Class--and 92,419 common shares which may be acquired thereunder.

TRANE CO. FILES FOR SECONDARY. The Trane Company, Second and Cameron Ave., La Crosse, Wisc., filed a registration statement (File 2-22919) with the SEC on November 10 seeking registration of 233,000 outstanding shares of common stock. The shares are to be offered for public sale by the present holders thereof through underwriters headed by Smith, Barney & Co., Inc., 20 Broad St., New York. The public offering price (\$45 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the design, development, manufacture and sale of air conditioning, heating and ventilating, and special-purpose heat transfer equipment. In addition to indebtedness, it has outstanding 5,357,726 common shares, of which management officials as a group own 8.3%. The selling stockholders are

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listed as W. J. Hood as executor of the will of Frank G. Hood, deceased, offering 225,000 of 230,900 shares held; Rosemary H. Trane, 2,000 of 2,750; and Gerald H. Trane, Reuben J. Trane, Jr., and Elizabeth Trane, each offering 2,000 of their holdings of 9,500 shares each. D. C. Minard is board chairman of the company and Thomas Hancock is president.

GORDON JEWELRY PROPOSES OFFERING. Gordon Jewelry Corporation, Stewart Bldg., Houston, filed a registration statement (File 2-22918) with the SEC on November 10 seeking registration of 200,000 shares of Class A stock. The shares are to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 25 Broad St., New York. The public offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company conducts a retail jewelry business through 150 stores. Of the net proceeds from its stock sale, approximately \$1,500,000 will be applied to the reduction of \$1,948,800 of short-term bank indebtedness (\$1,200,000 of which was incurred during the last twelve months to finance acquisitions of jewelry stores), and the balance will be applied to the company's expansion program for the current fiscal year. In addition to indebtedness and preferred stock, the company has outstanding 144,215 Class A and 681,392 Class B capital shares. Harry B. Gordon (president) and A. S. Gordon (executive vice president) own 25% and 23.07%, respectively, of the outstanding Class B stock, and each holds .07% of the outstanding Class A shares.

CORRECTION RE "FOREIGN POWER" HEARING. The hearing on the exemption application filed by American & Foreign Power Company, Inc., is scheduled for November 23, not November 19 as stated in the SEC News Digest of November 10.

NATIONAL CAPITOL LIFE INSURANCE PROPOSES OFFERING. National Capitol Life Insurance Co., One Belmont Ave., Bala Cynwyd, Penn., filed a registration statement (File 2-22920) with the SEC on November 10 seeking registration of 200,000 shares of capital stock. The shares are to be offered for public sale through underwriters headed by S. D. Fuller & Co., 26 Broadway, New York. The public offering price (\$8 per share maximum*) and underwriting terms are to be supplied by amendment. The company has also agreed to sell (for an aggregate of \$250) five-year purchase warrants to the underwriters and A. Albert Minton, financial consultant to the company, entitling them to purchase 17,500 and 7,500 capital shares, respectively.

The company is engaged in writing life insurance. Net proceeds from its stock sale will be added to capital and surplus and used in the conduct of such business. The company has outstanding 300,000 capital shares, of which management officials as a group own approximately 37%. Joseph Dillinger is board chairman and president.

TRAILER TRAIN PROPOSES OFFERING. Trailer Train Company, 6 Penn Center Plaza, Philadelphia, filed a registration statement (File 2-22896) with the SEC on November 10 seeking registration of \$5,040,000 of Serial Equipment Trust Certificates, Series 4, due 1965 through 1979, to be offered for public sale at competitive bidding. The company is engaged in the business of acquiring and supplying to railroads flat cars of standard designs suitable for the transportation by railroad of highway trailers, commonly called "piggyback" equipment. Net proceeds from its sale of certificates will be applied to the payment of not more than 80% of the purchase price (estimated at \$6,300,000) of approximately 404 new railroad flat cars. The company contemplates the expenditure of approximately \$42,000,000 (of which financing arrangements have been made for \$23,024,058) for other additions and improvements to its fleet of specialized flat cars during the period November 1, 1964 to June 30, 1965. It has outstanding 20,500 common shares, which are owned by 39 railroads and one freight forwarder. J. P. Newell is company 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 the November 3 News Digest.

Florida Southern Corp Aug. 1964
(3,10,13)

Yuba Consolidated Ind, Inc Spet. 1964
(6,13)

Acme Steel Co Oct. 1964 (8)

Kin Ark Oil Co Sept. 1964 (2)

Eckerd Drugs of Florida, Inc Amend

31 #1 to 8K for Aug. 1964 (4)

Perfect Photo, Inc Amend #1 to 8K for
Sept. 1964 (9)

Drew Properties Corp Aug. 1964

(2,4,7,12,13)

SECURITIES ACT REGISTRATIONS. Effective November 10: American Pioneer Life Insurance Company (File 2-22797). Effective November 12: Capital Investors Corp. of Montana (File 2-22246); King's Department Stores, Inc. (File 2-22859); Standard International Corp. (File 2-22809); Survivors' Benefit Insurance Company (File 2-22754). Withdrawn November 10: Bloomfield Building Industries, Inc. (File 2-22242).

*As estimated for purposes of computing the registration fee.

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