

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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SEC

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RULE ON ADVISER WITHDRAWALS PROPOSED. The SEC today announced a proposal (Release IA-211) to amend its Rule 203-2 under the Investment Advisers Act and to adopt a related Form ADV-W which registered investment advisers would be obliged to file when they seek withdrawal from registration; and it invited the submission of views and comments thereon not later than September 1.

Form ADV-W would require, among other things, an adviser seeking to withdraw from registration to furnish specified information: (a) whether he owes any money or securities to any customer, and if he does, the amount involved and the arrangements made for payment (in this case he would also have to furnish a current report of financial condition); (b) what disposition has been made of his investment advisory contracts and whether refunds were made to all customers whose contracts were not completed or assigned with their consent; (c) whether he is involved in any legal actions or proceedings and whether there are any unsatisfied judgments or liens against him; (d) the name and address of the person who will have custody or possession of his books and records required to be preserved under Rule 204-2; and (e) the address where such books and records will be located. This information will help the Commission to determine whether the business is being terminated in compliance with applicable requirements, and whether it is necessary to conduct any investigation to determine whether terms and conditions should be imposed on the withdrawal of registration or it is necessary to institute proceedings to revoke registration as required by Section 203(d) of the Act.

The amendment to Rule 203-2 would provide for a 60-day waiting period between the filing and effective date of a withdrawal application, unless acceleration is granted or proceedings are pending or instituted on the question of revocation of registration, in which event the notice of withdrawal would not become effective except at such time and upon such terms and conditions as the Commission might deem necessary or appropriate.

AMERICAN & FOREIGN POWER RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5042) with respect to the proposed purchase from Amercon Enterprises Ltd. ("Amercon"), a wholly-owned subsidiary of American Foreign Power Co. Inc., by Aluminum Company of America ("Alcoa") of all of Amercon's holdings of common stock of Aluminio, S.A. de C.V. ("Aluminio"). Amercon and Alcoa have entered into an agreement under which it is proposed that Alcoa will purchase Amercon's entire stock holdings of 52,500 shares or 14% of the outstanding common stock of Aluminio, for \$35 per share.

ALABAMA POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15801) authorizing Alabama Power Company ("Alabama"), Birmingham subsidiary of The Southern Company, to issue and sell up to \$36,000,000 of short-term notes to banks. Alabama proposes to use the proceeds from the sale of the notes, together with cash on hand, the proceeds from a sale of common stock to its parent and a contemplated sale of first mortgage bonds to the public, to finance its 1967 construction program, estimated at \$80,834,000, to reimburse its treasury for the retirement of previously outstanding bonds, to pay its short-term bank loans incurred for such purposes and for other lawful purposes.

INTERAMERICAN INDUSTRIES TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in securities of Interamerican Industries, Ltd., Calgary, Alberta, Canada, for the further ten-day period July 28 through August 6, 1967, inclusive.

NATIONAL COMPUTER PROPOSES OFFERING. National Computer Analysts, Inc., Highway 1 and Lynwood Drive, Princeton, N. J., filed a registration statement (File 2-26977) with the SEC on July 25 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5.00 per share. The offering is to be made on an all or none basis through underwriters headed by Mayflower Securities Co., Inc., 32 Broadway, New York, which will receive a 50¢ commission. The company has agreed to sell to the underwriter 13,000 five-year common stock purchase warrants for \$100, exercisable at \$5.00 per share, and has also agreed to pay \$16,000 to the underwriter for expenses.

The company operates two divisions: a systems development division, which composes programs for original equipment manufacturers of computer hardware and also for a variety of commercial and other users; and a data processing division, which provides over-night data processing service to banks within a 50 mile radius of its facility at Princeton, N. J. Of the net proceeds to be received from its stock sale, \$48,000, together with \$100,000 presently on hand, will be applied to the discharge of indebtedness to Delaware Investment Corporation (from which \$190,000 was borrowed to finance the development of its data processing division); \$200,000 will be reserved for the purpose of marketing the services of the data processing division to banks in other areas, both through the establishment of additional centers and by franchising existing service centers operated by others; \$130,000 will be used for expanding the staff of the systems development division and developing sales and programming facilities for this division in other geographical areas; and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 212,078 common shares, of which management officials own 75.2%, including 21.1% held by John J. Sheehan, president.

OVER

FIDUCIARY EQUITY PROPOSES OFFERING. Fiduciary Equity Associates, Inc., One Whitehall St., New York 10004, filed a registration statement (File 2-26978) with the SEC on July 25 seeking registration of 1,000,000 shares of common stock. The shares are to be offered for public sale at net asset value (\$10.00 per share maximum*) at time of acceptance of subscription (normally the last business day of the month), with a minimum initial investment requirement of \$10,000.

The company was organized on July 24, 1967 as an open-end diversified management investment company to provide appreciation solely for pension, profit-sharing and other employee-benefit trusts, and charitable, educational, religious and other organizations exempted from taxation by Section 501 of the Internal Revenue Code. Whitehall Management Corporation is its investment adviser and is a wholly-owned subsidiary of Donaldson, Lufkin & Jenrette, Inc. Robert R. Augsburg is board chairman and Paul G. Giddings is president; both are vice presidents of the Donaldson, Lufkin firm.

MET-PRO WATER TREATMENT. Met-Pro Water Treatment Corp., Fifth and Mitchell Sts., Lansdale, Pa., filed a registration statement (File 2-26979) with the SEC on July 25 seeking registration of \$84,000 of 10% two-year subordinated convertible debentures, due 1968, and \$172,000 of 6% ten-year subordinated convertible notes, due 1977 (together with 24,150 shares of Class A stock issuable on conversion thereof). On July 14, 1967, Met-Pro, Inc., a 77-1/2% owned subsidiary merged into the company, and the \$172,000 of notes were issued to American Steel and Pump Corp., in exchange for its holdings of 29 common shares of the subsidiary. The notes are initially convertible into Class A shares at \$16.57 per share. The notes and the 10,380 Class A shares into which they are convertible may be offered for public sale when certain transactions have been consummated between the company and the holder thereof. The \$84,000 of debentures may be offered for public sale from time to time by Matthew A. Messa, the holder thereof, through brokers and dealers, at prices prevailing in the over-the-counter market, or he may convert some or all of them into a maximum of 13,770 Class A shares. The debentures are convertible into Class A shares at \$6.10 per share.

The company is engaged in the field of water purification. In addition to indebtedness, it has outstanding 153,450 Class A common shares and 186,883 Class B common shares, of which the principal shareholder Amos S. Treat (a director) owns 40,000 shares of the Class B shares; management officials hold 16,935 of the Class A and 72,484 of the Class B shares. Matthew A. Messa is president.

NEES SEEKS ORDER. The New England Electric System, Boston, Mass., has applied to the SEC for an order under the Holding Company Act authorizing it to amend the indenture relating to its \$43,476,000 of outstanding 3 1/4% debentures due 1977; and the Commission has issued an order (Release 35-15799) giving interested persons until August 18 to request a hearing thereon. NEES issued the debentures (originally in the amount of \$75,000,000) along with \$10,000,000 of ten-year serial notes pursuant to a 1947 order of the Commission. The debenture indenture contained covenants specifying the amount of funded debt and preferred stock that might be issued by subsidiary companies and funded debt that might be issued by NEES. NEES now proposes to amend the Indenture to substitute for security issues tests based upon consolidated capitalization and surplus in place of the present test based upon consolidated net assets. As amended, the Indenture will permit a maximum consolidated funded debt ratio of 65% of consolidated capitalization and surplus and will reduce the maximum funded debt of NEES itself to 15% thereof. In addition, it will provide for a minimum consolidated common-share equity ratio of 30%.

CHUBB CORP. FILES EXCHANGE PLAN. The Chubb Corporation ("Chubb"), 90 John St., New York 10038, filed a registration statement (File 2-26985) with the SEC on July 26 seeking registration of 4,726,033 shares of capital stock. These shares are to be offered in exchange for (1) 3,496,707 outstanding capital shares of Federal Insurance Company ("Federal"), at the rate of 1.075 company shares for each share of Federal, and (2) 967,073 outstanding capital shares of Pacific Indemnity Company ("Pacific"), on a share-for-share basis. Assuming 100% acceptance of the exchange offer by shareholders of the respective companies, Chubb stock will be owned 79.54% by Federal shareholders and 20.46% by Pacific shareholders. Federal has been under continuous management by Chubb & Son Inc. (or its predecessor), all of whose stock is owned by seven stockholders who are actively engaged in its business as officers and directors. It is contemplated that within 30 days after the Federal exchange offer becomes effective, the shares of stock of Chubb & Son Inc. will be acquired by Chubb for about \$50,000. The First Boston Corporation and Middendorf, Colgate & Co. have agreed to manage a group of dealers to solicit tenders. Chubb was organized for the purpose of becoming a holding company. Pacific is engaged in the writing primarily of general liability and workmen's compensation insurance. Pacific is a multiple line insurance company operating principally in the West. In addition to indebtedness, Chubb has outstanding 1,000 shares of capital stock, all of which are owned by directors of Chubb. Percy Chubb 2nd is board chairman and William M. Rees is president.

SECURITIES ACT REGISTRATIONS. Effective July 26: American Telephone and Telegraph Co., 2-26827; Continental Connector Corp., 2-26836 (Sep 4); General American Transportation Corp., 2-26909 (Sep 5); Lawter Chemicals, Inc., 2-26784 (40 days); Sperry Rand Corp., 2-26893.

Effective July 27: The Cincinnati Gas & Electric Co., 2-26915 (40 days); Wilson & Co., Inc., 2-26803 (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.