

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington, D.C. 20549

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 66-77)

FOR RELEASE April 21, 1966

**EASTERN SHORE PUBLIC SERVICE OF MD. SEEKS ORDER.** The Eastern Shore Public Service Company of Maryland, Salisbury, Md., subsidiary of the Delaware Power & Light Co., has applied to the SEC for an order under the Holding Company Act authorizing it to sell to the parent company its promissory notes (due 1973) aggregating a maximum of \$3,500,000; and the Commission has issued an order (Release 35-15451) giving interested persons until May 18 to request a hearing thereon. According to the application, the subsidiary will use the proceeds of the note sale in connection with its construction program. Its 1966 construction expenditures are estimated at \$4,685,555.

**UNITED GAS SEEKS ORDER.** United Gas Corporation, Shreveport, La., subsidiary of Pennzoil Co., has applied to the SEC for an order under the Holding Company Act authorizing it to acquire all of the assets of Tyler Gas Service Co., which distributes natural gas in Tyler, Tex. The Commission has issued an order (Release 35-15452) giving interested persons until May 9 to request a hearing thereon. According to the application, United Gas proposes to exchange 50,000 shares of its common stock for the assets of Tyler Gas and to assume the liabilities of that company.

**PITTSBURGH COKE & CHEMICAL RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4573) exempting Pittsburgh Coke & Chemical Co., Pittsburgh, Pa., from provisions of Section 7 of the Act until the Commission acts on a prior application of the company for an order declaring that it is not an investment company.

**MATHEWS AND BIRK PLEAD GUILTY.** The SEC Atlanta Regional Office announced April 18 (LR-3491) that Jack L. Mathews and Robert C. Birk pleaded guilty (USDC, MD Ala.) to an indictment charging them with violations of and conspiracy to violate the Securities Act anti-fraud provisions in the sale of common stock and warrants of Hometrust Corporation, Inc., the parent corporation of Hometrust Life Insurance Co., both of Montgomery, Ala. Mathews and Birk were each sentenced to an 18-month prison term.

**LEVINE'S FILES FOR SECONDARY.** Levine's, Inc., 8908 Ambassador Row, Dallas, Tex. 75247, filed a registration statement (File 2-24881) with the SEC on April 20 seeking registration of 160,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by Shearson, Hammill & Co. Inc., 14 Wall St., New York 10005. The public offering price (\$17 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company operates junior department stores in the South and Southwest. In addition to indebtedness, it has outstanding 709,027 common shares, of which management officials own 58.3%. The prospectus lists nine selling stockholders, including William Levine (board chairman), who is offering 50,000 of 104,558 shares held, and Morris Levine (president), 40,000 of 99,734. The remaining sellers are offering shares ranging in amounts from 5,000 to 15,000.

**METROPOLITAN EDISON PROPOSES BOND OFFERING.** Metropolitan Edison Company, 2800 Pottsville Pike, Berks County, Pa., filed a registration statement (File 2-24883) with the SEC on April 20 seeking registration of \$15,000,000 of first mortgage bonds, due 1996. The bonds are to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of this financing to reimburse its treasury in part for the cost of construction prior to 1966. Its 1966 construction program is expected to cost \$26,500,000.

**FIVE STOCK PLANS FILED.** Form S-8 registration statements have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

Ford Motor Company, The American Rd., Dearborn, Mich. (File 2-24871 - 4,000,000 shares)  
(File 2-24872 - 225,000 shares) (File 2-24873 - 1,500,000 shares)  
Poloron Products, Inc., 165 Huguenot St., New Rochelle, N. Y. (File 2-24877) (25,000 shares)  
Cities Service Company, Sixty Wall St., New York 10005 (File 2-24882) (500,000 shares)  
PepsiCo, Inc., 500 Park Ave., New York 10022 (File 2-24885) (430,432 shares)  
Abbott Laboratories, North Chicago, Ill. (File 2-24886) (65,000 shares)  
Triangle Conduit & Cable Co. Inc., Triangle and Jersey Avenues, New Brunswick, N. J. (File 2-24887)  
(78,750 shares)

**EXEMPTION FOR FOREIGN ISSUERS EXTENDED.** The SEC today announced an amendment to its Rule 12g3-1 under the Securities Exchange Act (Release 34-7867) extending to November 30, 1966, the exemption from the registration provisions of Section 12(g) of that Act for the securities of foreign issuers (and certificates of deposit therefor). Under the amended rule, the earliest date on which a foreign issuer could be required to register will be 120 days after its first fiscal year end following November 30.

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The Commission's action followed an analysis of many comments upon its proposed registration rules received from persons and companies who would be affected thereby and from representatives of foreign governments. These suggested among other things that the registration and related requirements would be improper under international law and that there would be technical difficulties in superimposing the requirements of the proposed rules on existing law to which issuers are subject in their country of incorporation. The Commission also noted that there has been "a marked improvement by foreign companies in their reporting practices and that there exists in many foreign countries an active movement to improve the reporting of corporate information, particularly the presentation of financial data, and the regulation of activities such as insider trading and takeover bids." These actions by governmental and other agencies, the Commission observed, "affect a substantial majority of those foreign companies which the Commission has reason to believe would be required to register . . . The Commission believes that this movement is most desirable, and that these new laws, when fully implemented, will provide substantial protection to shareholders in corporations subject to them. This will, of course, benefit American investors as well."

To assist the Commission during the period of the continuing exemption, and to provide information as promptly as possible to American investors, the Commission is asking foreign issuers whose securities are held by 300 or more residents of the United States, and which have \$1,000,000 or more of total assets and 500 or more equity security holders, to furnish certain information, documents and reports which they are required to make public in the countries of their domicile or in which they are organized, which is filed with a foreign exchange on which their securities are traded, or which are distributed to their security holders. Information will be requested on a continuing current basis concerning such companies, financial condition or results of operations, changes in business, acquisition or disposition of assets, issuance, redemption or acquisition of the issuer's securities, or changes in management or control. The information will be available for public inspection. Many foreign issuers have already expressed a willingness to furnish such information, and the Commission anticipates that companies will comply with this request. The Commission proposes to publish a list of companies believed to be within the class of issuers from which the information is requested, showing whether or not they have furnished such information. Such a list will, among other things, be useful to brokers and dealers in making recommendations to their customers with respect to the securities of these foreign companies.

**RULE 3a12-3 AMENDED.** The SEC has amended its Rule 3a12-3 under the Securities Exchange Act (Release 34-7868) to remove the exemption from Section 14 (proxy solicitation) and Section 16 (insider trading) applicable to foreign issuers of equity securities listed on national securities exchanges (and registered on SEC Form 20) - if more than 50% of the outstanding voting securities are held by U. S. residents and the business of the issuer is administered principally in the United States or 50% or more of the members of issuer's board of directors are residents of the United States. This amendment is effective June 1, 1966.

**CONTINENTAL VENDING MACHINE TRADING BAN CONTINUED.** The SEC has issued an order suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation for a further 10-day period, April 22-May 1, 1966, inclusive.

**"CITY BANK" COMMINGLED INVESTMENT ACCOUNT PROPOSES OFFERING.** Commingled Investment Account of First National City Bank, 399 Park Ave., New York 10022, filed a registration statement (File 2-24884) with the SEC on April 20 seeking registration of 500,000 units of participation in the Account. The units are to be offered for public sale at net asset value (\$11 per unit maximum\*), the minimum acceptable participation being \$10,000.

Organized under New York law in September 1965, the Account is to be operated as "a collective investment fund pursuant to applicable regulations of the Comptroller of the Currency." It has registered with the Commission under the Investment Company Act as "a diversified, open-end management company;" and, according to the prospectus, the First National City Bank (of New York) "may be deemed to be its statutory principal underwriter" within the meaning of that Act. The prospectus further indicates that supervision of the Account will be in the hands of a committee of three officers in the Trust and Investment Division of the Bank and that the Bank will be responsible for the management of the investments in the Account. Investments will be made "principally in common stocks and convertible securities offering opportunity for long-term growth of capital and of income." Committee members are to be elected by holders of participating units. Robert L. Hoguet, Jr., now serves as committee chairman; and he also is executive vice president of the Bank. and two individuals who are not affiliated with the Bank.

**SECURITIES ACT REGISTRATIONS.** Effective April 20: American Hospital Supply Corp., 2-24799 (40 days); Frank's Nursery Sales, Inc., 2-24626 (July 19); The Home-O-Nize Co., 2-24569 (July 19); Pat Fashions Industries, Inc., 2-24556 (90 days); The Peoples Gas Light and Coke Co., 2-24833; Seaboard World Airlines, Inc., 2-24638 (May 30); Virginia Electric and Power Co., 2-24706 (June 13); The Williamhouse, Inc., 2-24621.

Effective April 21: Meridian Life Insurance Co., 2-24552 (90 days); Rosemount Engineering Co., 2-24596 (90 days).

**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.

\*As estimated for purposes of computing the registration fee.