

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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MINING EXCHANGE SUBPOENAS DENIED. In a decision under the Securities Exchange Act announced today (Release 34-7247), the SEC denied a request of counsel for the San Francisco Mining Exchange for the issuance of subpoenas directed to each Member of the Commission and to its Secretary and calling for them to testify at the hearing before an SEC Hearing Examiner in administrative proceedings involving the question whether the Exchange's registration should be withdrawn. According to the decision, counsel had not stated the reasons why he sought the testimony of these individuals or shown any issue on which such testimony would be generally relevant; nor did the Members or the Secretary have any information relevant to these proceedings other than that acquired in the course of their official duties. Counsel did concede that "the general issue of possible bias and prejudice . . . is within contemplation of respondent's counsel;" but the Commission had previously held insufficient the only basis for disqualification asserted by the Exchange.

The Commission further observed that, under the Federal Rules the courts have recognized that there is an inherent or implied power to refuse to issue subpoenas to prevent an abuse of a court's processes, "and we believe that there is a similar discretionary power in administrative proceedings." For these and other reasons, the Commission concluded that it would be appropriate to deny the request for subpoenas.

COLUMBIA GAS ORDER. The SEC has issued a supplemental order under the Holding Company Act (Release 35-15021) approving a proposal of The Columbia Gas System, Inc., New York holding company, and its subsidiaries, regarding a proposed modification of the method then in use in the Columbia holding-company system with respect to allocation of consolidated income tax liabilities among the system companies. The proposed modification was intended to give special recognition to the reduction in the consolidated income tax liabilities resulting from the investment credit allowed in the Revenue Act of 1962. The supplemental order contains a proviso with respect to those situations in which the investment credit of any subsidiary exceeds its proportionate share of the consolidated tax liability before taking into account the investment credit allowed on the consolidated return.

SUN LIFE INS. FILES FOR SECONDARY. Sun Life Insurance Company of America, 109 E. Redwood St., Baltimore, filed a registration statement (File 2-22102) with the SEC on February 26 seeking registration of 320,000 outstanding shares of its non-voting common stock. A group of seven shareholders propose to offer these shares for public sale through underwriters headed by Equitable Securities Corporation, 322 Union St., Nashville, and Legg & Co., 22 Light St., Baltimore. The public offering price (\$45 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the writing of individual life insurance on an ordinary and industrial basis, annuities, and accident and health insurance, and is licensed to do business in 21 states and the District of Columbia. At December 31, 1963, it had \$795,506,458 of life insurance in force. The company has outstanding 427,000 shares of voting common stock and 1,281,000 shares of non-voting common stock. According to the prospectus, 75% of the voting shares is owned by descendants and relatives of the company's founders, Moses Rothschild and Solomon Rothschild; and management officials as a group own 32.2% of the outstanding voting stock. The seven selling shareholders own 267,267 voting shares and 790,539 non-voting shares. The largest block of non-voting stock (80,000 shares) are to be sold by the Executor of the estate of Janet D. Peck, deceased. Stanford Z. Rothschild, president, proposes to sell 30,334 shares; Randolph S. Rothschild and Stanford Z. Rothschild, Jr., vice presidents, propose to sell 53,333 and 23,000 shares, respectively; and Felix Rothschild 53,333 shares. The other selling shareholders are Hilda R. Lazaron (40,000 shares) and Edith R. Weinberg (40,000 shares).

XEROX PROPOSES DEBENTURE RIGHTS OFFERING. Xerox Corporation, 700 Midtown Tower, Rochester, N. Y., 14604, filed a registration statement (File 2-22103) with the SEC on February 26 seeking registration of \$51,400,000 of convertible subordinated debentures due 1984. It is proposed to offer the debentures for subscription by common stockholders of record at the close of business April 10, 1964, in the ratio of \$100 of debentures for each 40 common shares then held. The subscription price and underwriting terms are to be supplied by amendment. The First Boston Corporation, 20 Exchange Place, New York, is listed as the principal underwriter.

The company is engaged principally in the manufacture and marketing of products for xerographic and photocopy reproduction and for photographic use. Sales of its desk-size 914 Copier accounted for about 75% of consolidated operating revenues in 1963. Net proceeds of the debenture sale will be used to repay all the company's outstanding 4-3/4% notes under its Revolving Credit Agreement and to repay the major portion of its short term bank indebtedness. Any balance will be added to the general funds of the company to provide additional working capital. In addition to indebtedness, the company has outstanding 20,360,440 common shares, of which management officials as a group own about 3.6%. Sol M. Linowitz is board chairman and Joseph C. Wilson president.

SECURITIES ACT REGISTRATIONS. Effective February 26: The Western Union Telegraph Co. (File 2-22063). Effective February 27: B. F. Saul Real Estate Investment Trust (File 2-21825); Tribune Oil Corp. (File 2-21972). Withdrawn February 26: ADR Volkswagenwerk Aktiengesellschaft (File 2-18276).

*As estimated for purposes of computing the registration fee.

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