

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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FIRST QUARTER MFG. PROFITS OFF. The SEC and FTC report (for Newspapers of June 19th) that sales and earnings of U. S. manufacturing corporations declined in the first quarter of 1963, due largely to seasonal influences. Sales were estimated to be \$96.6 billion during the period, 5 percent less than in the fourth quarter of 1962, while profits after taxes totaled \$4.0 billion, 17 percent below the previous quarter. The volume of sales in the first quarter of 1963 was 4 percent higher than in the corresponding quarter of last year while after-tax earnings were at the same level as in the first quarter of 1962. For details, see Statistical Series Release No. 1909.

SENTINEL LIFE FILES FOR STOCK OFFERING. Sentinel Life Insurance Company, 360 Pine St., San Francisco, filed a registration statement (File 2-21494) with the SEC on June 17 seeking registration of 217,645 shares of capital stock, to be offered for public sale at \$5.50 per share. The offering will be made by Paine, Webber, Jackson & Curtis, 25 Broad St., New York, and two other firms, which will receive a 50¢ per share selling commission.

The company was organized in 1961 and intends to apply to the California Insurance Commissioner for a certificate of authority to transact life and disability insurance business exclusively in that State. A substantial portion of the net proceeds from this stock sale, together with the proceeds from the offering of shares under a prior registration statement, estimated at an aggregate of \$1,800,000, will be used in the operation and development of the business in which the company expects to engage, including \$108,130 for organization expenses, \$94,000 for officers' and directors' salaries for the first year, and \$360,000 for investment as required under insurance law. All funds not so specifically used will be invested in income-producing investments, as authorized by California insurance law. The company has no shares outstanding although it has received subscriptions for 142,355 shares (of a 250,000-share offering), of which management officials as a group have subscribed for 65,370 shares. Hugh Grogan is president and E. B. Eliason, Jr. is board chairman.

DUVAL CORP. FILES FOR DEBENTURE RIGHTS OFFERING. Duval Corporation, 1906 First City National Bank Building, Houston, Texas, today filed a registration statement (File 2-21496) with the SEC seeking registration of \$10,000,000 of convertible subordinated debentures due 1983. It is proposed to offer such debentures for subscription by capital stockholders at 100% of principal amount, and at the rate of one \$100 debenture for each 13 shares held. No underwriting is involved. The record date and interest rate are to be supplied by amendment.

The company is engaged primarily in the mining, milling and marketing of copper and molybdenum and of potash, and in the mining and marketing of crude sulphur. The net proceeds from the debenture sale, together with not to exceed \$25,000,000 to be borrowed from banks, will be added to general funds and used, along with other cash resources, to finance the company's construction and expansion program and for other corporate purposes. The 1963-64 construction program is estimated at about \$40,250,000. In addition to certain indebtedness, the company has outstanding 1,300,000 shares of capital stock, of which United Gas Corp., of Shreveport, La., owns 76% and management officials as a group 1.72%. W. P. Morris is president.

PHILLIPS-VAN HEUSEN FILES STOCK PLAN. Phillips-Van Heusen Corporation, 417 Fifth Avenue, New York, filed a registration statement (File 2-21495) with the SEC on June 17 seeking registration of 50,000 shares of common stock, to be offered pursuant to its 1963 Salaried Employees' and Salesmen's Stock Purchase Plan.

MICHIGAN WISCONSIN PIPE LINE PROPOSES BORROWINGS. Michigan Wisconsin Pipe Line Company, Detroit, subsidiary of American Natural Gas Company, a registered holding company, has applied to the SEC for an order under the Holding Company Act authorizing it to borrow up to an aggregate of \$24,000,000 from six banks; and the Commission has issued an order (Release 35-14894) giving interested persons until July 15, 1963 to request a hearing thereon. The company will use the proceeds, together with treasury funds, to retire \$17,500,000 of outstanding notes, incurred to finance its 1962 construction program, and to finance its 1963 construction program estimated at \$7,500,000.

PHILADELPHIA ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-14895) authorizing Philadelphia Electric Power Company (Philadelphia subsidiary of Philadelphia Electric Company) and its subsidiary, The Susquehanna Power Company, to join with other companies included in consolidated Federal income tax returns filed by Philadelphia Electric Power in using a method of allocation which will give to each company the full investment credit that it contributes to the total investment credit allowed on the consolidated returns.

OVER

FIRST AMERICAN ISRAEL MUTUAL FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-3719) exempting underwriters of shares of First American Israel Mutual Fund, Boston open-end investment company, from the provisions of Section 17(a) of the Act to the extent that such provisions would otherwise prevent them from acquiring shares of the Fund in exchange for State of Israel bonds. The Commission's order also permits the Fund, which proposed the offering of 2,750,000 shares of beneficial interest in the Fund, to suspend redemptions and postpone the date of payment or satisfaction upon redemption for any period during which the Tel Aviv Stock Exchange may be closed (other than the customary weekend and holiday closing), or during which trading thereon is restricted (as determined by Commission rules and regulations).

TWO COMPANIES EXEMPTED. The SEC has issued orders under the Investment Company Act (Releases IC-3720 and IC-3722) declaring that Petro-Capital Corporation, of Dallas, and Columbus Capital Corporation, of Columbus, Ohio, have ceased to be investment companies.

SEC PROPOSES JEFFERSON GROWTH FUND ORDER. The SEC announced today that it proposes to issue an order under the Investment Company Act declaring that Jefferson Growth Fund, Inc., New York closed-end investment company, has ceased to be an investment company; and the Commission has issued an order (Release IC-3721) giving interested persons until July 3, 1963 to request a hearing thereon. In July 1962, the Commission ordered that the Fund's registration statement under the Securities Act be withdrawn pursuant to a request by the Fund; and communication with former counsel for the Fund reveals that it never commenced business as an investment company.

TEXAS FUND SEEKS ORDER. Texas Fund, Incorporated, Houston open-end investment company, has applied to the SEC for an order under the Investment Company Act authorizing it to issue its shares at net asset value for substantially all of the cash and securities (having a value of \$1,770,000) of R. Trent Campbell, Incorporated; and the Commission has issued an order (Release IC-3723) giving interested persons until July 3, 1963 to request a hearing thereon. Campbell is a Texas company with one shareholder which is engaged in the business of investing its funds.

CORNEIL A. SHERMAN ENJOINED. The SEC Seattle Regional Office announced today (LR-2657) the entry of a Federal court order (USDC, WD, Wash.) permanently enjoining Corneil A. Sherman, of Seattle, from violations of the Securities Act anti-fraud provisions in the offer and sale of investment contracts, participation profit-sharing agreements, and fractional undivided interests in mineral rights relating to certain sulphur mining claims located in Alaska. The defendant consented to the injunction.

APCO OIL FILES STOCK PLANS. Apco Oil Corporation, Liberty Bank Building, Oklahoma City, filed a registration statement (File 2-21497) with the SEC on June 17 seeking registration of 125,000 shares of common stock, to be offered pursuant to its 1961 and 1963 Restricted Stock Option Plans for Key Executive Employees.

SECURITIES ACT REGISTRATIONS. Effective June 17: Bell & Howell Company (File 2-21340); Sunset International Petroleum Corporation (File 2-21424); Tennessee Gas Transmission Company (File 2-21450). Effective June 18: Ozark Air Lines, Inc. (File 2-21395); Pargas, Inc. (File 2-21430).

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