

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington 25, D.C.

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(Issue No. 64-11-6)

FOR RELEASE November 9, 1964

SEC TRANSFERS INVESTMENT CO. REVIEW FUNCTIONS.

Chairman Manuel F. Cohen of the Securities and Exchange Commission today announced a reallocation of functions relating to investment companies from the Division of Corporation Finance to the Division of Corporate Regulation. The change is designed to concentrate responsibility in the Division of Corporate Regulation for administration of the Federal securities laws as they apply to investment companies, and to relieve the Division of Corporation Finance of its duties in that area, so that the Division can better assume and discharge its increased responsibilities under the newly-enacted Securities Acts Amendments of 1964.

At the same time, Chairman Cohen announced changes in the organization and personnel of the Division of Corporate Regulation, including the appointment of Solomon Freedman, as Director, and the designation of J. Arnold Pines and Harold V. Lese as Associate Directors and John A. Dudley as an Assistant Director in the Division. Ralph C. Hocker, who has served as an Assistant Director in the Division of Corporation Finance since 1961, will be assigned temporarily to the Division of Corporate Regulation, to assist in the assumption by the Division of its new duties.

The recent amendments of the securities laws will result in a substantial increase in the duties and responsibilities of the Division of Corporation Finance, which will soon be required to process a large number of new applications for registration of securities traded in the over-the-counter market, as well as proxy statements and annual and other reports relating to the issuers of those securities. That Division has been responsible in the past for the administration of the disclosure requirements in registration statements filed by investment companies under the Securities Act of 1933 and in their proxy statements, and for the review of annual and other periodic reports filed with the Commission by registered investment companies and sent to their stockholders. These functions, together with those under the Trust Indenture Act of 1939 relating to investment companies, have been transferred to the Division of Corporate Regulation, which continues to be responsible also for the administration of the regulatory provisions of the Investment Company Act of 1940.

The administrative responsibility over investment companies, except the processing of ownership reports filed by officers, directors and security holders of investment companies, will as a result of the transfer be concentrated in the Division of Corporate Regulation. This is expected to be of material convenience to registrants and other persons concerned with investment companies, who will now be able to deal with one Division on investment company matters. This transfer will also permit the Division of Corporation Finance to concentrate on implementation of the 1964 legislation, and will eliminate some duplication of effort within the Commission's staff.

The assumption of its additional functions, taken together with its increased responsibilities in recent years in administering the regulatory provisions of the Investment Company Act, will add considerably to the work-load of the Division of Corporate Regulation. Heretofore, besides the Branch of Inspection and Investigation, two branches in the Division have been assigned to Investment Company Act work. Two new branches and one Assistant Director have been added to the Division to assist in handling the increased duties. Thus, four branches will be engaged in processing investment company registration statements, periodic and stockholder reports, and in applying the regulatory aspects of the statute to applications for exemption and other applications filed under the Act.

The Commission expects soon to announce related modifications of its Administrative Manual with respect to the administrative and substantive responsibilities of, and the delegation of functions to, the Directors of the Division of Corporation Finance and of the Division of Corporate Regulation.

Mr. Freedman, the newly-appointed Director, has served as Acting Director since July 1964. He joined the Commission's staff as an attorney in July 1942. He was assigned to work involved in administering the Public Utility Holding Company Act of 1935; and in 1952 he became an Assistant Director with primary responsibility in this field. He was named an Associate Director of the Division in October 1961, serving in that capacity until his appointment as Acting Director in July. A native of Philadelphia, Mr. Freedman is graduate of The Wharton School of the University of Pennsylvania (B.S. in Econ., 1931) and of the University of Pennsylvania Law School (LL.B., 1934), where he was a member of the Law Review Board during 1933-34. His subsequent activities included work with the American Law Institute; and he then served for four years with the Law Bureau of the Pennsylvania Public Utility Commission before joining the Commission's staff.

Mr. Pines joined the Commission's staff in 1941, serving as an analyst in the administration of the Holding Company Act and becoming Chief Financial Analyst to the Division of Corporate Regulation in 1959. A native of New York City, he received his B.S. degree in Business Administration from Rutgers University in 1939. A certified public accountant (N.J.) and a member of the Beta Gamma Sigma honorary society, Mr. Pines in 1957 received an Arthur S. Fleming Award, sponsored by the Junior Chamber of Commerce of Washington, D. C., as one of the ten outstanding young men in the Federal service.

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Mr. Lese received his appointment in 1941 as an attorney assigned to the then Investment Company Division, transferring to the Division of Corporation Finance when the two Divisions were consolidated in 1942. He became Chief Counsel to the Division of Corporation Finance in 1963. A native of New York City, Mr. Lese received his A.B. from Harvard University in 1929 and his J.D. from New York University Law School in June 1932. After his graduation and prior to his appointment to the Commission's staff, Mr. Lese engaged in the private practice of law for four years and also served as an attorney with the Departments of State and Interior for four years.

Mr. Dudley received his B.B.A. in Business Administration from the University of Pittsburgh in 1954 and his LL.B. from Georgetown Law School in 1958. He then was appointed as an attorney on the staff of the Office of General Counsel; and in 1963 he became Special Counsel in that Office. He is a native of Pittsburgh, Pa.

Mr. Hocker joined the Commission's staff in 1939, assigned to the Division of Corporation Finance. He became a Branch Chief in 1956 and an Assistant Director in 1961. He received a B.S. degree in Business Administration from the University of Oklahoma in 1937 and an M.A. degree in Economics from the Fletcher School of Law and Diplomacy in 1939. He was born in Purcell, Okla.

PHILIPPINE LONG DISTANCE TELEPHONE PROPOSES RIGHTS OFFERING. Philippine Long Distance Telephone Company, 875 Magallanes Dr., Manila, Philippines, filed a registration statement (File 2-22911) with the SEC on November 6 seeking registration of 903,733 shares of common stock, to be offered to stockholders at the rate of one new share for each two shares held. General Telephone & Electronics Corporation, the owner of 516,285 common shares, has informed the company that it intends to exercise all of its rights to subscribe to the new shares. Carl M. Loeb, Rhoades & Co., 42 Wall St., New York, has agreed to use its best efforts to form a group of dealers for the purpose of soliciting the exercise of subscription warrants. It will also represent a group of underwriters which will purchase any unsubscribed shares at the subscription price. The subscription price (6.25 per share maximum*), record date, and underwriting terms are to be supplied by amendment.

The company is engaged in furnishing telephone service in the Philippines. It is currently engaged in a major ten-year expansion program designed to increase the number of telephones in service and to improve local and long distance telephone service. Of the net proceeds from its stock sale, approximately \$2,426,000 will be used to prepay short-term notes issued to meet a portion of the company's cash requirements under the first phase (estimated at \$26,667,000) of the expansion program, and the balance will be applied to the expansion program. The total program is expected to cost \$150,513,000. In addition to indebtedness and preferred stock, the company has outstanding 1,803,007 common shares. Harper W. Reed is president.

ABBOTT LABS FILES STOCK OPTION PLAN, Abbott Laboratories, North Chicago, Ill., filed a registration statement (File 2-22912) with the SEC on November 6 seeking registration of 25,504 shares of common stock and 2,550 shares of preferred stock, to be offered pursuant to its Nuclear-Chicago Stock Option Program. The stock is to be issued upon exercise of outstanding options issued by Nuclear-Chicago Corporation to its employees prior to its November 30, 1964 merger into the company.

REPUBLIC OF FINLAND PROPOSES BOND OFFERING. The Republic of Finland today filed a registration statement (File 2-22914) with the SEC seeking registration of \$15,000,000 of 15-year External Loan Bonds of 1964. The bonds are to be offered for public sale through an underwriting group headed by Harriman Ripley & Co., Inc., 60 Broad St., Kuhn, Loeb & Co., Inc., 30 Wall St. (both of New York), and two other underwriters. The public offering price, interest rate and underwriting terms are to be supplied by amendment. Net proceeds from the bond sale will be added to capital revenues of the Republic and used to cover in part 1964 capital expenditures.

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended November 5, 1964, 23 registration statements were filed, 14 became effective, 1 was withdrawn, and 263 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective November 6: Colorado Imperial Mining Co. (File 2-20735); Dillingham Corp. (File 2-22612); Kroehler Mfg. Co. (File 2-22822); Speedry Chemical Products, Inc. (File 2-22574). Effective November 9: Kerr-McGee Oil Industries, Inc. (File 2-22846); National Food Marketers, Inc. (File 2-22375).

*As estimated for purposes of computing the registration fee.

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