

# 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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FOR RELEASE July 15, 1963

**Statistical Release No. 1914.** The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended July 12, 1963, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1963 is as follows:

	1957-59 = 100		Percent Change	1963	
	7/12/63	7/5/63		High	Low
Composite	141.6	142.8	- .08	144.1	130.6
Manufacturing	132.6	134.0	-1.0	135.4	121.1
Durable Goods	127.1	129.3	-1.7	133.3	116.2
Non-Durable Goods	137.8	138.5	-0.5	138.6	125.8
Transportation	128.3	128.6	-0.2	129.0	106.4
Utility	177.1	178.1	-0.6	181.4	170.3
Trade, Finance & Service	169.7	170.8	-0.6	171.6	153.8
Mining	129.1	130.1	-0.8	130.1	104.2

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended July 11, 1963, 14 registration statements were filed, 22 became effective, 4 were withdrawn, and 304 were pending at the week-end.

**SEC JOINS NEVADA INDUSTRIAL GUARANTY PROCEEDING.** The SEC has entered an appearance in the proceeding under Chapter X of the National Bankruptcy Act for the reorganization of Nevada Industrial Guaranty Co. and its subsidiary, Beehive Security Thrift and Loan of Utah, pending in the United States District Court for the District of Nevada. The voluntary petitions for the reorganization of these Debtors were approved May 7 and 23, 1963, respectively, by Judge Roger P. Foley. W. LaMonte Robinson was appointed Trustee for Beehive Security. Since Nevada Industrial's liabilities do not exceed \$250,000, a trustee was not appointed and that Debtor was continued in possession. The Debtors were engaged in the commercial and industrial finance business in Nevada and Utah. The Chapter X petition listed the parent company's total assets as of December 31, 1962 at \$192,000 (including its investment in the subsidiary carried at \$31,500) and liabilities at \$33,600. Beehive Security's balance sheet as of April 15, 1963 listed total assets at \$1,016,255, including industrial loans receivable of \$680,000. Most of the loan portfolio is delinquent. Total liabilities are listed at \$1,156,000, including \$952,000 of thrift certificates held by approximately 750 public investors, \$119,550 of debentures held by 65 public investors. Approximately 300 public investors hold 36,752 preferred shares and 5,476 common shares of Nevada Industrial.

**GEORGIA POWER ACQUISITION CLEARED.** The SEC has issued an order under the Holding Company Act (Release 63-14909) authorizing Georgia Power Company, Atlanta subsidiary of The Southern Company, a registered holding company, to rent for 25 years all of the electric distribution facilities of Plant Telephone and Power Company, Inc., a nonaffiliated Georgia company, at a monthly rental of \$958.33 (with an option to purchase the facilities at the termination of the lease for \$108,000).

**OVERLAND CORP. RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release 63-3738) exempting The Overland Corporation, Delaware closed-end investment company, from provisions of Sections 15(a), 17(a) and 17(f) of the Act. Overland now has only 15 stockholders of record representing 11 beneficial owners who are all members of the family of Ward M. Canaday, board chairman and president of the company. In addition, there are some 580 holders of interests in a Special Reserve relating to renegotiation of government contracts and unresolved tax liabilities.

**TOWNSEND COMPANIES SEEK ORDER.** Townsend Management Corporation and Townsend Corporation of America, Short Hills, N. J., registered investment companies, have applied to the SEC for an order under the Investment Company Act authorizing a loan of \$326,000 to be made by TMC to TCA so as to permit the latter and subsidiaries thereof to repay outstanding borrowings and to meet other urgent commitments; and the Commission has issued an order (Release IC-3739) giving interested persons until July 30, 1963 to request a hearing thereon.

**TRANSATLANTIC FUND SEEKS ORDER.** Transatlantic Fund, Inc., a registered open-end investment company, has applied to the SEC for an order under the Investment Company Act authorizing it to maintain part of its assets abroad in the custody of four European banks; and the Commission has issued an order (Release IC-3740) giving interested persons until July 30, 1963 to request a hearing thereon. The proposed custodian for the fund (Brown Brothers Harriman & Co.), which does not have branch offices in Europe, will enter into sub-custodian agreements with the four banks to permit a more economic and efficient operation than would be possible through the use of foreign branches of banks domiciled in the United States.

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**SEABOARD ASSOCIATES SEEKS ORDER.** Seaboard Associates, Inc., New York registered closed-end investment company, has applied to the SEC for an order under the Investment Company Act permitting it to acquire 3,802 shares of its stock from Wallace J. Grove, a director, at \$17 per share; and the Commission has issued an order (Release IC-3741) giving interested persons until August 1, 1963 to request a hearing thereon. As of May 31, 1963, the net asset value per share of Seaboard stock was said to be \$22.07; and the application further states that Grove desires to sell the stock at less than book value in order to invest the proceeds in connection with certain real estate transactions.

**CONTINENTAL VENDING SUSPENSION CONTINUED.** The SEC has ordered the suspension of exchange and over-the-counter trading in the common stock and debentures of Continental Vending Machine Corporation for a further ten-day period, July 16 to July 25, 1963, inclusive.

**PUBLIC RELATIONS FIRM ENJOINED.** The SEC New York Regional Office announced July 11 (LR-2686) the entry of a Federal court order (USDC, SDNY) permanently enjoining Chamberlain Associates, a New York public relations firm, Stephen C. Lamb, Edward Anderson (both of Long Island, N.Y.), and National Chemical and Minerals Corp. (of Tonopah, Nevada) from further violating the Securities Act registration and anti-fraud provisions in the offer and sale of stock of National Chemical.

**COURT ACTS IN SANDKUHL & CO. CASE.** The SEC New York Regional Office announced July 9 (LR-2687) the entry of a Federal court order (USDC, Newark) granting to Joseph F. Walsh, of Newark, the custodial receiver for Sandkuhl & Company, Inc., general equity powers conferred upon a receiver of an insolvent corporation and directing that he immediately file a list of creditors with the Court and give them notice to file their claims with him on or before July 30, 1963. The firm and certain of its officers were preliminarily enjoined by the Court in January 1963 from violating the Exchange Act anti-fraud, net capital and book-keeping provisions, and Walsh was appointed receiver at that time.

**NEW ENGLAND ELECTRIC SEEKS ORDER.** New England Electric System, Boston registered holding company, and its utility subsidiary, Massachusetts Electric company, have applied to the SEC for an order under the Holding Company Act authorizing Massachusetts to increase its authorized and outstanding common stock (all owned by NEES) from 1,966,294 to 2,073,436 shares and to sell the additional 107,142 shares to NEES for an aggregate of \$7,499,940; and the Commission has issued an order (Release 35-14910) giving interested persons until July 26, 1963 to request a hearing thereon. The proceeds will be applied by the subsidiary to pay short-term notes incurred in connection with the construction of extensions and additions to plant and property.

**ALLEGHENY VENTURA FILES FOR RIGHTS OFFERING.** Allegheny Ventura Corporation, Washington National Airport, Washington, D. C., filed a registration statement (File 2-21574) with the SEC on July 12 seeking registration of 37,231 outstanding shares of common stock (all of its outstanding stock), which are owned by Allegheny Airlines, Inc. The latter proposes to offer such shares for subscription by holders of its outstanding stock at the rate of one share of Ventura for each 25 shares of Allegheny held. No underwriting is involved. The record date and subscription price (maximum \$10 per share\*) are to be supplied by amendment.

In 1961, Allegheny Airlines, which is engaged in the air transportation of passengers, property and mail serving various communities in 12 states and the District of Columbia, commenced a program of diversification into other fields. An initial step in this program was the formation of Ventura in 1961 and the entry by Ventura into the car rental business in early 1962. According to the prospectus, Allegheny Airline's management has concluded that certain of its activities should be conducted through a corporate entity separate from Allegheny Airlines, rather than through subsidiary companies, and in accordance with this decision managements of both companies developed a plan for the divestiture by Allegheny Airlines of its common stock holdings of Ventura. The net proceeds from the sale of Ventura stock will be lent to Ventura by Allegheny Airlines in return for a subordinated debenture. Henry A. Satterwhite is board chairman of Ventura and Leslie O. Barnes is president. All of the officers of Ventura are also officers of Allegheny Airlines and, with one exception, the directors of Ventura are also directors of Allegheny Airlines.

**CORRECTION:** Effective July 12: Northern Illinois Gas Co. (File 2-21490), not Illinois Gas Co. (File 2-21490), as reported in News Digest of July 12.

**SECURITIES ACT REGISTRATIONS.** Effective July 12: Emery Industries, Inc. (File 2-21465).  
Effective July 15: Jefferson Capital Corp. (File 2-21100).  
Withdrawn July 12: Western Heritage Life Insurance Co. (File 2-21121).

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

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