

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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CORPORATE WORKING CAPITAL REPORTED. The SEC reports (for April 18 newspapers) that the net working capital of U. S. corporations increased \$1.2 billion in the fourth quarter of 1966. Working capital, which represents business investment in current assets in excess of current liabilities, rose \$9.3 billion during 1966 and at the end of December totaled \$192.7 billion. This compares with gains of \$11.1 billion in 1965 and \$8.8 billion in 1964. Manufacturing corporations accounted for \$6.9 billion of the 1966 working capital increase and trade firms reported a gain of nearly \$2 billion. For further details, see Stat. Release No. 2198.

SAMANTHA POLLARD INDUSTRIES OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a stock offering by Samantha Pollard Industries, Inc. ("SPII"), of 1615 California St., Denver, Colorado.

Regulation A provides a conditional exemption from registration under the Securities Act with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed in April 1965, SPII proposed the public offering of 60,000 common shares at \$5 per share. The offering was commenced on July 3, 1965; and on April 20, 1966, SPII filed a report indicating that \$26,700 of stock had been sold and that the offering had been discontinued. In its suspension order, the Commission questions the accuracy and adequacy of certain informational disclosures contained in the company's notification and offering circular. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

SAMUEL LEWIS BARRED. The SEC today announced that an order of its Hearing Examiner barring Samuel Lewis from further association with any broker-dealer firm has become effective, Lewis having failed to petition the Commission for review of the Examiner's initial decision which provided for such bar. Lewis was a salesman for Waldman & Co., New York broker-dealer firm the revocation of whose registration was announced March 2, 1967, following its failure to seek Commission review of the Examiner's decision. Bar orders as to four other individual respondents who did not appeal the Examiner's decision also have become effective; and the action is still pending as to three individual respondents who petitioned the Commission for review.

SOUTHWESTERN RESEARCH SEEKS ORDER. Southwestern Research and General Investment Company, Phoenix, has applied to the SEC for an exemption order under the Investment Company Act with respect to a proposed transaction with its board chairman; and the Commission has issued an order (Release IC-4921) giving interested persons until 12:30 P.M. on May 1 to request a hearing thereon.

According to the application, the board chairman, Y. C. Soda, realized profits aggregating \$45,039.34 in connection with short-swing transactions in the company's stock between December 16, 1963, and May 14, 1964, and between March 18, 1965 and August 5, 1965. Under provisions of the Act, any such profit shall inure to and be recoverable by the issuer. Soda has agreed to satisfy this indebtedness by depositing with the Valley National Bank of Arizona \$15,039.34 for the account of the company and by issuing a \$30,000 6% note payable in two equal installments (on January 5 of 1968 and 1969). The Wells Fargo Bank has agreed to purchase the note for the principal amount thereof. Thus, the company will receive the full amount of the indebtedness, or \$45,039.34.

NCR INTERNATIONAL FINANCE GRANTED EXEMPTION. The SEC has issued an order under the Investment Company Act (Release IC-4922) exempting NCR International Finance Corporation, Dayton subsidiary of The National Cash Register Company, from all provisions of the Act. The subsidiary was organized to provide financial assistance to the expansion and development of the parent's foreign operations.

PAYMENT FOR LEGAL SERVICES CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-15712) authorizing payment by Louisiana Power & Light Company, New Orleans subsidiary of Middle South Utilities, Inc., of some \$21,000 of legal fees in connection with its acquisition of all the outstanding stock of Peoples Utilities, Inc., which acquisition was authorized by Commission order of October 19, 1966.

CAYMAN MGM. PROPOSES OFFERING. Cayman Management Corporation, 27608 Silver Spur Road, Palos Verdes Peninsula, Calif. 90274, filed a registration statement (File 2-26347) with the SEC on April 12 seeking registration of 300 participating units in its 1967 Gas and Oil Exploration and Development Fund, to be offered at \$5,000 per unit. Cayman Management will offer to "selected investors" an opportunity to enter into a Joint Venture Agreement in connection with the said 1967 Program, under which Cayman Corporation will be engaged to explore for oil and gas on behalf of Cayman Management, using funds supplied by the participants. Cayman Management was organized under Colorado law in February 1967 by Cayman Corporation, which owns all its outstanding capital stock. James E. Menor owns all the stock of Cayman Corporation and is president of both companies. Proceeds of the offering will be applied to the exploration for and development of oil and gas prospects.

OVER

TENNECO FILES FINANCING PROPOSAL. Tenneco Inc., Tennessee Building, Houston, Texas 77002, filed a registration statement (File 2-26360) with the SEC on April 13 seeking registration of \$50,000,000 of debentures due 1987, to be offered for public sale through underwriters headed by Stone & Webster Securities Corporation, 90 Broad St., New York 10004, and three other firms. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company (formerly Tennessee Gas Transmission Company) and its subsidiaries are engaged in five fields of activity: (1) natural gas transmission, (2) oil and gas exploration, production, refining and marketing, (3) production and sale of chemicals, (4) manufacture and sale of packaging products, and (5) interests in real estate, insurance and banking. Net proceeds of the debenture sale will be added to the general funds of the company and will be used, together with funds from the operation of the business of the company and its subsidiaries, for the expansion of the various business activities of the company and its subsidiaries referred to above. The prospectus lists Gardiner Symonds as board chairman and N. W. Freeman as president.

TRIANGLE CONDUIT FILES FOR SECONDARY. Triangle Conduit & Cable Co. Inc., 550 Broad St., Newark, N. J. 07102, filed a registration statement (File 2-26361) with the SEC on April 13 seeking registration of 295,184 shares of capital stock. Of this stock, 195,184 shares are now outstanding; and the remaining 100,000 shares are issuable upon conversion of \$2,000,000 of outstanding 5-1/8% convertible subordinated notes acquired by the underwriters from six insurance companies. The shares are to be offered for public sale through an underwriting group headed by Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, New York 10005. The public offering price (\$40 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of electrical wires, cables, and conduits; copper tube and fittings; plastic pipe and fittings; pre-insulated pipe; marking inks and surface coatings. Through a subsidiary, it manufactures and sells specialized thermoplastic insulated wires, cables and cords. In addition to indebtedness, the company has outstanding 1,906,676 shares of capital stock, of which management officials own 9.6%. Carl S. Menger is president and board chairman. The prospectus lists ten selling stockholders. Mrs. Carl M. Menger proposes to sell 15,000 of 63,959 shares held; J. E. McAuliffe, Jr., a director and secretary, 39,970 of 66,970; Herbert W. B. Farr, a director, 10,000 of 25,678; and Mrs. J. E. McAuliffe, 100,000 of 230,816. The others are selling shares ranging in amount from 1,533 to 15,000 shares.

TRADING IN ELECTRO-NUCLEONICS TO RESUME APRIL 26. The SEC today announced the issuance of an order under the Securities Exchange Act (Release 34-8056) suspending over-the-counter trading in securities of Electro-Nucleonics, Inc., of Caldwell, N. J., for a further, eight-day period, April 18-25, 1967. Accordingly, trading in the securities may resume on Wednesday, April 26. The trading suspension was initially ordered on March 21 on request of the company in order to permit its distribution of a report to shareholders concerning an announcement made that day by the Atomic Energy Commission. The AEC announcement was to the effect that the "national security interests would best be served if privately sponsored work on the gas centrifuge process for separation of isotopes were discontinued." Development of high-speed centrifuges, particularly useful for isotope separations, is the sole business of Electro-Nucleonics. At the meeting of Electro-Nucleonics shareholders held on April 11, the company announced that it and W. R. Grace had accepted a "final extension" offered by the AEC of the existing "no fund" contract with the AEC which would have expired on April 1, to run to June 30, 1967. However, in order to protect company and stockholder interests, the companies have advised AEC "that their acceptance of the contract extension would be without prejudice to and without waiving their rights, if any, (a) to continue research and development with respect to the gas centrifuge process after June 30, 1967; (b) to contest the validity of any action that the AEC may take with respect to gas centrifuge development; and (c) to fair compensation or damages for losses resulting from or incidental to any action by that Commission with respect to gas centrifuge development. The AEC has acknowledged the receipt of our acceptance of the contract extension and has noted that Electro-Nucleonics and W. R. Grace did so without prejudice to the rights stated above. The AEC, however, reiterated that its action was within its statutory responsibility and authority. The AEC also advised that the exercise of such authority does not entail any compensation."

Electro-Nucleonics and W. R. Grace are now awaiting a decision by the AEC concerning the possibility of their participation in the government's classified gas centrifuge research program under funded AEC contract. However, Electro-Nucleonics has advised its shareholders, "it is important to understand that if the AEC decides to enter into such discussions with Electro-Nucleonics and Grace in the coming weeks, they will be preliminary and there is no basis on which to forecast the nature of such discussions, their effect on Electro-Nucleonics and Grace in view of the AEC policy announcement, the length of time such discussions (if held) would require, or whether or not they would result in arrangements satisfactory to the management of Electro-Nucleonics."

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended April 13, 1967, 62 registration statements were filed, 42 became effective, 1 was withdrawn, and 478 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective April 14: Aeronca Inc., 2-26097 (May 24); Pennsylvania Power and Light Co., 2-26170 (May 24); Standard Oil Co., 2-26283.
Effective April 17: Dayton Power & Light Co., 2-26162; Educator's Security Insurance Co., 2-25566 (July 14); Irvington Place, Inc., 2-26035 (July 17).

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.