

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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**FIRST UTILITIES EXCHANGE FUND SEEKS ORDER.** The First Utilities Exchange Fund, Inc., New York 10005, has applied to the SEC for an exemption order under the Investment Company Act, particularly Section 14(a) thereof; and the Commission has issued an order (Release IC-4215) giving interested persons until April 28 to request a hearing thereon. The application indicates that the Fund has filed a registration statement covering 250,000 shares of common stock, which are to be offered to investors in exchange for certain securities. Section 14(a) provides that no registered investment company shall make a public offering of securities of which it is the issuer unless it has a net worth of at least \$100,000.

**BAY STATE EXCHANGE FUND SEEKS ORDER.** Bay State Exchange Fund, Inc., Boston, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company as defined in the Act; and the Commission has issued an order (Release IC-4216) giving interested persons until April 28 to request a hearing thereon. According to the application, the company has only one shareholder, Fidelity Management & Research Co. (its investment adviser), which, in turn, has less than 100 security holders. Applicant further states that it has no present intention of making a public offering of its shares, and a registration statement filed under the Securities Act of 1933 has been withdrawn.

**NEES RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15222) authorizing New England Power Company (Boston) to sell certain facilities to Massachusetts Electric Company, both public-utility subsidiaries of New England Electric System. According to the application, NEPCO owns facilities which, since January 1, 1964, have been used by Mass Electric to serve certain of its industrial customers. The companies have entered into an agreement which provides for Mass Electric to acquire such facilities, the purchase price to be the depreciated original cost thereof as of the effective date of transfer, and for the reimbursement by Mass Electric for the use of such facilities for the period from January 1, 1964, to the effective date of transfer. On November 30, 1964, the original cost of the facilities was \$389,220.05, and the accrued depreciation was \$145,156.05.

**COMPLAINT NAMES NATIONAL SECURITIES, NATIONAL LIFE INS., OTHERS.** The SEC San Francisco Regional Office announced March 30 (LR-3180) the filing of a complaint (USDC Phoenix) seeking to enjoin National Securities, Inc., National Life Insurance Co., Producers Life Insurance Co., and certain present and former officials of the three corporations from engaging in manipulative and deceptive devices in violations of the Securities Exchange Act, in connection with a contemplated merger or consolidation of Producers Life Insurance Co. and National Life Insurance Co. The complaint also seeks to invalidate voting proxies of stockholders of Producers Life Insurance Co., which were obtained by the management of National Securities, Inc. Producers Thrift & Loan Co., an affiliate of Producers Life Insurance Co., is also named as a defendant. A temporary restraining order was issued, and the defendants were ordered to appear on April 9 to show cause why a preliminary injunction should not be issued pending final determination of the proceedings.

**FRIEDLANDER PLEADS GUILTY.** The Washington Regional Office announced March 31 (LR-3181) that Philip P. Friedlander, former vice-president of Macinar, Incorporated, pleaded guilty (USDC DC) to one count of an indictment charging violations of the Securities Act anti-fraud provisions in the sale of securities of Macinar.

**KIRSCH ENJOINED.** The SEC New York Regional Office announced April 1 (LR-3182) the entry of a Federal court order (USDC SDNY) permanently enjoining, by consent, Terry Myron Kirsch (former president of T. M. Kirsch & Co., Inc., of New York) from further violating the net capital provisions of the Securities Exchange Act.

**ARMEL, SAVAGE, OTHERS INDICTED.** The SEC Chicago Regional Office announced April 2 (LR-3183) the return of a 30-count indictment (USDC Columbus) charging Daniel E. Armel, Robert Savage, Carl Tresemer (officials of Certified Credit Corporation), Joseph DeVennish (former general counsel and officer of Certified Credit Corp.), Donald Hathaway, Chester Hathaway, Jack Singleton (certified public accountants) and Commonwealth Securities Corporation (a registered broker-dealer) with violations of the anti-fraud provisions of the Securities Act and the mail fraud and conspiracy statutes in the sale of securities of Certified Credit Corporation, Certified Credit and Thrift Corporation, and Certified Mortgage Corporation.

**BASIN OIL DEVELOPMENT, OFFICERS CITED.** The SEC Chicago Regional Office announced April 2 (LR-3184) the filing of a complaint (USDC ED Ill.) seeking to enjoin Basin Oil Development Co., an Illinois corporation, Leonard S. Rister, president, and Robert H. Billingsley, vice president and secretary, from further violations of the Securities Act registration requirements in the sale of interests in oil and gas leases. A temporary restraining order was issued, and a hearing was set for April 9 on the Commission's motion for a preliminary injunction.

OVER

**PARAMOUNT MINING, TROXELL AND JORDAN RESTRAINED.** The San Francisco Regional Office announced April 2 (LR-3185) the entry of a Federal court order (USDC Los Angeles) temporarily restraining Paramount Mining & Development Corp., a Nevada corporation, Clifton H. Troxell and George R. Jordan from further violations of the registration requirements of the Securities Act in the sale of stock of Paramount Mining & Development.

**COMPLAINT CITES ZAHLER AND STAATEN INVESTORS.** The SEC New York Regional Office announced April 2 (LR-3186) the filing of a complaint (USDC SDNY) seeking to enjoin Irving Zahler, d/b/a Staaten Investors Co., from further violations of the anti-fraud and bookkeeping provisions of the Securities Exchange Act and to require the defendant to produce his books and records as required under said Act. The Commission is also seeking the appointment of a receiver of all assets and property of the defendant.

**FOURTH QUARTER CORPORATE PROFITS UP.** The SEC and FTC announce (for April 8th Newspapers) that sales and profits after taxes of U. S. manufacturing corporations increased substantially in the fourth quarter of 1964. Sales in the fourth quarter were estimated at \$116.5 billion, 6 percent higher than in the third quarter and 8 percent above the fourth quarter of 1963. After-tax earnings in the fourth quarter of last year amounted to \$6.3 billion, 15 percent above the comparable quarter of 1963. The advances in sales and earnings in the fourth quarter of 1964 appear particularly significant for the nondurable goods industries after allowance for seasonal influences. (For further details, see Stat. Release No. 2043)

**FEDERAL SECURITIES LAWS AVAILABLE.** Reprints of the Securities Act of 1933, as amended to August 20, 1964, the Securities Exchange Act of 1934, as amended to August 20, 1964, and the Investment Company Act of 1940, as amended to March 31, 1961, may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402, at a cost of 25¢ each. The SEC Rules of Practice (including "Rules Relating to Investigations"), revised as of October 1, 1964, also may be obtained from GPO at 25¢ per copy.

**BECTON, DICKINSON FILES FOR SECONDARY.** Becton, Dickinson and Company, Rutherford, N. J., filed a registration statement (File 2-23427) with the SEC on April 5 seeking registration of 250,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. F. Eberstadt & Co., 65 Broadway, New York, is listed as the principal underwriter. The public offering price (\$40 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the manufacture and sale of medical, surgical, laboratory and diagnostic products. In addition to indebtedness, it has outstanding 3,496,716 common shares. The prospectus lists 11 selling stockholders, including Fairleigh S. Dickinson, Jr. (president), offering 90,000 of 519,728 shares held; Harry Roth (director), 28,000 of 146,876; and Marvin A. Asnes (director), 22,000 of 115,801. The remaining selling stockholders are offering shares ranging in amounts from 400 to 20,000. Upon completion of the proposed stock sale, management officials' holdings will be reduced from 41.6% to 37.2% of the outstanding stock. Edward T. T. Williams is board chairman.

**QUAKER STATE OIL FILES STOCK PLAN.** Quaker State Oil Refining Corporation, Box 989, Oil City, Pa. 16302, filed a registration statement (File 2-23428) with the SEC on April 5 seeking registration of \$250,000 of interests of participation in its Thrift and Stock Purchase Plan, together with shares of capital stock that may be acquired thereunder.

**COCA-COLA PROPOSES STOCK PLAN.** The Coca-Cola Company, 515 Madison Ave., New York 10022, filed a registration statement (File 2-23429) with the SEC on April 5 seeking registration of \$3,300,000 of participations in The Coca-Cola Company Thrift Plan, together with 44,897 shares of common capital stock that may be acquired pursuant thereto.

**COLE NATIONAL FILES STOCK PLAN.** Cole National Corporation, 5777 Grant Ave., Cleveland 44105, filed a registration statement (File 2-23430) with the SEC on April 5 seeking registration of 46,813 shares of common stock, to be offered under the company's 1960 Plan for Stock Options (As Amended).

**AMERICAN AIRLINES FILES FOR RIGHTS OFFERING.** American Airlines, Inc., 633 Third Ave., New York 10017, filed a registration statement (File 2-23431) with the SEC on April 6 seeking registration of \$53,055,900 of subordinated debentures due 1990 (convertible on or before November 1, 1977). The debentures are to be offered for subscription by stockholders at the rate of \$100 principal amount of debentures for each 16 shares of common stock held. The subscription price, record date and interest rate are to be supplied by amendment. Any unsubscribed debentures are to be offered for public sale through underwriters headed by Lazard Freres & Co., 44 Wall St., New York, the underwriting terms also to be supplied by amendment.

The company, which is engaged in the transportation by air of persons, property and mail, will use the net proceeds from its debenture sale (together with funds generated from operations) to acquire additional jet aircraft and related equipment. In addition to indebtedness and preferred stock, the company has outstanding 8,488,930 common shares, of which management officials own .9%. C. R. Smith is board chairman and Marion Sadler is president.

**SECURITIES ACT REGISTRATIONS.** Effective April 6: Dymo Industries, Inc. (File 2-23272); The Times Mirror Co., 2-23283 (40 days).  
Effective April 7: Microdot Inc. (File 2-23183).

**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.