

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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FOR RELEASE March 23, 1965

PAUL K. PEERS REVOKED. The SEC today announced a decision under the Investment Advisers Act (Release IA-187) revoking the registration as an investment adviser of Paul K. Peers, Inc., of 75 Ocean Avenue, Brooklyn, N. Y. The revocation order was based upon false and misleading statements in the offer and sale of the Peers firm's newsletter, "Technically Speaking," fraudulent representations in its recommendations for the purchase of stock of a Florida company, and violations of the Commission's record-keeping rules. The Commission also ruled that the company's vice-president and secretary, Paul K. Peers, aided and abetted these violations (his wife is president and sole stockholder).

According to the Commission's decision, the newsletter contained deceptive and misleading statements with respect to the reputation and history of the Peers firm, described as the "premier advisor service of Wall St." The letters carried the printed inscription "Originators of the Peers Point Charting Method Since 1926," and carried repeated references to the firm's "staff" and "research." In fact, Peers had not been born in 1926; and the firm had been in existence only a few months, operated out of the Peers' apartment, and its staff consisted only of the two Peers. Prohibited testimonials also were used, one letter referring to a friend bringing "fond messages" from "our many broker friends in Europe" where "we had the reputation of being the adviser to brokers," and another stating that "For many years friends and acquaintances on Wall Street urged us to publish our analyses and forecasts."

The firm's newsletter included deceptive, misleading and flamboyant representations with respect to the recommended stock of a company which provided water and sewage disposal services in Florida and which the firm's "research staff" had purportedly analyzed thoroughly. In fact, there was no staff analysis other than that made by Peers himself, whose investment advice, consisting of representations which were deceptive or were made without reasonably diligent inquiry and without adequate bases, constituted fraudulent conduct.

WORLD WIDE AUTOMATIC ARCHERY OFFICIALS SENTENCED. The SEC Seattle Regional Office announced March 18 (LR-3174) that, following their convictions on January 29 of violating and conspiracy to violate the anti-fraud provisions of the Securities Act and the Mail Fraud Statute in the sale of securities of World Wide Automatic Archery, Jerald Hegg, executive vice president (of Seattle and Minneapolis), and Samuel T. Mendenhall, president (of San Fernando, Calif.), received prison sentences of 11 years and 10 years, respectively. The company received a \$10,000 fine. Hanford B. Choate, secretary, and Leroy Robbins, treasurer, both of Seattle, entered guilty pleas to two counts of the indictment and were placed on probation for three years.

GEORGIA POWER SEEKS ORDER. Georgia Power Company, Atlanta electric utility subsidiary of The Southern Company, has applied to the SEC for an order under the Holding Company Act authorizing it to issue, from time to time prior to October 1, 1965, unsecured promissory notes to banks in an aggregate amount not to exceed \$40,000,000 (including \$22,671,050 of notes already outstanding). The Commission has issued an order (Release 35-15206) giving interested persons until April 12 to request a hearing thereon. According to the application, Georgia Power intends to use the proceeds from the note sale (together with funds on hand and proceeds from contemplated later financing) to finance its 1965 construction program, to reimburse its treasury for retirement of previously outstanding bonds, to pay short-term bank loans incurred for such purposes and for other purposes. The company's 1965 construction program is estimated at \$83,515,000.

MIDDLE SOUTH UTILITIES RECEIVES ORDER. The SEC has issued an order (Release 35-15207) under the Holding Company Act making permanent a Commission order of March 28, 1963, granting temporary authorization for the organization of Middle South Services, Inc., and its conduct of business as a subsidiary service company in the Middle South Utilities, Inc., holding-company system.

KEYSTONE INTERNATIONAL FUND SEEKS ORDER. Keystone International Fund, Ltd., 50 Congress St., Boston (a Canadian corporation), has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-4196) giving interested persons until April 14 to request a hearing thereon. The application indicates that pursuant to a plan of reorganization the company was succeeded by Keystone International Fund, Inc., a Massachusetts corporation, in November 1963.

CANADA GENERAL FUND SEEKS ORDER. Canada General Fund, Ltd., 111 Devonshire St., Boston (a Canadian corporation), has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-4197) giving interested persons until April 9 to request a hearing thereon. According to the application, the company changed its domicile to the United States in February 1964 and was succeeded by Canada General Fund, Inc., a Massachusetts corporation.

SOUTHWESTERN LIVESTOCK INS. PROPOSES OFFERING. Southwestern Livestock Insurance Co., 426 N. Marshall Way, Scottsdale, Ariz. 85251, filed a registration statement (File 2-23308) with the SEC on March 17 seeking registration of 100,000 shares of common stock. The stock is to be offered for public sale at \$5 per share through company officials and organizers, who will receive a 50¢-per-share selling commission. OVER

Organized under Arizona law in December 1964, the company expects to engage principally in the writing of insurance in the lives of horses and purebred cattle. Net proceeds from its stock sale will be used to meet organization expenses of the business and in the conduct thereof. The company has outstanding 1,300 common shares and purchase contracts covering an additional 7,100 common shares, all of which were issued to company officials and others for a total of \$42,000 (including \$3,500 in the form of services). The 7,100 shares are to be issued at such time as each subscriber pays in full the portion of the \$42,000 that he has agreed to contribute. F. Tim Olin is president.

DENVER CHEMICAL MFG. FILES FOR SECONDARY. The Denver Chemical Manufacturing Company, 35 Commerce Rd., Stamford, Conn., filed a registration statement (File 2-23314) with the SEC on March 19 seeking registration of 170,000 outstanding shares of capital stock, to be offered for public sale by the present holders thereof. F. Eberstadt & Co., 65 Broadway, and Equitable Securities Corp., 2 Wall St., both of New York, are listed as the principal underwriters. The public offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the development and distribution of ethical and proprietary drug products and diagnostics. (Ethical drugs are promoted primarily to physicians, hospitals and pharmacists, and proprietary drug products are advertised and distributed through retail drug outlets.) In addition to indebtedness, the company has outstanding 900,000 shares of capital stock, as adjusted to reflect two-for-one stock split. Management officials own 41.5% of the outstanding stock. Included among the selling stockholders are Margaret B. Hesse, et al., trustees for estate of Mary B. McClave, offering 15,000 of 50,000 shares held; trustees of Princeton University, 19,800 of 66,000; individual members of Brace-Scott family and associates, offering an aggregate of 97,026 of total holdings of 320,100 shares; Maxwell Brace (board chairman), 23,436 of 37,872; and Harold B. Scott, Inc., 30,000 of 37,718. The remaining selling stockholders are offering shares ranging in amounts from approximately 60 to 13,300. Howard S. Tierney, Jr., is president of the company.

MUTUAL R.E.I.T. PROPOSES OFFERING. Mutual Real Estate Investment Trust, 7750 Roosevelt Blvd., Philadelphia 19152, filed a registration statement (File 2-23315) with the SEC on March 19 seeking registration of 325,000 shares of beneficial interest, to be offered for public sale at \$20 per share. The shares may also be exchanged for negotiable securities traded on national or regional exchanges or for interests in real property, on the basis of the market value of the securities or the appraised value of the property being the same as the cash offering price of the shares exchanged.

Organized under New York law in February 1965, the purpose of the trust "is to provide investors with an opportunity to own, through transferable shares, an interest in properties consisting primarily of income-producing real estate interests." Planned Communities, Inc., is the trust's supervisory management agent. William W. Brill is one of the trustees.

ILLINOIS TOOL WORKS FILES STOCK PLAN. Illinois Tool Works Inc., 2501 N. Keeler Ave., Chicago, Ill. 60639, filed a registration statement (File 2-23317) with the SEC on March 22 seeking registration of 70,000 shares of common stock, to be offered pursuant to its Qualified Stock Option Plan.

SINCLAIR OIL FILES STOCK PLAN. Sinclair Oil Corporation, 600 Fifth Ave., New York 10020, filed a registration statement (File 2-23319) with the SEC on March 19 seeking registration of \$12,000,000 of participations in its Employees Savings Plan, together with 150,000 shares of common stock that may be acquired pursuant thereto.

S.F. & OAKLAND HELICOPTER PROPOSES OFFERING. San Francisco & Oakland Helicopter Airlines, Inc., Metropolitan Oakland International Airport, Oakland, Calif., filed a registration statement (File 2-23320) with the SEC on March 22 seeking registration of 395,868 shares of common capital stock. Of such stock, 330,868 shares are to be offered for subscription by stockholders at the rate of one new share for each two shares held. The subscription price (\$3 per share maximum*) is to be supplied by amendment. Any unsubscribed shares and the remaining 65,000 shares being registered are to be offered for public sale through underwriters headed by J. Barth & Co., 404 Montgomery St., and Birr, Wilson & Co., Inc., 155 Sansome St., both of San Francisco, Calif. 94104. The underwriting terms are to be supplied by amendment. Organized under Calif. law in 1961, the company is engaged in the business of furnishing scheduled air transportation service by helicopter in the San Francisco Bay Area and in the overhauling and modification of fixed wing aircraft. Of the net proceeds from its stock sale (together with proceeds from the sale of \$600,000 of notes), \$600,000 will be used to repay short-term borrowings, incurred in January 1965 and to pay \$500,000 on the purchase price of the company's Sikorsky S-61N helicopter and to reduce its accounts payable, \$233,000 will be used to cover the balance of the purchase price of the S-61N helicopter; and \$10,000 will be used as an initial payment on the acquisition of two spare engines for the helicopter. In addition, the company intends to expend approximately \$195,000 on parts and special tools for the helicopter and \$20,000 for additional equipment for its maintenance base operations. The balance of the proceeds will be used for working capital. In addition to indebtedness, the company has outstanding 661,737 common shares, of which management officials own 21%. M. F. Bagan is president.

FIRST UTILITIES EXCHANGE FUND FILES PROPOSAL. The First Utilities Exchange Fund, Inc., 44 Wall St., New York 10005, filed a registration statement (File 2-23318) with the SEC on March 22 seeking registration of 250,000 shares of common stock. The shares are to be offered in exchange for securities of other companies, principally public utilities, at the rate of one Fund share for each \$20 of market value of securities received by the Fund in exchange for its shares. First Philadelphia Corp., 44 Wall St., New York 10005, will act as the dealer manager and will receive a maximum commission of 4%.

Organized under Maryland law in March 1965, the Fund is a diversified, open-end, management investment company "seeking long-term growth of capital and of income through investments in corporate securities." The Stratton Management Corporation will serve as the Fund's investment adviser. The Fund has one outstanding share of stock, which is owned by A. Benjamin Stratton, president of the Fund and the investment adviser.

NORTHERN INDIANA PUBLIC SERVICE PROPOSES BOND OFFERING. Northern Indiana Public Service Company, 5265 Hohman Ave., Hammond, Ind. 46320, today filed a registration statement (File 2-23322) with the SEC seeking registration of \$30,000,000 of first mortgage bonds, series N, due 1995, to be offered for public sale at competitive bidding.

The company, a public utility engaged in supplying electrical energy and natural gas, will add the net proceeds from its bond sale to working capital for ultimate application to the cost of property additions, including prepayment of bank loans (expected to aggregate \$7,000,000) made to provide funds for construction purposes. Its 1965 construction program is estimated to cost \$45,000,000.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the March 1 News Digest.

Valley Bancorporation Mar 65 (11,13)	2-20928-2	Rice Ranch Oil Co Feb 65 (2,13)	1-1856-2
Ward Foods Inc Mar 65 (6,13)	1-1042-2	Schenley Industries Inc Feb 65 (3,8)	1-2377-2
Bendix Corp Feb 65 (11,13)	1-195-2	Union Oil Co of Calif Feb 65 (7,8,12,13)	1-554-2
Chrysler Corp Feb 65 (13)	1-686-2	Wells Industries Inc Feb 65 (9)	1-4696-2
Community Discount Centers Inc Feb 65 (4)	1-3978-2	Zayre Corp Feb 65 (7,13)	1-4908-2
Doyle Dane Bernbach Inc Feb 65 (11,12)	0-171-2	Bloomfield Building Industries Inc Feb 65 (7,8,12,13)	1-4608-2
Genl Exploration Co of Calif Feb 65 (2,7,13)	1-3857-2	Foremost Dairies Inc Feb 65 (9,13)	1-3884-2
Hat Corp of America Feb 65 (11,12,13)	1-307-2	Great Southwest Corp Feb 65 (7,13)	0-100-2
Highway Trailer Industries Inc Feb 65 (12,13)	1-1030-2	Paul Hardeman Inc Feb 65 (1)	1-596-2
Southern Union Gas Co Feb 65 (12,13)	2-4646-2	International Industries Inc Feb 65 (4,11,13)	0-39-2
Technical Animations Inc Feb 65 (9,11)	2-19408-2	Radio Corp of America Feb 65 (7)	1-978-2
U S Finance Co Inc Feb 65 (2,4,7,13)	2-17252-2	Rich's Inc Feb 65 (4,7,9,13)	2-4393-2
Van Der Hout Associates Ltd Feb 65 (12)	2-19391-2	Trans-Canada Pipe Lines Ltd Feb 64 (7,8)	2-12927-2
Yardney Electric Corp Feb 65 (12)	2-16794-2	U S Financial Feb 65 (7)	2-22482-2
Borden Co Feb 65 (3)	1-71-2	Caribbean Shoe Corp Feb 65 (9,11,12)	0-108-2
Community Research & Development Inc Feb 65 (7,13)	2-12971-2	Cerro Corp Feb 65 (8)	1-1518-2
Howell Instruments Inc Feb 64 (11)	2-17152-2	Drew Properties Corp Feb 65 (4,7,8,13)	0-48-2
Johnson & Johnson Feb 65 (13)	1-3215-2	First Va Corp Feb 65 (2,12,13)	2-15603-2
Ohio Brass Co Feb 65 (3)	1-47-2	Missouri Fidelity Life Ins Co Feb 65 (12)	2-18500-2
Prudential Real Estate Trust Nov 64(2,3,4,5,8,10,11,12,13)	2-19413-2	Olson Brothers Inc Feb 65 (2)	2-3914-2
Dec 64 (2,4,7,8,13)	2-19413-2		
Jan 65 (3)	2-19413-2		
Capitol Food Industries Inc Feb 65 (3,11,13)	2-21719-2	Hamilton Watch Co Feb 65 (7)	1-181-2
Handmacher-Vogel Inc Feb 65 (2,13)	2-8196-2	Nopco Chemical Co Feb 65 (10)	1-2627-2
Hilton Credit Corp Feb 65 (12)	2-14617-2	Tower Credit Corp Feb 65 (2,13)	1-4066-2
The Marley Co Feb 65 (11)	0-166-2		
Monogram Industries Inc Feb 65 (2,12,13)	1-4185-2		

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El Paso Natural Gas Co Feb 65 (12)	1-2700-2	Macke Vending Co Feb 65 (7,8,13)	1-4341-2
F L Jacobs Co Jan 65 (6)	1-2645-2	New Western Underwriting Corp Dec 64 (7,13)	2-17231-2
Lockwood Grader Corp Feb 65 (11,12,13)	2-17561-2	Pec Israel Economic Corp Feb 65 (7)	2-1271-2
Reliable Stores Corp Feb 65 (7,13)	1-1249-2	United Foods Inc Feb 65 (2,13)	1-4535-2
Standard Oil Co Feb 65 (13)	1-2256-2	Bloomfield Building Industries Inc Nov 64 (7,8,12,13)	1-4608-2
Michigan Gas Utilities Co Feb 65 (7,13)	2-14251-2	Dec 64 (8,11,12,13)	1-4608-2
Riker Delaware Corp Jan 65 (7)	2-20085-2	Daystrom Inc Feb 65 (11)	1-2753-2
Black and Decker Mfg Co Feb 65 (7,13)	1-1553-2	Disc Inc Jan 65 (2,13)	2-16370-2
Muskegon Piston Ring Co Feb 65 (12)	1-2710-2	International Cablevision Corp Dec 62 (11,12)	2-18161-2
Blaw-Knox Co Feb 65 (13)	1-3721-2	Dec 63 (11,12)	2-18161-2
Grosset & Dunlap Inc May 64 (11,13)	2-17890-2	Nov 64 (11,12)	2-18161-2
Reeves Industries Inc Feb 65 (13)	1-4184-2	Nord Business Machines Corp Sept 63 (11)	2-15376-2
Marathon Oil Co Feb 65 (12)	1-451-2	Oct 64 (11)	2-15376-2
Television Industries Inc Mar 65 (12)	1-2342-2	Valley Metallurgical Processing Co Inc Sept 64 (11,13)	2-19182-2
HKXY Corp, Formerly Holly Stores Inc Feb 65 (1,2,8,11,13)	1-3350-2	Associates Investment Co Feb 65 (7,13)	1-1912-2
Murdock Acceptance Corp Feb 65 (11)	2-12276-2	Empire Life Ins Co Feb 65 (7,9)	2-20749-2
Aeronca Mfg Corp Feb 65 (1,6,13)	1-4005-2	Lincoln Liberty Life Ins Co Feb 65 (3,11,12,13)	2-18894-2
CBI Liquidating Corp Feb 65 (2,8,13)	2-16923-2	Barden Corp Feb 65 (11,13)	2-13040-2
Jonker Business Machines Inc Dec 64 (9,11)	2-17144-2	Clarostat Mfg Co Inc Feb 65 (13)	1-3361-2
Metalfab Inc Feb 65 (1,12,13)	2-19223-2	Collins Radio Co Feb 65 (12)	1-4248-2
Roosevelt Raceway Inc Dec 64 (12)	1-3966-2	Farmers Union Cooperative Marketing Assoc, Feb 65 (7)	2-22230-2
		Great Plains Development Co of Can Ltd Jan 65 (13)	2-8366-2
		Thrifty Drug Stores Co Inc Jan & Feb 65 (3)	0-43-2

NEW REGISTRATION OF O/C COMPANIES: Western Power & Gas Co., Lincoln, Nebr. (File 0-73).

SECURITIES ACT REGISTRATIONS. Effective March 22: CTS Corporation (File 2-23184); Interlake Steel Corp. (File 2-23166); Texas Gas Transmission Corp. (File 2-23268).
Effective March 23: Fisher Scientific Co. (June 22); Howard Johnson Co. (May 7); Skaggs Pay Less Drug Stores (June 22).

NOTE TO DEALERS. The last date or the period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

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