

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 April 23, 1965

O/C REGISTRATION RULES AMENDED. The SEC today announced the adoption of a new Rule 3a1-1 defining the term "equity security" as used in Section 12(g) of the Securities Exchange Act of 1934, which requires the registration of equity securities of certain companies traded over-the-counter; and the Commission also has adopted a new Rule 12h-2 (published as proposed Rule 12g-2) exempting issuers from the requirement to register certain equity securities.

As adopted, Rule 3a1-1 includes within the definition of the term "equity security" a broad range of equity interests, including any certificate of interest or participation in any profit sharing agreement. It makes clear that the term includes limited partnership interests, interests in joint ventures, certificates of interest in a business trust, voting trust certificates and American and foreign depository receipts for an equity security as well as various other securities. It should be noted that such securities are in addition to common, preferred, redeemable and other stocks which are specifically included within the definition of the term "equity security" in Section 3(a)(11) of the Act.

Rule 12h-2 would exempt from registration pursuant to Section 12(g) of the Act any interest or participation in an employee stock bonus, stock purchase, profit sharing, pension, retirement, incentive, thrift, savings or similar plan if the interest or participation is not transferable except in the event of death or mental incompetency. It would also exempt any security which is issued solely to fund such plans. The rule as proposed would have exempted any interest or participation in a bank common trust fund. In order to make clear that the exemption is limited to the type of bank common trust fund interest which is also exempt from registration under the Investment Company Act of 1940, paragraph (b) of the rule as adopted has been revised to incorporate the specific language of Section 3(c)(3) of the Investment Company Act of 1940. The rule as adopted also makes clear that an issuer is not required to register any class of equity security which would not be outstanding 60 days after a registration statement otherwise would be required to be filed with respect thereto.

Issuers and their counsel should note that Rule 12h-2 provides an exemption from only the new registration requirements of Section 12(g) of the Exchange Act and that if any securities which are so exempted by the rule are publicly offered they must be registered under Securities Act of 1933 unless some exemption from that Act is available. Further, it should be noted that if such securities are registered under the Securities Act of 1933 issuers of such securities will be required by Section 15(d) of the Exchange Act to file the annual and other reports with respect thereto required by that section unless they are exempt from such requirements.

SHELBY WILLIAMS INDUSTRIES FILES FOR OFFERING AND SECONDARY. Shelby Williams Industries, Inc., 2500 W. Ogden Ave., Chicago, Ill. 60608, filed a registration statement (File 2-23509) with the SEC on April 22 seeking registration of 160,000 shares of common stock. Of this stock, 104,000 shares (being outstanding stock) are to be offered for public sale by the present holders thereof and 56,000 shares by the company. W. C. Langley & Co., 115 Broadway, New York 10006, is listed as the principal underwriter. The public offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized under Delaware law in 1965, the company is a successor to a business by the same name formed under Illinois law. It manufactures seating (sold under the name "Shelby Williams") for restaurants, shoe stores, offices and the public spaces and lobbies of hotels, motels and colleges. Of the net proceeds from the company's sale of additional stock, \$290,000 will be used to purchase from S & H Investors (a partnership consisting of the selling stockholders) two manufacturing and assembly plants in Chicago which are presently leased by the company. Approximately \$75,000 will be used to purchase equipment for the addition to the company's Morristown, Tenn., plant. The balance will be added to working capital. In addition to indebtedness, the company has outstanding 294,000 common shares of stock, all of which is owned by management officials. The prospectus lists two selling stockholders, as follows: Manfred Steinfeld (president), offering 30,000 of 132,300 shares held, and Sam Horwitz (director), 74,000 of 135,975.

WALSTON AVIATION PROPOSES DEBENTURE OFFERING. Walston Aviation, Inc., Civic Memorial Airport, East Alton, Ill., filed a registration statement (File 2-23506) with the SEC on April 22 seeking registration of \$1,000,000 of 6% convertible subordinated debentures due 1980, to be offered for public sale through underwriters headed by Dempsey-Tegeler & Co., Inc., 1000 Locust St., and White & Co., Inc., Mississippi Valley Bldg., both of St. Louis, Mo. 63101. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the wholesale distribution and retail sale of new airplanes, parts and accessories, the sale of used airplanes, repair and servicing of airplanes, flight instruction and financing of aircraft sales and equipment. Net proceeds from its debenture sale will be applied to the payment of short-term bank loans, which amounted to \$1,293,075 on March 31, 1965. The balance will be added to general funds of the company and used for general corporate purposes. In addition to indebtedness, the company has outstanding 304,449 common shares, of which Milford D. Walston (president) and members of his family own 224,890 shares.

OVER

WASHINGTON WATER POWER RECEIVES ORDER. The SEC has issued an order under the Trust Indenture Act of 1939 (TI-220) finding that the trusteeship of Morgan Guaranty Trust Company of New York under indentures of May 1, 1963 (not qualified under the Act), and January 1, 1958 (qualified under the Act), and the trusteeship by the same bank under a new indenture dated March 1, 1965 (not qualified under the Act), are not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify Morgan Guaranty from acting as trustee under the existing trusteeship and the new indenture.

BOSTON FUND SEEKS ORDER. Boston Fund, Inc., Boston, Mass., open-end diversified investment company, has applied to the SEC for an exemption order under the Investment Company Act authorizing it to issue its shares at net asset value for substantially all of the cash and securities of Ridgcroft Real Estate Trust. The Commission has issued an order (Release IC-4230) giving interested persons until May 12 to request a hearing thereon. According to the application, Ridgcroft is an Illinois common law trust whose shares are held by 17 shareholders. As of February 1, 1965, Ridgcroft assets to be transferred to Boston Fund were valued at approximately \$6,352,000.

REGISTRATIONS BY O/C COMPANIES. The following companies, which during past years have filed annual and other periodic reports with the Commission, have filed registration statements with the SEC pursuant to requirements of the new Section 12(g) of the Securities Exchange Act applicable to certain issuers of securities traded over-the-counter:

American Air Filter Co., Inc., Louisville, Ky. (File 0-184); Anadite, Inc., South Gate, Calif. (File 0-181); Anodyne, Inc., No. Miami Beach, Fla. (File 0-150); Black Hills Power & Light Co., Rapid City, S. D. (File 0-164); Capitol Products Corp., Mechanicsburg, Pa. (File 0-169); Cap-Roc Inc., Rochester, N. Y. (File 0-157); Chemsol, Inc., Elizabeth, N. J. (File 0-192); Coastal Ship Corp., Wilmington, Del. (File 0-153); Cole National Corp., Cleveland, Ohio (File 0-178); Computer Control Co., Inc., Framingham, Mass. (File 0-170); Consolidated Credit Corp., Charlotte, N. C. (File 0-187); Doyle Dane Bernbach Inc., New York, N. Y. (File 0-171); Dragor Shipping Corp., New York, N. Y. (File 0-191); Elmar Electronics, Inc., Oakland, Calif. (File 0-159); First Lincoln Financial Corp., Los Angeles, Calif. (File 0-198); Florida Power & Light Co., Miami, Fla. (File 1-3545A); General Interiors Corp., Lewisburg, Pa. (File 0-168); Greenfield Real Estate Investment Trust, Philadelphia, Pa. (File 0-161); Harnischfeger Corp., Milwaukee, Wisc. (File 1-1288D); Hewlett-Packard Co., Palo Alto, Calif. (File 1-4423A); Hicks Ponder Co., El Paso, Tex. (File 0-158); Interstate Securities Co., Kansas City, Mo. (File 0-185); Kavanagh-Smith & Co., Greensboro, N. C. (File 0-180); Kellwood Co., Chicago, Ill. (File 0-172); Lau Blower Co., Dayton, Ohio (File 0-175); Lewis Business Forms, Inc., Jacksonville, Fla. (File 0-186); Li'l General Stores, Inc., Tampa, Fla. (File 0-196); Marley Co., Kansas City, Mo. (File 0-166); Michigan Seamless Tube Co., South Lyon, Mich. (File 0-183); Midwest Rubber Reclaiming Co., St. Louis, Ill. (File 0-152); National Tank Co., Tulsa, Okla. (File 0-189); Northwestern Glass Co., Seattle, Wash. (File 0-193); Nunn-Bush Shoe Co., Milwaukee, Wisc. (File 0-154); Ore-Ida Foods, Inc., Ontario, Ore. (File 0-195); Pako Corp., Minneapolis, Minn. (File 0-160); Palmetto Pulp and Paper Corp., Mauldin, S. C. (File 0-179); Reliance Universal Inc., Louisville, Ky. (File 0-165); Republic Supply Co. of Calif., Los Angeles, Calif. (File 0-194); Seven Arts Productions Ltd., Toronto, Canada (File 0-200); Shatterproof Glass Corp., Detroit, Mich. (File 0-177); Southwest Gas Corp., Las Vegas, Nev. (File 0-199); Standard Prudential Corp., New York, N. Y. (File 0-176); Steel Improvement and Forge Co., Cleveland, Ohio (File 0-197); Supervised Investors Services, Inc., Chicago, Ill. (File 0-167); Tenney Corp., New York, N. Y. (File 0-188); Texize Chemicals, Inc., Greenville, S. C. (File 0-173); Tyler Pipe & Foundry Co., Swan, Tex. (File 0-182); United States Sugar Corp., Clewiston, Fla. (File 0-162); Vahlsing, Inc., Robbinsville, N. J. (File 0-174); Wellington Management Co., Philadelphia, Pa. (File 0-163); Whittaker Corp., Los Angeles, Calif. (File 0-149); Ralph Wilson Plastics, Inc., Temple, Tex. (File 0-151).

ORAL ARGUMENT, COMING WEEK. April 28 - 2:30 P.M. - Jerome Howard Truen.

SECURITIES ACT REGISTRATIONS. Effective April 22: Gateway Sporting Goods Company, 2-23352 (40 days); Minnesota National Life Insurance Company, 2-23297 (90 days); Xerox Corp., 2-23324 (40 days). Effective April 23: Chrysler Corp., 2-23306 (June 3); Country-Wide Insurance Company, 2-23003 (40 days); Crown Zellerbach Corporation, 2-23273; Riegel Paper Corporation, 2-23421 (June 3).

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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