

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington 25, D.C.

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Issue No. 63-8-1)

FOR RELEASE August 1, 1963

NEW RULE ADOPTED. The SEC announced today the adoption of a new rule 156 under the Securities Act of 1933 which defines as "transactions by an issuer not involving any public offering" in Section 4(1) of that Act, transactions which are exempted from the Investment Company Act of 1940 by Rule 3c-3, recently adopted hereunder. Rule 3c-3 exempts from the provisions of the Investment Company Act transactions by any insurance company with respect to certain group annuity contracts with employers or their representatives covering at least 25 employees and providing for the administration of funds held by such companies in one or more so-called "separate accounts" established and maintained pursuant to State law. It has been represented to the Commission that because of the variety and complexity of such contracts, they must be separately negotiated with employers who retain expert advisers, are fully informed in the matter and are in a position to fend for themselves.

The new rule provides that transactions of the character referred to therein shall come within the rule only if the transaction is not advertised by any written communication which, insofar as it relates to a separate account group annuity contract, does more than identify the insurance company, state that it is engaged in the business of writing such contracts and invite inquiries in regard thereto. The rule provides, however, that the limitation on advertising shall not apply to disclosure made in the course of direct discussion or negotiation of such contracts. It should be noted, the Commission stated, that the rule provides exemption only from the provisions of Section 5 of the Act and does not, therefore, afford any exemption from the anti-fraud provisions of the Act.

BELDEN & BLAKE FILES FOR OFFERING. Belden & Blake and Company Limited Partnership No. 2, 626 Renkert Rd., Canton, Ohio, filed a registration statement (File 2-21611) with the SEC on July 29 seeking registration of \$270,000 of units in the partnership, to be offered for public sale at \$2,700 per unit. No underwriting is involved. The partnership proposes to drill a minimum of four oil and gas well locations in Ohio, to participate with one or more producers of oil and gas in a limited seismic program in Portage County, Ohio and with such producer or producers to drill one wildcat test well. The partnership will purchase the well locations from Belden & Blake Oil Production Ohio Lease Agreement for \$10 per acre and a 1/16 overriding royalty interest leaving 81.25% of the production in place acquired by the issuer. The aggregate cost of the oil wells and one deep test including seismic work connected therewith is estimated at \$223,600 and will be paid out of the partnership capital. Henry S. Belden III and Glenn A. Blake are the general partners and will receive \$33,000 for supervision and administrative overhead. They own 60% of Belden & Blake Oil Production, a general partnership which intends to subscribe to not less than 6% of the limited partnership capital. They also own over 47% of Belden & Blake Oil Production, Ohio Lease Agreement, which will receive the amount paid by the issuer for the well locations as well as the amount paid for geological and engineering expenses (except in the case of a certain farmout). The general partners also own an aggregate of 18% of a firm which will furnish the issuer certain equipment, materials and services.

COMMERCIAL SOLVENTS FILES EXCHANGE OFFER. Commercial Solvents Corporation, 260 Madison Ave., New York, filed a registration statement (File 2-21615) with the SEC on July 30 seeking registration of 500,000 shares of 4.5% series A cumulative convertible preferred stock (\$20 par), to be offered in exchange to common stockholders of Northwest Nitro-Chemicals Ltd. (other than the company which owns 51% of Northwest's outstanding common stock). The rate of exchange is to be supplied by amendment. Eastman Dillon, Union Securities & Co., Chase Manhattan Plaza, New York, and three other firms, will form and manage a group of dealers to solicit changes; and the dealers will receive a 6¢ per share commission for each share exchanged with an additional per share payable to the managers.

The company manufactures a variety of products in the chemical field, including fertilizers, antibiotic and vitamin feed supplements, ammonia, ethyl alcohol, thermal carbon blacks, pharmaceuticals, food chemicals, and other materials used in soaps and cosmetics. The prospectus states that the operations of Northwest, which makes high analysis phosphate and nitrogen fertilizers in various formulations, and the agricultural operations of the company complement and extend each other, and that in view of these related interests and activities, the company believes that Northwest's potential for growth and development will best be achieved if the company is in a position to apply the full effects of its manpower, agricultural chemicals experience and other resources in the areas of finance, research, production and marketing, to the operations of Northwest; and according to the prospectus, the company will be in the best position to do so if Northwest becomes a wholly-owned subsidiary. In addition to certain indebtedness and preferred stock, the company has outstanding 2,956,401 shares of common stock, of which management officials as a group own 2.2%. Maynard C. Keeler is president.

SECURITIES ACT REGISTRATIONS. Effective July 31: W. R. Grace & Co. (File 2-21389); Nippon Telegraph & Telephone Public Corp. & Japan (File 2-21553); Sundstrand Corp. (File 2-21546). Withdrawn July 31: Georgia Pacific Corp. (File 2-20349).