

# 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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**INSIDER TRADING RULE CLARIFIED.** The SEC today announced the adoption of an amendment to Rule 16a-2 under the Securities Exchange Act (Release 34-7667) clarifying the rules governing the computation of percentage ownership under Section 16(a) of the Act (which calls for the filing of reports by holders of 10% of a class of equity security registered pursuant to Section 12). Under the amendment, the amount of a class of equity securities, other than voting trust certificates or certificates of deposit, shall be deemed to consist of the total amount of outstanding securities of the class, exclusive of any securities of the class held by or for the account of the issuer. In addition, the rule makes clear that securities held by or for the account of a subsidiary are to be excluded in computing the amount of securities outstanding for the purposes of Section 16(a). The rule also provides that the amount of a class of voting trust certificates or certificates of deposit shall be deemed to consist of the amount of such certificates issuable with respect to the total amount of outstanding securities of the class which may be deposited under the voting trust or deposit agreement, without regard to whether all of such securities have been so deposited.

**HANSON OIL ENJOINED.** The SEC Chicago Regional Office announced July 27 (LR-3284) the entry of a Federal court order (USDC, Detroit) permanently enjoining John D. Hanson, of Detroit, individually and doing business as Hanson Oil Properties, from further violations of the Securities Act anti-fraud and registration provisions in the sale of interests in oil and gas leases in Ohio. Hanson consented to the entry of the injunction.

**MARION EDMOND BARNETT GUILTY.** The SEC Fort Worth Regional Office announced July 28 (LR-3285) that Marion Edmond Barnett was found guilty by a jury (USDC, WD, Okla.) of violating and conspiring to violate the anti-fraud provisions of the Securities Act in the sale of interests in oil and gas leases located in Colorado and seven other States. Charles L. Gouse previously entered a plea of guilty to charges of violating the conspiracy statute, and Admiral Oils, Inc., and Arrowhead Oil & Gas Inc., also entered pleas of guilty. Sentencing was deferred.

**SANTA ANA IRRIGATION EXEMPTED.** The Commission has granted an application of the Santa Ana Valley Irrigation Company, Orange, Calif., for exemption from the registration requirements of Section 12(g) of the Securities Exchange Act. The company is a non-profit mutual water company which provides water for irrigation purposes to owners of land in the Rancho Santiago de Santa Ana, County of Orange, State of California. There is no market for its stock.

**HANNA MINING RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4314) authorizing The Hanna Mining Company (approximately 46.5% of whose outstanding voting stock is owned by The M. A. Hanna Company, a closed-end non-diversified investment company) to participate with National Steel Corporation (more than 5% of whose outstanding stock is also owned by The M. A. Hanna Co.) in an iron ore pelletizing project near Keewatin, Minn.

**UNLISTED TRADING SOUGHT.** The SEC has issued an order under the Securities Exchange Act (Release 34-7666) giving interested persons until August 18 to request a hearing on an application of the Boston Stock Exchange for unlisted trading privileges in the common stocks of Edgerton, Germeshausen & Grier, Inc.; M. A. Hanna Co.; and Varian Associates.

**HOUSE COMMITTEE HEARINGS INDEXED.** On August 20, 1964, President Johnson signed the "Securities Acts Amendments of 1964."

This legislation (H.R. 6789, H.R. 6793 and S. 1642) was the subject of hearings before a Subcommittee of the Committee on Interstate and Foreign Commerce, House of Representatives (Eighty-eighth Congress, 1st and 2d Sess.).

An INDEX to these "Investor Protection Hearings" has been prepared by the SEC Librarian, Chester Dunton, for internal use of the Commission and its employees. Photocopies may be purchased at a cost of 7½¢ per page (\$9.80 per copy).

**PERFORMING ARTS DEVELOPMENT FILES FOR OFFERING.** Performing Arts Development Corporation, 234 44th St., New York 10036, filed a registration statement (File 2-23882) with the SEC on July 30 seeking registration of 997 shares of common stock. The stock is to be offered for public sale (in minimum units of 20 shares) at \$500 per share by the company, its president (Stephen W. Sharmat) and a vice president (William Levine). The offering is conditioned upon the sale of at least 400 shares by December 31, 1965.

Organized under Delaware law in April 1965, the company intends to produce, co-produce, and advance moneys for the production of plays for the New York stage. Of the net proceeds from its stock sale, some \$30,000 will be used to meet expenses for the company's first year of operations, and the balance will be invested in activities related to the entertainment field. The company has outstanding 3 common shares, 2 of which were acquired by management officials.

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**ISRAEL DEVELOPMENT PROPOSES OFFERING.** Israel Development Corporation, 17 E. 71st St., New York 10021, filed a registration statement (File 2-23883) with the SEC on July 30 seeking registration of 300,000 shares of common stock, to be offered for public sale on a "best efforts" basis through Israel Securities Corp., of the New York address. The public offering price (\$15 per share maximum\*) and underwriting terms are to be supplied by amendment.

Organized under New York law as a closed-end, non-diversified investment company, the company is engaged in activities relating to the economic development of Israel through investments in industrial, mineral, transportation and other Israeli enterprises. Net proceeds from its stock sale will be added to general funds and used for corporate purposes. In addition to indebtedness, the company has outstanding 488,218 common shares, of which management officials own 5.57% and Ampal-American Israel Corp. 8.45%. Rudolf G. Sonneborn is board chairman and Abraham Dickenstein is president. Dickenstein is also president of Ampal-American.

**OVERSEAS INVESTMENT PROPOSES OFFERING.** Overseas Investment Ltd., 306 Citizens Federal Bldg., Davenport, Iowa 52801, filed a registration statement (File 2-23884) with the SEC on July 30 seeking registration of 26 units of interest in its Pre-Organization Subscription Certificate of Agreement, to be offered for public sale at \$10,000 per unit. In addition to the interests being registered, each of the nine proposed management officials of the company has subscribed to one unit at the public offering price. Upon completion of sale of at least 16 of the units and its organization, the company proposes to make a public offering of additional securities. If proceeds from such later sale of securities aggregate \$1,000,000, each of the purchasers of the interests will receive 1,000 shares of common stock of the company and a transferable warrant representing rights to purchase common shares equal to approximately .143% of the total shares to be outstanding. If all of the shares proposed to be offered are sold, each of the 35 pre-organization subscribers would receive warrants to purchase 275 common shares. The prospectus states that if the 26 units are not sold or if the company does not make a further offering of its securities, at least \$9,500 will be returned to each subscriber.

To be organized under Iowa law, the company intends to engage principally in the financing of homes in foreign countries. Its first investment is expected to be in a wholly-owned subsidiary which will be organized as a Panamanian holding corporation, which, in turn, intends to acquire a majority interest in a Jamaican subsidiary. It is proposed that Dean H. Fry will be president of the company and Walter A. Newport, Jr., board chairman.

**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 in parentheses. The captions of the items are as follows:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Legal Proceedings.
- Item 4. Changes in Securities.
- Item 5. Changes in Security for Registered Securities.
- Item 6. Defaults upon Senior Securities.
- Item 7. Increase in Amount of Securities Outstanding.
- Item 8. Decrease in Amount of Securities Outstanding.
- Item 9. Options to Purchase Securities.
- Item 10. Revaluation of Assets or Restatement of Capital Share Account.
- Item 11. Submission of Matters to a Vote of Security Holders.
- Item 12. Other Materially Important Events.
- Item 13. Financial Statements and Exhibits.

Copies of the reports may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with requested material when mailed.

Lionel Corp Mar & May 65 (13)	1-3197-2	Hendersons Portion Pak Inc May 65 (2,13)	1-4665-2
Arnav Industries Inc June 65 (3,10,13)	2-19580-2	Max Factor & Co July 65 (8)	1-3875-2
Lowell Gas Co June 65 (4,7,8,13)	2-14328-2	Genl Finance Corp June 65(4,7,13)	1-3868-2
Ogden Corp Nov 64 (4,7,8,13)	1-3122-2	Federal Mogul Corp June 65 (4,13)	1-1511-2
Indian Trail Ranch Inc May 65 (11)	2-16760-2	Liberian Iron Ore Ltd June 65 (11)	2-18890-2
Cameo-Parkway Records Inc June 65 (1)	1-4672-2	Davidson-Boutell Co Apr 64 (4,13)	2-2671-2
Outlet Co Amend #1 to 8K for May 65 (12,13)	1-1209-2	Denver Real Estate Investment Assn Jan 63 (2,7,13)	0-1258-2
		Sept 64 (2,7,13)	0-1258-2
		Mar 63 (2)	0-1258-2
		Apr 65 (2,7,13)	0-1258-2
		July 65 (2,7,13)	0-1258-2

The Rowan Controller Co Nov 64 (2,7,13)	2-18216-2	Bonanza Airlines Inc Amend #1 to 8K for Apr 65 (3)	1-5100-2
Federal Quality Homes Inc Apr 65 (3)	2-17628-2	Amend #1 to 8K for May 65 (3)	1-5100-2
Renaire Foods Inc July 65(4,11,13)	0-1074-2	Davidson-Boutell Co Amend #2 to 8K for May 64 (4,7,13)	2-2671-2
Eastern Mass St Ry Co July 65 (6)	1-1563-2	Amend #1 to 8K for June 64 (4,7,13)	2-2671-2
Elgin Natl Watch Co June 65(3,11)	1-1330-2	Thermogas Co Amend #1 to 8K for Oct 64 (4)	0-1514-2
Roadcraft Mfg & Leasing Corp June 65 (11)	2-21517-2	Veeder-Root Inc Amend #1 to 8K for Mar 65 (13)	1-5076-2
Standard Financial Corp June 65 (7,13)	1-3888-2	Yuba Consolidated Industries Inc June 65 (13)	0-885-2
Alaska Airlines Inc Amend #1 to 8K for May 65(2,3,13)	1-3314-2	Romance Inc June 65 (2,3,11,13)	2-22123-2

**BEST GIRL CO. PROPOSES OFFERING.** Best Girl Company, 445 Park Ave., New York, filed a registration statement (File 2-23885) with the SEC on July 30 proposing the public offering of \$495,000 pre-formation limited partnership interests (50 units, to be offered at \$9,900 per unit, plus a possible 20% overcall). The units are to be offered by Fryer, Carr and Harris, Inc., the general partner.

The purpose of the partnership is to produce a dramatico-musical play presently entitled "My Best Girl," which concerns the episodes in the life of a lady bringing up her nephew. It is based upon the novel "Auntie Mame" by Patrick Tanner (also known as Patrick Dennis) and the dramatic play of the same name by Jerome Lawrence and Robert E. Lee. The general partners have acquired production rights from such persons, as well as from Jerry Herman, composer and lyricist; and Joshua L. Logan has been granted an option to direct the musical. Robert Fryer, Lawrence Carr, Sylvia Harris and Joseph Harris are in control of the general partner, which will produce the play. Proceeds of the offering will be used to finance the production.

**PRUDENTIAL OIL PROPOSES OFFERING.** Prudential Oil Corporation, One Rockefeller Plaza, New York, filed a registration statement (File 2-23889) with the SEC on August 2 seeking registration of 300 units in its 1966 Drilling Fund--Series Twelve. The units are to be offered for public sale at \$10,000 per unit through company officials and employees, and may be offered through NASD members. Proceeds of the offering will be used to engage in oil and gas drilling ventures on behalf of the participants. The company, which was organized principally for the purpose of organizing and managing such programs, will act as agent. Nathan M. Shippee is board chairman.

**SECURITIES ACT REGISTRATIONS.** Effective August 2: California Interstate Telephone Co., 2-23836 (40 days); Kellogg Co., 2-23809; Scurry-Rainbow Oil Limited, 2-23802.  
Withdrawn August 2: Eagle's Nest Mountain Estates, Inc., 2-21748; National Trust Life Insurance Co. of America, 2-22989.

**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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