

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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REGISTRATION FEE RULES MODIFIED. The SEC today announced the adoption of its proposal, announced January 11, for the revision of its rules relating to the computation of the fee required to be paid in connection with the registration of securities under the Securities Act for public offering (Release 33-4833). The amendments conform the rules to statutory changes reflected in the Securities Acts Amendments of 1964. Briefly, the fee previously amounted to one-hundredth of one percent of the maximum aggregate offering price of the securities involved, with a \$25 minimum; the 1964 amendments increased the fee to one-fiftieth of one percent, with a \$100 minimum.

RESTRAINING ORDER NAMES COMMAND PRODUCTS, OTHERS. The SEC Seattle Regional Office announced May 19 (LR-3512) the entry of a temporary restraining order and order to show cause in connection with a complaint filed by the Idaho Department of Finance seeking an injunction and appointment of a receiver in a state action brought against Command Products, Inc., Command Products, Ltd., Michael J. Boulds, Fred H. Davis, J. G. Vollmer, and Carl H. Harrison, Jr., all of Boise, Idaho. The complaint alleges that the defendants' activities constituted violations of Idaho statutes governing the registration of securities, and licensing and conduct of securities salesmen, and brokers and dealers. The SEC Seattle Office staff cooperated in the investigation of this matter.

APOLLO CORP. SEEKS ORDER. Apollo Corporation, Indianapolis, Ind., closed-end, non-diversified investment company, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company as defined in the Act; and the Commission has issued an order (Release IC-4609) giving interested persons until June 10 to request a hearing thereon. According to the application, the company's shareholders approved a change of its investment policy so that it would cease to be an investment company. It subsequently acquired real estate located in Fort Worth, Tex., from West American Industries, Inc., in consideration of the cancellation of some \$531,000 of indebtedness of West American to the company. The company has advised that it would continue to govern its investments and operations so that the company would at no time own investment securities having a value exceeding 40% of the value of its total assets (exclusive of Government securities and cash items).

COLUMBIA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15485) authorizing The Columbia Gas System, Inc., New York, to sell up to \$80,000,000 of its unsecured short-term notes to banks by October 17, 1966. The company will use the net proceeds of its note sale to make open-account advances to certain of its subsidiaries to enable them to purchase inventory gas for sale during the 1966-1967 winter season.

VERNITRON PROPOSES OFFERING. Vernitron Corporation, 50 Gazza Blvd., Farmingdale, L. I., N. Y., filed a registration statement (File 2-25030) with the SEC on May 20 seeking registration of \$1,500,000 of 6½% convertible subordinated debentures (due 1981). The debentures are to be offered for public sale at 100% of the principal amount (\$1,000 units), through underwriters headed by H. L. Federman & Co., Inc., and Coggeshall & Hicks, both of 50 Broadway, New York 10005, which will receive a 5% commission. The company will also sell to H. L. Federman & Co., for \$125, five-year warrants to purchase 25,000 shares of common stock.

The company is principally engaged in the design, development, manufacture and sale of electro-magnetic servo components consisting principally of synchros, resolvers, gyro components, servo-motors and motor tachometers. Of the net proceeds of its debenture sale, \$250,000 will be used to repay bank indebtedness; approximately \$200,000 will be expended to purchase new machinery and equipment; \$90,000 will be used to expand facilities; and the balance will be added to general funds. In addition to indebtedness, the company has outstanding 637,219 common shares, of which management officials own 36.7%. Bernard Levine is board chairman and president.

PHILIPS INDUSTRIES FILES FOR OFFERING AND SECONDARY. Philips Industries Inc., 4509 Springfield St., Dayton, Ohio 45431, filed a registration statement (File 2-25036) with the SEC on May 23 seeking registration of 316,438 shares of common stock. Of this stock, 75,000 shares are to be offered for public sale by the company and 241,438 shares (being outstanding stock) by the present holders thereof. The offering is to be made through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005. The public offering price (\$22 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is a supplier to the mobile home and recreational vehicle industry. Net proceeds of its sale of additional stock (together with proposed borrowings of \$1,500,000) will be used to finance \$2,540,000 of past and future property additions and for general corporate purposes. In addition to indebtedness, the company has outstanding 102,000 preferred shares and 740,296 common shares (as adjusted to give effect to the issuance of 102,000 preferred and 42,500 common shares in exchange for the proposed acquisition of all the outstanding common stock of Dexter Axle Co., Inc.). The prospectus lists nine selling stockholders, including Jesse Philips (president), who is offering 50,000 of 153,574 shares held; The Third National Bank and Trust Co. of Dayton, Ohio, as trustee for Ellen and Thomas Philips, 40,000 of 44,116, and as trustee for Sara B. Philips, 62,000 of 92,192. The remaining sellers are offering shares ranging in amounts from 8,000 to 30,813.

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Management officials, together with members of their immediate families, the Philips trusts and the Jesse Philips Foundation, presently own approximately 60.2% of the outstanding stock.

GEORGIA-PACIFIC ENJOINED. The SEC announced May 23 (Release LR-3511) the issuance of a Federal court order (USDC SDNY) permanently enjoining Georgia-Pacific Corporation, Owen R. Cheatham, Robert B. Pamplin and Dorothy D. Brooks from violating Section 10(b) of the Securities Exchange Act and Rules 10b-5 and 10b-6 thereunder. The defendants consented to the entry of the judgment without admitting the allegations of the SEC complaint.

STANDARD PRUDENTIAL UNITED FILES EXCHANGE PROPOSAL. Standard Prudential United Corporation (United), 277 Park Ave., New York 10017, filed a registration statement (File 2-25033) with the SEC on May 23 seeking registration of 2,552,579 shares of common stock. The stock is to be offered in exchange for all of the 2,552,579 outstanding common shares of Standard Financial Corp. (Financial) on the basis of one United share for each common share of Financial. According to the prospectus, the exchange offer is to become effective if (among other things) it is accepted by the holders of 90% of the outstanding common shares of Financial or if at least 80% of the holders of all classes of voting shares of Financial accept the offer and United, in its discretion, declares the exchange offer effective. Georgeson & Co., 52 Wall St., New York, has been engaged to solicit exchanges from holders of the common shares of Financial and will be paid a fee of \$10,000.

United was organized under New York law in May 1966 to become the parent of Financial and Standard Prudential Corp. (Prudential), an affiliate of Financial. The plan of acquisition covering the proposed transactions was approved by the respective Boards of Directors of Financial and Prudential. Financial (located in New York) furnishes working funds for industrial and commercial clients. Prudential, which is engaged in the textile business, was organized in 1964 pursuant to a plan conceived by Financial; its business and assets are to be transferred, by merger, to a new subsidiary of United. If the exchange offer is accepted by all the holders of Financial's outstanding common shares and the merger of Prudential into a new wholly-owned subsidiary of United is consummated, United will have outstanding a maximum of 3,435,645 common shares of which 883,066 shares will have been issued to shareholders of Prudential and 2,552,579 shares will have been issued to shareholders of Financial. Theodore H. Silbert (president of Financial and board chairman and president of Prudential) is president of United.

SECURITIES ACT REGISTRATIONS. Effective May 23: Belden & Blake and Company Limited Partnership No. 14, 2-24963; Montana-Dakota Utilities Co., 2-24896; Royal Crown Cola Co., 2-24938; F. W. Woolworth Co., 2-24905 and 2-24906.

Withdrawn May 20: Summit Life Insurance Co., 2-23812.

*As estimated for purposes of computing the registration fee.

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