

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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**Statistical Release No. 1973.** The SEC Index of Stock Prices, based on the closing prices of 300 common stock for the week ended May 1, 1964, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1964 is as follows:

	1957-59 = 100		Percent Change	1964	
	5/1/64	4/24/64		High	Low
Composite	163.4	162.5	0.6	164.1	153.6
Manufacturing	155.1	154.0	0.7	155.6	144.6
Durable Goods	151.4	150.2	0.8	152.7	141.5
Non-Durable Goods	158.6	157.7	0.6	159.2	147.7
Transportation	153.4	150.8	1.7	154.1	138.3
Utility	195.9	196.3	-0.2	199.2	192.1
Trade, Finance & Service	191.5	190.1	0.7	191.6	176.6
Mining	158.4*	152.6	3.8	158.4	139.2

\*New High

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended April 30, 1964, 37 registration statements were filed, 49 became effective, 2 were withdrawn, and 310 were pending at the week-end.

**PARTICIPATING ANNUITY LIFE SEEKS ORDER.** Participating Annuity Life Insurance Company, an open-end investment company, of 100 Pyramid Life Bldg., Little Rock, Ark., has applied to the SEC for an exemption order under the Investment Company Act with respect to its sale of variable annuities; and the Commission has issued an order (Release IC-3971) giving interested persons until May 18th to request a hearing thereon. According to the application, the said applicant was organized in 1954 and had engaged in issuing and selling variable annuity contracts until the Supreme Court decision of March 1959 in SEC v. Variable Annuity Life Insurance Company of America. That decision determined, in effect, that variable annuity contracts of the type offered by Applicant were securities within the meaning of the Act and that the issuing company was an investment company required to be registered thereunder.

Since then, applicant determined that it would adapt its operation and contracts to the general pattern allowed by two other companies which sell variable annuities, namely Variable Annuity Life Insurance Company and Equity Annuity Life Insurance Company, and which have received exemptions from the Act similar to those requested by Applicant. As of December 31, 1963, the total admitted assets of Applicant amounted to \$983,442 and its annuity contract liability amounted to \$766,084, the par value of its common stock plus surplus amounted to \$195,103, and miscellaneous liabilities comprised the balance.

**DR. PEPPER DELISTED.** The SEC has issued an order (Release 34-7306) granting an application of the Midwest Stock Exchange to delist the common stock of Dr. Pepper Company, effective at the opening of business on May 8th (the stock remains listed on the New York Stock Exchange).

**INTERNATIONAL RAILWAYS DELISTED.** The SEC has issued an order (Release 34-7306) granting an application of the New York Stock Exchange to delist the common stock of International Railways of Central America, effective at the opening of business May 12th. There are only 225 record holders of the stock.

**ROBERT GRENE GUILTY.** The SEC Atlanta Regional Office announced April 28 (LR-2910) that a Federal court jury had found Robert Grene guilty of fraud in the sale of certificates of Security Guaranty Company, Inc., Jacksonville and stock of Palm Springs Air Parks, Inc. Leonard Glaser and Orin Rogers previously pleaded guilty and Leo E. Bromberg previously was found not guilty.

**SEC COMPLAINT CITES FLEETWOOD SECURITIES.** The SEC New York Regional Office announced April 29 (LR-2911) the filing of a complaint (USDC SDNY) seeking to enjoin Fleetwood Securities Corporation of America, 44 Wall Street, New York, from further violating the Investment Company Act in its activities as depositor and principal underwriter for The Electronics Investment Program, a registered unit investment trust. The complaint charges gross abuse of trust. The court entered a temporary restraining order and scheduled a hearing for May 5th on a motion for preliminary injunction and the appointment of a receiver for Fleetwood.

**NO. AMERICAN-FEDERAL SECURITIES ENJOINED.** The SEC Boston Regional Office announced April 30 (LR-2912) the entry of a Federal court order (USDC Boston) permanently enjoining (with defendants' consent) North America-Federal Securities Association, Inc., and Foster L. Silva (of Chappaquiddick, Mass.) from further violations of the Securities Act registration and anti-fraud provisions in the sale of North America-Federal investment certificates.

**"INITIAL DECISIONS" COMMENTS.** June 1, 1964, is the due date for the submission of views and comments on the proposal (announced in the SEC News Digest of May 1st) for delegation to the Commission's Hearing Officers of authorization to make "initial decisions" in administrative proceedings.

**SAN DIEGO GAS FILES STOCK PLAN.** San Diego Gas & Electric Company, 861 Sixth Ave., San Diego, Calif., filed a registration statement (File 2-22380) with the SEC on May 1 seeking registration of \$1,170,000 of interests in its Savings Plan, together with 26,000 shares of common stock which may be acquired pursuant thereto.

**TRANSAMERICA FILES STOCK PLANS.** Transamerica Corporation, Montgomery St. at Columbus Ave., San Francisco, filed a registration statement (File 2-22379) with the SEC on May 1 seeking registration of 369,670 shares of common stock, to be offered in its 1961 Stock Option Plan and the Restricted Stock Option Plan of De Laval Turbine Inc.

**AMERICAN EXPORT FILES EXCHANGE PLAN.** American Export Isbrandtsen Company, Inc. (the "company"), 26 Broadway, New York, N. Y., filed a registration statement (File 2-22381) with the SEC on May 1 seeking registration of 1,420,650 shares of common stock and 355,163 shares of preferred stock. These shares are to be offered in exchange for all outstanding common shares of American Export Isbrandtsen Lines, Inc. ("Lines"), at a rate of exchange to be supplied by amendment. The offer is conditional and shall become effective upon acceptance thereof by the holders of 90% (or 80%, if the company so elects) of the outstanding shares of Lines, and provided that the New York Stock Exchange unconditionally agrees to list the company's common stock and that a favorable tax ruling is obtained from the Internal Revenue Service.

The company was organized under Delaware law in April by the management officials of Lines for the purpose of engaging in diversified businesses not available to Lines. Lines is engaged principally in the worldwide water transportation of freight, passengers and mail by regularly scheduled liner vessel service. Management feels that diversification into other businesses and industries would provide a broader earnings base and would develop additional sources of income. In order to develop or acquire any substantial non-shipping operations Lines would have to be in a position to issue either long-term debt securities or additional capital stock or perhaps both. Lines is presently prohibited from doing this by the provisions of its Operating Differential Subsidy Agreement. Thus, the new company was organized, with power to issue securities and incur debt for both shipping and non-shipping businesses. John M. Will is listed as the company's president and as president and board chairman of Lines. The board of directors is composed of members of Lines' executive committee.

**ASSOCIATED DRY GOODS FILES FOR SECONDARY.** Associated Dry Goods Corporation, 417 Fifth Ave., New York, N. Y., filed a registration statement (File 2-22378) with the SEC on April 30 seeking registration of 40,880 outstanding shares of common stock. The present holders may make a public offering thereof from time to time through facilities of the New York Stock Exchange, at prices then prevailing.

The company operates 13 main stores and 33 branch stores. All of its stores sell apparel and accessories for men, women and children as well as articles for the home -- furniture, carpets, draperies, housewares, etc. In addition to indebtedness and preferred stock, the company has outstanding 4,524,649 shares of common stock. The selling stockholders, former holders of common stock of Stix, Baer and Fuller Company, acquired their shares in March 1963 pursuant to a Plan and Agreement of Reorganization whereby the company exchanged its shares for substantially all of the business and assets of Stix. The prospectus lists Robert J. McKim as board chairman and Lewis P. Seiler as president of the company.

**TECHNICOLOR SHARES IN REGISTRATION.** Technicolor, Inc., Suite 1138, Merchandise Mart, Chicago, today filed a registration statement (File 2-22384) seeking registration of 327,589 shares of common stock. Some or all of these shares have been or may be issued upon exercise of options and warrants; and they may be offered for sale by the holders thereof from time to time on the American Stock Exchange, at market prices then prevailing. The option exercise prices provided for in the options granted to date range from \$8.10 to \$21.89 per share, and the warrant exercise price is \$24.66 per share. The stock included in this statement includes 3,700 shares, issued in connection with the purchase of Rainbow Photo Industries, Inc., and the statement also includes additional shares issuable upon the exercise of outstanding warrants of Rainbow Photo Industries, Inc. (recently acquired).

**AMERICAN MACHINE & FOUNDRY FILES STOCK PLAN.** American Machine & Foundry Company, 261 Madison Ave., New York, N. Y., filed a registration statement (File 2-22386) with the SEC on May 1 seeking registration of 609,582 shares of common stock, to be offered under its Stock Option Plan. Of the shares being offered, 336,950 are subject to options presently outstanding and 272,632 are available for the granting of additional options.

**SECURITIES ACT REGISTRATIONS.** Effective May 1: Aluminium Limited (File 2-22257); The Buckeye Pipe Line Co. (File 2-22276); Francis A. Callery, Agent (File 2-22216); General Telephone & Electronics Corp. (File 2-22260); Iowa Beef Packers, Inc. (File 2-22264); The Mead Corp. (File 2-22245); Merck & Co., Inc. (File 2-22278); Quaker State Oil Refining Corp. (File 2-22293).

Effective May 4: Bountiful Insurance Co. (File 2-21956). Withdraw May 1: Gibraltar Financial Corp. of California (File 2-22263).