

# 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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**WASHINGTON NATIONAL INSURANCE FILES PENSION FUND.** Washington National Insurance Company, 1630 Chicago Ave., Evanston, Ill., filed a registration statement (File 2-21379) with the SEC on April 29 seeking registration of \$1,200,000 of participations in its employees' Savings and Profit Sharing Pension Fund.

**GEM INTERNATIONAL PROPOSES DEBENTURE OFFERING.** Gem International, Inc., 10824 Page Blvd., St. Louis, Mo., filed a registration statement (File 2-21381) with the SEC on May 1 seeking registration of \$3,750,000 of subordinated convertible debentures due 1979, to be offered for public sale at 100% of principal amount through underwriters headed by Bosworth, Sullivan & Company, Inc., 660 Seventeenth St., Denver. The interest rate and underwriting terms are to be supplied by amendment.

The company operates a chain of 32 closed-door membership department stores, mainly under the name "Gem". Substantially all of the departments in the company's stores are operated by licensees (except gasoline service stations). Of the net proceeds from the debenture sale, \$1,500,000 will be used to repay a bank loan incurred in order to supplement working capital, \$500,000 will be used to finance stores opened and to be opened in 1963, \$575,000 will be used to reimburse lessors for certain construction costs, and the balance will be added to working capital. In addition to certain indebtedness, the company has outstanding 2,204,677 shares of common stock, of which management officials as a group own 29.5%. Robert L. Wolfson is board chairman and Stanley H. Rosensweig is president.

**BELCO PETROLEUM FILES STOCK PLAN.** Belco Petroleum Corporation, 630 Third Ave., New York, filed a registration statement (File 2-21382) with the SEC on April 30 seeking registration of 150,000 shares of common stock, to be offered pursuant to its Restricted Stock Option Plan.

**G & C INVESTMENT, ET AL. INDICTED.** The SEC Denver Regional Office announced April 29 (LR 2611) the return of a 17-count indictment by a grand jury in Albuquerque, New Mexico charging G and C Investment Company, Inc., a New Mexico company, and H. Wayne Franklin, Eugene R. Tharp, Charles Carder, Peter Gallagher, and Lawrence Cornell with violations of the Securities Act registration and anti-fraud provisions and the Exchange Act registration provisions in the offer and sale of stock of Rocky Mountain Life Insurance Company.

**ROBERT T. RUSSELL ENJOINED.** The SEC San Francisco Regional Office announced April 30 (LR 2612) the entry of a Federal court order (USDC, LA) permanently enjoining Robert T. Russell, individually and as controlling stockholder of Securities Research Corporation, a Los Angeles broker-dealer, from further violation of the Commission's net capital rule. Russell consented to entry of the injunction. The company and D. Loren Lake, its president, previously consented to entry of a permanent injunction. The Court retained jurisdiction over the Commission's request for appointment of a receiver for the firm.

**COLUMBIA GAS SYSTEM RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-14866) authorizing Cumberland and Allegheny Gas Company, wholly-owned subsidiary of The Columbia Gas System, Inc., New York registered holding company, to issue to Columbia Gas \$3,400,000 of 4.4% installment promissory notes. In consideration for such notes, Columbia Gas proposes to return to Cumberland for cancellation 136,000 common shares of Cumberland, the aggregate par value of which (\$3,400,000) is equal to the principal amount of the new notes. The capitalization and surplus of Cumberland as of November 30, 1962 consisted of \$3,460,744 of long-term debt securities and \$9,133,244 of common stock and surplus, representing capitalization ratios of 27.5% long-term debt and 72.5% common stock equity (as compared to a 55%-45% ratio of the Columbia system, consolidated). In the financing of construction programs of system subsidiaries, securities are issued and sold to Columbia in such amounts as will provide them with capitalization ratios conforming as nearly as possible to the consolidated capitalization ratios of the system; and upon consummation of the proposed transactions, Cumberland's capitalization ratios will be 54.5%-45.5%.

**DAVID M. COHN FOUND GUILTY.** The SEC Fort Worth Regional Office announced April 26 (LR 2613) that David M. Cohn, president of The Cohn Company, Inc., of Little Rock, Ark., was found guilty (USDC, Little Rock) of charges of violating the Securities Act registration and anti-fraud provisions and the Exchange Act registration provisions in the offer and sale, as underwriter, of the common stock of Standard, Inc., an Arkansas company.

**POTOMAC EDISON RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-14867) authorizing three subsidiaries of The Potomac Edison Company, Frederick, Md. registered holding company, to sell to Potomac Edison capital shares as follows: Northern Virginia Power Company, 4,000 shares for \$400,000; Potomac Light and Power Company, 4,000 shares for \$400,000; and South Penn Power Company, 180,000 shares for \$900,000. The proceeds will be used by the subsidiaries to finance, in part, necessary property additions and improvements. The estimated cost of the 1963 construction program of such companies is \$1,420,400, \$1,298,900 and \$1,307,300, respectively.

OVER

**EDGERTON, GERMESHAUSEN FILES FOR SECONDARY.** Edgerton, Germeshausen & Grier, Inc., 160 Brookline Avenue, Boston, filed a registration statement (File 2-21385) with the SEC on May 2 seeking registration of 235,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Place, New York. The public offering price (maximum \$18 per share\*) and underwriting terms are to be supplied by amendment. The statement also includes 15,000 outstanding shares to be sold by the selling stockholders through the underwriters to the E. G. & G. Profit Sharing Trust at the offering price.

The company specializes in the techniques of measuring, controlling and utilizing high speed electronic and nuclear phenomena. The company has outstanding 1,487,480 shares of common stock, of which Harold E. Edgerton, board chairman, Kenneth J. Germeshausen, president, and Herbert E. Grier, senior vice president, own 252,255, 270,050 and 263,900 shares, respectively. Edgerton and Germeshausen propose to sell 42,000 shares each, and Grier 166,000 shares.

**SYNTEX FILES STOCK PLAN.** Syntex Corporation, Panama, Republic of Panama, filed a registration statement (File 2-21383) with the SEC on May 1 seeking registration of 97,600 shares of common stock, to be offered pursuant to its Restricted Stock Option Plan.

**HELMCO, FILES FOR SECONDARY.** George W. Helme Company, 9 Rockefeller Plaza, New York, filed a registration statement (File 2-21384) with the SEC on May 2 seeking registration of 11,100 outstanding shares of common stock, to be offered for public sale by the holders thereof from time to time on the New York Stock Exchange or otherwise, at prices then current (maximum \$37.94 per share\*). The company is engaged in the manufacture of snuff, pretzels and other snack foods. In addition to certain indebtedness and preferred stock, the company has outstanding 653,950 shares of common stock, of which management officials as a group own 1.25%. Donald R. McCain is board chairman and Joseph P. McCauley is president. Joseph P. Sucharski and Ernest E. Shovea own 21,750 shares each and propose to sell 7,100 and 4,000 shares, respectively.

**MIDWEST TECHNICAL DEVELOPMENT ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-3684) exempting certain proposed transactions between Midwest Technical Development Corporation, Minneapolis registered closed-end investment company, Electra Scientific Corporation, and William Evans, a director of Electra, and denying exemption for certain past transactions among them. The Commission exempted the proposed sale by Midwest to Evans of (1) \$100,000 of 6½% debentures of Electra for \$100,000, (2) warrants to purchase 12,500 shares of Electra for \$4 per warrant, and (3) 10,000 Electra shares for \$150,000. The past transactions denied exemption by the Commission include an agreement in August 1960 between Midwest and Electra providing for the sale by Electra to Midwest of \$500,000 of 6½% debentures of Electra and 10-year warrants entitling Midwest to purchase 25,000 Electra shares at \$20 per share. Certain proposed modifications in the loan agreement, however, were exempted by the Commission. The Commission's Findings and Opinion in this matter will be issued later.

**BROWN ENGINEERING FILES FOR OFFERING AND SECONDARY.** Brown Engineering Company, Inc., 300 Sparkman Drive, N. W., Huntsville, Alabama, filed a registration statement (File 2-21386) with the SEC on May 2 seeking registration of 110,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 60,000 shares, being outstanding stock, by the holders thereof. Goodbody & Co., 2 Broadway, New York, heads the list of underwriters. The public offering price (maximum \$28 per share\*) and underwriting terms are to be supplied by amendment. The statement also includes 15,000 outstanding shares to be offered for public sale by one of the selling stockholders, The Ford Foundation, from time to time at public or private sale at prices related to prices then prevailing in the over-the-counter market.

The company is engaged primarily in engineering and custom manufacturing activities, principally in the Huntsville, Alabama area, in general support of the research and development phases of space vehicle programs. The net proceeds from the company's sale of additional stock will be added to working capital and will be applied to operating requirements for 1963. In addition to certain indebtedness, the company has outstanding 392,806 shares of common stock, of which Milton K. Cummings, president and board chairman, owns 18.4%, other members of his family an additional 14.2%, and management officials as a group 25.3%. The prospectus lists 10 selling stockholders, including Cummings who proposes to sell 20,123 shares. In addition, The Ford Foundation proposes to sell 10,000 shares, through the underwriters and, as indicated above, 15,000 shares without underwriting. The 25,000 shares to be offered by The Ford Foundation will be purchased from the company at \$10 per share pursuant to exercise of warrants which it received (to purchase up to an aggregate of 39,000 shares) in connection with the company's sale in 1962 of \$1,250,000 of notes to the Foundation.

**SECURITIES ACT REGISTRATIONS.** Effective May 2: The Dow Chemical Company (Files 2-21216, 2-21294, 2-21296, and 2-21303); Liberty Real Estate Trust (Files 2-20861 and 2-21107); Virginia Electric and Power Company (File 2-21326) Effective May 3: Avco Corporation (File 2-21190). Withdrawn May 1: Field Financial Corporation (File 2-19579).

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