

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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FOR RELEASE October 22, 1965

**BRIEFING SCHEDULE FIXED FOR CITY BANK CASE.** The SEC has issued an order (Release IC-4380) fixing a schedule for the filing of briefs in the proceedings upon the application of the First National City Bank, filed on behalf of its proposed Commingled Investment Account, for an exemption from certain provisions of the Investment Company Act. The said Account expects to register as an investment company and to operate as a diversified open-end management investment company and as a collective fund pursuant to applicable regulations of the Comptroller of the Currency. Its units or securities also will be registered under the Securities Act.

Requests for hearing upon the exemption application were filed by the Investment Company Institute, the National Association of Securities Dealers, Inc., and the Association of Mutual Fund Plan Sponsors, Inc. The requests of these organizations indicate that no evidentiary hearing is desired; but each seeks the opportunity to file a brief in support of its position opposing the grant of the application. Accordingly, the Commission fixed November 22 as the date for the filing of briefs and December 7 for reply briefs.

**ABACUS FUND SEEKS ORDER.** Abacus Fund, Inc., New York, registered closed-end diversified investment company, has applied to the SEC for an order under the Investment Company Act permitting it to acquire 15,700 shares of its common stock, at \$41 per share, from Bessemer Securities Corp. The Commission has issued an order (Release IC-4379) giving interested persons until November 15 to request a hearing thereon. According to the application, Abacus and Bessemer entered into an agreement in September whereby Abacus would purchase such stock, subject to ratification by the Abacus board of directors and approval of the Commission. The Abacus board ratified the agreement on September 21, 1965. Section 23(c) of the Act prohibits a registered investment company from purchasing its own securities other than on a securities exchange or pursuant to tenders, except under such circumstances as the Commission may permit, to insure that such purchases are made in a manner or on a basis which does not unfairly discriminate against any holders of the class of securities to be purchased.

**NATIONAL VARIABLE ANNUITY OF FLA. RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-4381) permitting National Variable Annuity Company of Florida Separate Account ("Separate Account"), Jacksonville, Fla., to sell group variable annuity contracts at a price equal to the current value of the accumulation units plus a combined charge of 6% (exclusive of any applicable state premium taxes) for sales and administrative expenses and the minimum death benefit before retirement. According to the application, Separate Account was organized in August 1965, as a subsidiary of National Variable Annuity Company of Florida, to fund variable annuity contracts. Section 22(d) of the Act provides, in pertinent part, that no registered investment company shall sell any redeemable security issued by it to any person except at the current offering price described in the prospectus. Applicant represents that it is unable to state precisely the amount of the combined charge of 6% which is applicable to sales load. In addition, the group variable annuity contracts also contain provisions for experience rating credits, under which the actual sales and administrative expenses and the minimum death benefit before retirement costs applicable to that contract are determined annually and each participant receives a credit for his share of the excess, if any, of the amounts deducted for such expenses over such actual costs. No additional charge is made to the participant's account if the costs exceed the amounts deducted. Applicant has reserved the right to increase the combined charge to 9%, the maximum sales load which may be charged under Section 27(a) of the Act by applicant on its periodic payment plan certificates.

**TEN KEYS RECEIVES EXEMPTION.** The SEC has issued an exemption order under the Investment Company Act (Release IC-4383) authorizing Ten Keys, Inc., Providence, R. I., open-end non-diversified company, to issue its shares at net asset value in exchange for the assets of four other unregistered investment companies, Havenport Investment Fund, Inc., Conanicut Co., Prudent Securities Corp., and Thrift Corp., all Rhode Island corporations. According to the application, the net asset values on August 31, 1965, of Ten Keys and of the said four funds approximated \$297,000 and \$312,000, respectively. The stockholders of each of the four funds have authorized the transfer of substantially all of the assets of their respective funds, subject to their respective liabilities, in exchange for stock of Ten Keys, which stock will be distributed to the shareholders of each of the four Funds upon their liquidation.

**WM. PARKER, OTHERS ENJOINED.** The SEC Fort Worth Regional Office announced October 18 (LR-3350) the entry of a Federal court order (USDC, Shreveport, La.) permanently enjoining William Harvey Parker, Consolidated Well Servicing Co., Inc., Petroleum Venture Capital Corp., Tex-N Petroleum Corp., Titan-Tex Petroleum Corp., Elizabeth Lee Sentell, Washington Cade Sentell, and American Belle Petroleum Corp., all of Shreveport, La., from further violations of the Securities Act registration and anti-fraud provisions in the sale of interests in oil and gas leases on properties located in Caddo Parish, La. Parker, Mid-Continent Petroleum Properties, Inc., and Great Southwest Petroleum Properties, Inc., were also enjoined from further violations of the Securities Act registration provisions in the sale of common stock of those two companies. All defendants consented to the entry of the order.

OVER

**COMPLAINT CITES SECURITIES INVESTORS, OTHERS.** The SEC Denver Regional Office announced October 19 (LR-3351) the filing of a complaint (USDC, Lincoln, Nebr.) seeking to enjoin Securities Investors, Inc., Dosek Bonding and Insurance, Inc., and Edward A. Dosek, all of Lincoln, Nebr., from violations of the anti-fraud provisions of the Federal securities laws in the sale of securities of Securities Investors, Inc. A temporary restraining order was issued.

**SHANMAN, WASSERMAN, OTHERS INDICTED.** The SEC New York Regional Office announced October 20 (LR-3352) the return of an indictment (USDC, SDNY) charging the following defendants with violations of and conspiracy to violate the Securities Act anti-fraud provisions in the sale of stock of Pan-Alaska Fisheries, Inc.: Neil James Shanman of Beverly Hills, Calif. (former president of Neil James & Co., Inc., a New York broker-dealer), Albert Wasserman of Jericho, N. Y., Michael Skolnick of Brooklyn, N. Y. (both formerly associated with Neil James & Co.), and Eugene Ross of Great Neck, N. Y. (former president of Ross Securities, a New York broker-dealer). Wasserman is further charged with conspiracy to violate the Commission's net capital rule.

**M. E. BARNETT SENTENCED.** The SEC Fort Worth Regional Office announced October 19 (LR-3353) that M. E. Barnett was sentenced to a 5-year prison term (USDC, WD Okla.), following his conviction by a jury of violating and conspiring to violate the Securities Act anti-fraud provisions.

**CONTINENTAL VENDING SUSPENSION CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation for a further ten-day period, October 24 - November 2, 1965, inclusive.

**JOHN DEERE CREDIT PROPOSES DEBENTURE OFFERING.** John Deere Credit Company, Moline, Ill. 61265, today filed a registration statement (File 2-24142) with the SEC seeking registration of \$35,000,000 of debentures Series C, due 1990. The debentures are to be offered for public sale through underwriters headed by Harriman Ripley & Co., Inc., 60 Broad St., New York. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The principal business of the company is the purchase of retail installment contracts and equipment leases from sales branches operated by wholly owned subsidiaries of Deere & Co. Net proceeds from its debenture sale will be available for the purchase of such contracts and leases. The proceeds may be applied initially to the reduction of short-term borrowings. In addition to indebtedness, the company has outstanding 2,500 common shares, owned by Deere & Co. William A. Hewitt is 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 in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the October 1 News Digest.

Alabama Power Co		Crystal Oil and Land Co	
Sept 65 (7,13)	1-3164-2	Amend #1 to 8K for Aug 65 (13)	1-4892-2
Applied Technology Inc		Screen Gems Inc	
Sept 65 (11)	2-21829-2	Amend #1 to 8K for June 65 (13)	1-4481-2
Diamond Alkali Co		Kirby Petroleum Co (Nev)	
Sept 65 (7,13)	1-3638-2	Amend #2 to 8K for July 64 (7)	1-4035-2
Flour Mills of America Inc		Hycan Mfg Co	
Sept 65 (11)	1-3253-2	Amend #1 to 8K for Sept 65 (11,13)	1-4375-2
I-T-E Circuit Breaker Co		National Car Rental System Inc	
Sept 65 (3)	1-3784-2	Amend #2 to 8K for Apr 65 (1,12)	2-19978-2
Idaho Power Co			
Sept 65 (3)	1-3198-2		

**ORAL ARGUMENT, COMING WEEK.** October 27 - 2:30 P. M. - Corroon & Reynolds Corp.

**SECURITIES ACT REGISTRATIONS.** Effective October 21: Kern County Land Co., 2-24130; North Central Airlines, Inc., 2-24026 (Dec 1).

**NOTE TO DEALERS.** 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.