

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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MILLER INDUSTRIES FILES FOR OFFERING AND SECONDARY. Miller Industries, Inc., 16295 N. W. 13th Ave., Miami, Fla. 33169, filed a registration statement (File 2-23838) with the SEC on July 19 seeking registration of 110,000 shares of Class A common stock. Of this stock, 60,000 shares are to be offered for public sale by the company and 50,000 shares (being outstanding stock) by Alexander Miller (president), the present holder thereof. Clayton Securities Corp., 147 Milk St., Boston, Mass. 02109, is listed as the principal underwriter. The public offering price (\$5 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized under Florida law in 1963, the company is principally engaged in the design, manufacture and sale of aluminum sliding glass doors. Of the net proceeds from its sale of additional stock, \$115,000 will be used to retire certain indebtedness and \$12,525 will be used to purchase from Miller all of his rights in certain property located in Miami, which is presently leased by the company for its office and manufacturing facilities. The company has also agreed to assume existing mortgage obligations on such property. The remaining proceeds will be added to working capital for general corporate purposes. In addition to indebtedness, the company has outstanding 50,000 Class A and 130,000 Class B common shares, the Class B stock being convertible into Class A shares. All of the outstanding stock is owned by Miller and was acquired by him for \$100,000 or approximately \$.56 per share.

C. G. CONN, LTD., PROPOSES OFFERING. C. G. Conn, Ltd., 1101 E. Beardsley Ave., Elkhart, Ind. 46515, filed a registration statement (File 2-23839) with the SEC on July 19 seeking registration of 150,000 shares of common stock. The offering is to be made through an underwriting group headed by Bache & Co. Inc., 36 Wall St., New York, and Francis I. duPont, A. C. Allyn, Inc., One Wall St., New York. The public offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures and distributes musical instruments and accessories. Net proceeds from its stock sale will be used for additions to its band instrument and electronic organ plants and changes in its piano manufacturing facilities. The balance of the proceeds will be added to working capital. In addition to indebtedness and preferred stock, the company has outstanding 671,269 common shares, of which management officials own 20.5%. Leland B. Greenleaf (president), his sister, and members of their families own 33.3% of the outstanding stock. Paul M. Gazlay is board chairman.

OLD COLONY SECURITIES, OTHERS ENJOINED. The SEC announced July 15 (LR-3273) the entry of a Federal court order (USDC, NJ) preliminarily enjoining Old Colony Securities Ltd., Norart Minerals Ltd. (both of Toronto, Ontario, Canada) Chemetronics Et. (a Leichtenstein corporation), Bruce E. Terry (president of Old Colony), and James L. MacBrien (president of Norart) from further violations of the Securities Act registration provisions in the sale of Norart stock. The order also preliminarily enjoined Old Colony and Terry from further violations of the anti-fraud provisions of the Federal securities laws in the sale of Norart stock. Norart and MacBrien consented to the entry of the injunction, and Old Colony, Terry and Chemetronics defaulted.

STATE BOND & MORTGAGE SEEKS EXEMPTION. State Bond & Mortgage Company, New Ulm, Minn., a face-amount certificate company, has applied to the SEC for an exemption order under the Investment Company Act permitting the issuance of options granted and to be granted under the company's stock option plan for key employees. The Commission has issued an order (Release IC-4305) scheduling a hearing on the application on August 9, at 10:00 A. M., at its headquarters office.

Section 18(j) of the Act provides that it shall be unlawful for any registered face-amount certificate company to issue any security other than a face-amount certificate, common stock as therein described, and short-term debt obligations, or to issue any of its securities except for cash or securities. On December 9, 1963, the company directors adopted the stock option plan, which was subsequently approved by the holders of its common stock. The plan is a "qualified stock option plan" within the meaning of Section 422 of the Internal Revenue Code of 1954. It provides that options to purchase common stock of the company may be granted to executives and key employees of the company selected by the board of directors. As of November 30, 1964, options to purchase 4,000 shares at \$47.50 per share had been issued.

INTERNATIONAL UTILITIES SEEKS ORDER. International Utilities Inc. (International), Claymont, Del., a subsidiary of International Utilities Corporation (Utilities Corporation), Toronto, Ontario, Canada, has applied to the SEC for an order exempting it from all provisions of the Investment Company Act, and the Commission has issued an order (Release IC-4306) giving interested persons until August 5 to request a hearing thereon.

According to the application, Utilities Corporation is primarily engaged, through subsidiaries, in the distribution of natural gas and electricity in Western Canada; the operation of motor bus routes in Canada; the ownership, operation and chartering of oil tankers, bulk carriers and refrigerator ships; the recovery of steel and iron scrap; and the processing of slag and crushed stone. International was organized to permit investment securities to be held by a separate United States subsidiary and has never engaged in any business other than the purchase, holding and sale of securities. Utilities Corporation proposes to acquire all of the outstanding capital stock of Ryder Truck Lines, Inc., and its affiliated motor carriers, all of which are engaged in the trucking business. It also proposes either to assign its contract with Ryder to International or cause the capital stock of the motor carriers to be transferred to International. Concurrently, it also

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intends to transfer to International all of the capital stock of Brown Brothers Contractors, Inc., a wholly-owned subsidiary engaged in the recovery of steel and iron scrap at steel plants, the processing of slag and crushed stone, and the sale of such products. In connection with the contemplated acquisition of Ryder, International tentatively plans to sell \$25,000,000 principal amount of 5% notes to two life insurance companies and two registered investment companies and to use the proceeds approximately as follows: \$17,500,000 to finance the acquisition of Ryder, \$4,500,000 to retire International's existing bank loan, \$2,500,000 as an advance to Brown Brothers, and \$500,000 for International's treasury. After consummation of the contemplated acquisition of the stock of Ryder and the transfer of Brown Brothers stock, investment securities will continue to constitute the preponderant portion of International's assets.

Section 3(b)(3) of the Act excepts from the definition of investment company any issuer whose outstanding securities (other than short-term paper and directors' qualifying shares) are owned by a company primarily engaged in a business other than that of investing, reinvesting, owning, holding or trading in securities. All of International's outstanding securities are now owned by Utilities Corporation except for the \$4,500,000 bank loan which International proposes to repay following the sale of its 5% notes. International would be entitled to an exception under Section 3(b)(3) of the Act except for the fact that its outstanding long term debt is and will continue to be owned by institutions rather than by Utilities Corporation. International has agreed that, if the Commission grants the application, the Commission's order may be conditioned as follows: (1) that International will file with the Commission, within 90 days after the close of each fiscal year, certain financial and other data and (2) that International will not issue any additional debt securities (other than short-term paper) following the issuance of the \$25,000,000 of 5% notes due 1985 unless it has first given notice to the Commission.

WHEELING AND LAKE ERIE RAILWAY SEEKS EXEMPTION. The Wheeling and Lake Erie Railway Company (Wheeling) has applied to the SEC for an exemption from the proxy soliciting provisions of Section 14(c) of the Securities Exchange Act in connection with any annual or other meeting of stockholders at which the only actions to be taken are the election of directors and/or such other action as does not directly or indirectly affect the interest of the stockholders. The Commission has issued an order giving interested persons until July 30 to request a hearing thereon.

According to the application, all of the property of Wheeling (an Ohio corporation) is leased to Norfolk and Western Railway Company (N&W), which as of December 31, 1964, owned 89.58% of the total stock voting rights in Wheeling. Wheeling's board of directors consists of seven directors, five of whom are officers of N&W. With one exception, the officers of Wheeling are also officers of N&W and receive no compensation as officers of Wheeling. Wheeling files annual reports, including balance sheet and income statement information, with the Commission and the Interstate Commerce Commission and also mails notices of its annual meetings and a copy of its annual report to stockholders. Its common stock is traded on the New York Stock Exchange. The listing agreement with that Exchange does not require the solicitation of proxies, and the company has not solicited proxies since 1949. The present practice of mailing to stockholders notices of the annual meetings and a copy of the annual report will be continued.

MAGIC CHEF FILES STOCK PLAN. Magic Chef, Inc., 740 King Edward Avenue, S. E., Cleveland, Tenn., has filed a registration statement (File 2-23841) with the SEC on July 19 seeking registration of 50,410 shares of common stock, to be offered pursuant to the company's Employee Restricted Stock Option Plan.

SECURITIES ACT REGISTRATIONS. Effective July 20: General Acceptance Corp., 2-23717 (Aug 30); Northern Illinois Gas Co., 2-23730; Revlon, Inc., 2-23737 (40 days); Spartans Industries, Inc., 2-23743. Withdrawn July 19: Medic Corp., 2-21120; Mt. Vernon Surety Corp., 2-23375. Withdrawn July 20: Financial and Commercial Investment Company of Virginia, 2-22973.

NOTE TO DEALERS. The last date or the period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

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July 20, 1965

Chairman Manuel F. Cohen of the Securities and Exchange Commission made the following statement today in connection with the announcement by the Department of Justice of the indictment of John G. Scott and certain other persons: "As I believe Mr. Robert A. Morgenthau, United States Attorney for the Southern District of New York, has indicated, this isolated case was uncovered and vigorously investigated by our staff, with the assistance of the Federal Bureau of Investigation and Mr. Morgenthau's office. The investigation has been long and difficult, and I congratulate our personnel in New York and the Department of Justice for their fine work in preparing the case and in obtaining the indictment of those responsible.

"Mr. Scott's services at the Commission were terminated some two years ago. I know of no other persons connected with the Commission who are implicated in this case.

"Any questions you may have should be referred to Mr. Morgenthau, who will carry the burden of the trial."