

# 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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**INSIDER TRADING RULE MODIFIED.** The SEC today announced the adoption of amendments to Rule 16b-7 under the Securities Exchange Act (Release 34-8177), which exempts from the operation of the recovery provisions of Section 16(b) of the Act certain acquisitions and dispositions of securities pursuant to mergers or consolidations. The amendments merely make explicit the intended scope of the existing rule. Paragraph (c) of the rule provides that the exemption shall not be available to a person if he has made certain short-term purchases and sales other than those involved in the merger or consolidation. The amendments would provide that the exemption will not be defeated by short-term transactions which are exempted under any other rule adopted under Section 16(b) of the Act. The amendments also provides that in the event of short-term transactions other than those which are exempted, the exemption provided by the rule will be unavailable only to the extent of such purchases and sales.

**PITTSBURGH COKE & CHEMICAL SEEKS ORDER.** Pittsburgh Coke & Chemical Company ("Pittsburgh C&C"), Pittsburgh, Pa., has applied to the SEC for an order under the Investment Company Act exempting from the provisions of Section 17(a) the proposed purchase from The Neville Island Company ("Neville"), a wholly-owned subsidiary of Pittsburgh C&C by Bayer Foreign Investments Limited ("Bayforin"), a wholly-owned subsidiary of Farbenfabriken Bayer Aktiengesellschaft ("Farbenfabriken Bayer A.G."), of all of Neville's stock holdings in Chemagro Corp., in exchange for shares of Farbenfabriken Bayer A.G. The Commission has issued an order (Release IC-5124) giving interested persons until October 24 to request a hearing thereon.

Chemagro is a New York Corporation primarily engaged in the manufacture and sale of agricultural chemicals. It has 12,553 Class A common shares and 80,742 Class B (voting) common shares outstanding. Neville and Bayforin each owns 641 Class A shares; and each also owns 40,371 or 50% of the Class B shares. Under a proposed Agreement and Plan of Reorganization, holders of Chemagro's Class A and B stock will transfer their shares to Bayforin in exchange for 10 shares of voting capital stock of Farbenfabriken Bayer A.G. for each Chemagro share exchanged. After the exchange Bayforin will be the holder of more than 80% of the Class A stock and 100% of the Class B stock. Because of intercompany affiliations, the transactions are prohibited by provisions of the Act unless the Commission grants the requested exemption on the basis of a finding that the proposed transaction is reasonable and fair and does not involve over-reaching on the part of any person concerned.

**JODMAR TRADING BAN CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in securities of Jodmar Industries, Inc., for the further ten-day period October 11-20, 1967, inclusive.

**MISSOURI PUBLIC SERVICE PROPOSES OFFERING.** Missouri Public Service Company, 10700 E. 50 Highway, Kansas City, Mo. 64138, filed a registration statement (File 2-27455) with the SEC on October 9 seeking registration of 70,000 shares of cumulative preferred stock, \$100 par. The shares are to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005. The dividend rate, public offering price (\$103.00 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is a public utility operating company engaged in supplying electricity, natural gas and water in West Central and North Central Missouri. Net proceeds of its stock sale will be used to reduce short-term bank loans (estimated to amount to \$12,969,000 at October 31, 1967) incurred to finance a portion of its 1967 construction program. The company's 1967-1971 construction program is estimated at \$80,000,000. In addition to indebtedness and preferred stock, it has outstanding 2,662,247 common shares, of which management officials own 8.5% (including 6.2% owned by Richard C. Green, board chairman and president).

**ROYAL HAWAIIAN MGM. FILES.** Royal Hawaiian Management Corporation, 457 South Robertson Blvd., Beverly Hills, Calif. 90211, filed registration statements with the SEC on October 6, as follows: File 2-27451, relating to \$4,725,391 of participating interests in 22.26 acres of undeveloped beach-front property at Poipu Beach, Kauai, Hawaii; and File 2-27456, relating to \$11,788,639 of participating interests in certain undeveloped beach-front property, known as the Awakee property, located on the Kona Coast, Kailua-Kona, Hawaii. In the sale of 18 contracts relating to the Poipu Beach property and 76 contracts relating to the Awakee property, compliance with the Securities Act registration requirement was not effected; and in an injunctive action filed by the Commission it was contended by the SEC that the interests sold constituted "securities" within the meaning of the Securities Act and that such securities were being offered and sold in violation of the registration provision of the Act. In that action, the court granted the Commission's motion for a preliminary injunction against further sales of securities in violation of the registration provision.

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The company concluded that, "although in its view the sales did not fall within the purview of the Act, it would be in the interests of all concerned to settle the controversy and avoid prolonged litigation." Accordingly, the company entered into a stipulation with the Commission's staff which provides for the registration of its securities. The stipulation further contemplates that, as and when the registration statements become effective, the company and its president, William D. Ryan will consent to a court order of permanent injunction against the sale of securities in violation of the registration requirement.

Under its two registration statements, the company will offer each purchaser of an interest in the Poipu Beach property and each purchaser of an interest in the Awakee property an opportunity (i) to rescind his contract and to secure reimbursement of all funds paid by him thereunder, with interest at the rate of 6% per annum, or (ii) to accept, as an alternative to accepting the rescission offer, a new plan which is substantially similar to the original plan but differs primarily in that each eliminates certain repurchase options, further defines and develops the features involved in the plan, and adds to the safeguards available to purchasers.

NUVEEN TAX-EXEMPT FUND FILES. John Nuveen & Co., 209 S. LaSalle St., Chicago, Ill. 60604, depositor and sponsor of Nuveen Tax-Exempt Bond Fund, Series 16, filed a registration statement (File 2-27454) with the SEC on October 9 seeking registration of 120,000 units of interest in said Fund (to be offered for sale at \$110 per unit maximum\*). The sponsor has or will deposit with the Fund's trustee, United States Trust Company of New York, interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof (the amount to be supplied by amendment), which initially constitute the Fund's underlying securities. Such securities are considered to be "exempt from all Federal Income Taxes under existing law." Each Fund unit represents a fractional undivided interest in the principal and net income of the Fund in the ratio of 10 units for each \$1,000 par value of bonds initially deposited in the Fund.

BELDEN & BLAKE PROPOSES OFFERING. Belden & Blake and Company Limited Partnership No. 22, 702 Tuscarawas St., West, Canton, Ohio 44702, filed a registration statement (File 2-27457) with the SEC on October 9 seeking registration of 100 units of participation in the partnership, to be offered for public sale at \$2,700 per unit. The partnership was organized under Ohio law for the purpose of drilling oil and gas well locations in Ohio, where certain acreage can be acquired from Belden & Blake Oil Production, a general partnership. The latter is 75%-owned by Henry S. Belden, III, and Glenn A. Blake, general partners in the limited partnership. Belden & Blake will operate the business of the limited partnership.

STOCK PLANS FILED. The following companies have filed Form S-8 registration statements with the SEC proposing the issuance of stock under employee stock option and related plans:

- Kimberly-Clark Corporation, Neenah, Wisc. 54956 (File 2-27452) - \$5,500,000 of interests in its hourly employees incentive investment plan and an undetermined number of common shares
- Abex Corporation, New York 10036 (File 2-27458) - 200,000 shares under its 1967 qualified stock option plan and 20,399 shares under its 1957 employees' stock purchase and option plan

SECURITIES ACT REGISTRATIONS. Effective October 9: Belden & Blake and Co. Limited Partnership No. 2A, 2-27335; Central Louisiana Electric Co., Inc., 2-27284 (40 days); Management Assistance Inc., 2-26886; New England Power Co., 2-27256; Pet Inc., 2-27075 (40 days); Philadelphia Electric Co., 2-27272 (40 days); Stelma, Inc., 2-27287.

Effective October 10: Cordis Corp., 2-27147 (Jan 8).

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.

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