

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington 25, D.C.

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

Issue No. 64-1-17)

FOR RELEASE January 27, 1964

Statistical Release No. 1952. The SEC Index of Stock Prices, based on the closing prices of 300 common stocks for the week ended January 24, 1964, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1963-1964 is as follows:

	1957-59 = 100		Percent Change	1963-1964	
	1/24/64	1/17/64		High	Low
Composite	157.0*	155.8	0.8	157.0	130.6
Manufacturing	147.2*	146.3	0.6	147.2	121.1
Durable Goods	143.4	143.5	-0.1	143.5	116.2
Non-Durable Goods	150.9*	149.0	1.3	150.9	125.8
Transportation	142.5*	141.0	1.1	142.5	106.4
Utility	198.6*	196.9	0.9	198.6	170.3
Trade, Finance & Service	180.0	177.7	1.3	180.9	153.8
Mining	141.7*	139.2	1.8	141.7	104.2

\*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended January 23, 1964, 13 registration statements were filed, 24 became effective, 2 were withdrawn, and 245 were pending at the week-end.

POTOMAC EDISON FILES FINANCING PROPOSAL. The Potomac Edison Company, Hagerstown, Md., subsidiary of Allegheny Power System, Inc., has filed a financing proposal with the SEC under the Holding Company Act; and the Commission has issued an order (Release 35-15003) giving interested persons until February 25th to request a hearing thereon. As previously reported (SEC News Digest of Jan. 20), Potomac Edison proposes to issue and sell at competitive bidding \$16,000,000 of bonds due 1994. It also proposes to issue and sell to the parent an additional 200,000 common shares for \$4,000,000. Proceeds of this financing will be used to finance, in part, the construction program of Potomac Edison and its subsidiaries for 1964-65 and to pay \$6,000,000 of notes previously issued to the parent for construction funds.

AMERICAN NATURAL GAS SEEKS ORDER. American Natural Gas Company, 30 Rockefeller Plaza, New York, has filed a proposal with the SEC under the Holding Company Act for its reincorporation under the laws of Delaware (it is now a New Jersey corporation), subject to approval by the Commission and the company's shareholders; and the Commission has issued an order (Release 35-15004) giving interested persons until February 25th to request a hearing upon the proposal.

BROAD STREET INVESTING ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-3903) modifying a prior order of November 27, 1963, permitting Broad Street Investing Corporation, 65 Broadway, New York, to issue its shares at their net asset value for substantially all the cash and securities of Pine Holding Company. The amendment extends the period within which certain contemplated investment action might be obtained.

TWO FUNDS WITHDRAW APPLICATIONS. Bay State Exchange Fund, Inc., and Second Congress Street Fund, Inc., both of 35 Congress Street, Boston, have withdrawn their applications for exemption from that provision of the Investment Company Act which requires investment companies to have a net worth of at least \$100,000 before making a public offering of securities (Release IC-3902 and IC-3904).

CORPORATE OFFERINGS REPORTED. The SEC reports (for January 28th Newspapers) that new securities offerings for cash in 1963 amounted to \$12.2 billion, as compared with \$10.8 billion in 1962 and the \$13.1 billion record in 1961. Common stock offerings were less than in any year since 1950, there was a record volume of privately-placed issues (exceeding public offerings for the first time), and there was a substantial increase in debt issues for refinancing purposes. For details, see Stat. Release No. 1953.

HEARING SCHEDULED ON HOMESTEAD GOLD EXPLORATION. Upon request of Homestead Gold Exploration Corp., 50 Wilshire Blvd., Los Angeles, the Commission has scheduled a hearing for February 17, 1964, in its Los Angeles Branch Office to take evidence on the question whether the Commission's order of December 18, 1963, temporarily suspending a Regulation A exemption from Securities Act registration with respect to a proposed offering of stock by said company should be vacated or made permanent.

OVER

**INDICTMENT NAMES THREE.** The SEC San Francisco Regional Office announced January 22d (LR-2827) the return of a Federal court indictment in San Francisco charging Lisa B. Strong, aka Betty Lou Blount, Elizabeth Blount Barry and Elizabeth Raines, all of San Francisco, with violations of the Securities Act registration and anti-fraud provisions in the sale of notes of Lisa B. Strong and Strong Productions, Inc., and shares of Strong Productions, Inc., and Sierra Films, Inc.

**PARK ELECTROCHEMICAL FILES FOR OFFERING AND SECONDARY.** Park Electrochemical Corp., 33-40 Prince St., Flushing, N. Y., filed a registration statement (File 2-22032) with the SEC on January 24 seeking registration of 200,000 shares of Class A stock, of which 40,000 shares are to be offered for public sale by the company and 150,000 shares, being outstanding stock, by the present holders thereof. The public offering price (\$14 per share maximum\*) and underwriting terms are to be supplied by amendment; and Shearson, Hammill & Co., 14 Wall St., New York, is the principal underwriter.

The company is primarily engaged in the design, development and manufacture of high quality metal trim used to decorate and identify various consumer items, principally in the hard goods field (including home appliances). Net proceeds of its sale of additional stock will be used, together with other funds on hand, in connection with the expansion of the company's business (\$450,000 to design, construct and purchase special purpose automated machinery and \$250,000 to finance inventories and accounts receivable). The company now has outstanding 772,435 Class A shares, of which management officials own 586,700 shares or 76%. Jerry Shore, board chairman, and David Kend, president, propose to sell 60,000 shares each (and will continue to own 174,200 shares each); and Anthony Chiesa, vice president, proposes to sell 30,000 shares of his holdings of 117,100 shares.

**ROYAL PALM BEACH COLONY FILES PROPOSAL.** Royal Palm Beach Colony, Inc., Royal Palm Beach, Fla., filed a registration statement (File 2-22033) with the SEC on January 24 seeking registration of 343,200 shares of common stock and \$1,500,000 of 6% Convertible Subordinated Debentures due 1969. The company ("Royal") was organized in August 1963 for the purpose of acquiring certain partially developed and undeveloped land and related utilities in Palm Beach County, Fla., from Lefcourt Realty Corporation and certain subsidiaries of Lefcourt and from Big Mound Trust. Royal intends to develop that land and sell it primarily for residential buildings. It has not yet engaged in any substantial business, but has taken over operation of the motel, restaurant and bar, swimming pool and public utilities.

Beneficiaries under the Big Mound Trust are being offered the right to receive 2 shares of Royal common for each 1/171,600th interest in the Trust. In exchange, each Big Mound Beneficiary must (a) consent to the transfer of his entire interest in the Trust to the Trustee under a new trust agreement and (b) execute a deed conveying his entire interest in the Trust to the Trustee under the New Trust. The purpose of the New Trust is said to be primarily to facilitate the carrying out of the Royal-Lefcourt-Big Mound agreement. Those beneficiaries who accept the offer of Royal shares are also to be offered the right to subscribe for \$1,000,000 of the new debentures of Royal, on the basis of \$50 of debentures for each full 9/171,600ths interest in the Big Mound Trust. In addition, all holders of Lefcourt common of record January 3, 1964, are being offered the right to subscribe for \$500,000 of the debentures, on the basis of \$50 of debentures for Lefcourt common shares (the number of which is to be supplied by amendment). Under the agreement, 1,648 acres of partially improved land were transferred to Royal, and at the closing some 4,108 acres of unimproved land will be transferred to Royal; and Royal will have an option to acquire an additional 5,593 acres of unimproved land. The option price is \$400 per acre.

Of the net proceeds of the cash sale of debentures, \$300,000 will be used to repay all loans by Samuel Friedland, a director, which amounted to \$300,000 on January 23, 1964; to lend \$225,000 to a Lefcourt subsidiary; and for selling and general operating expenses and cost of land development. Royal has outstanding 171,600 common shares, held by Lefcourt and subsidiaries. The stock is to be pledged to Hasam Realty Corp., controlled by Friedland (board chairman of Food Fair Stores, Inc., and president of Food Fair Properties, Inc.) to secure their \$200,000 note. Friedland has agreed to purchase all debentures offered to Big Mound Beneficiaries, and will have the right to oversubscribe for any debentures not purchased by Lefcourt stockholders. The prospectus lists Sidney Kline as president of Royal.

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

---ooo0ooo---