

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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



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FOR RELEASE July 19, 1965

RULE REVISION PROPOSED. The SEC today announced a proposal to revise Rule 416 under the Securities Act of 1933 (Release 33-4793) by broadening the scope of the rule to include certain situations wherein securities issued pursuant to splits and dividends will be deemed covered by a registration statement. In addition, the proposed revision provides for a reduction in the amount of securities covered by a registration statement in certain situations where there is a reverse split. The Commission has invited the submission of views and comments on the proposal not later than August 20, 1965.

At present, Rule 416 relates solely to a registration statement for securities to be offered under warrants, options, convertible securities or similar rights which provide for an additional number of securities to be offered or issued to the rights holder upon exercise of his rights if necessary to prevent a dilution of his interest resulting from stock splits, stock dividends or similar issuances of securities. In such cases, the rule specifies that, unless the registration statement provides otherwise, the additional securities offered or issued pursuant to such anti-dilution provisions shall be deemed to be covered by the registration statement.

It is proposed that the rule be amended to relate to certain additional securities issued pursuant to a split of a class of securities which includes undistributed securities covered by a registration statement or pursuant to a dividend declared on and payable in securities comprising such a class. In such instances, the proposed amendment provides that the registration statement shall be deemed to cover the additional securities resulting from the split of, or the dividend on, the registered securities. Conversely, the proposed amendment also provides that when all the securities of a class including undistributed registered securities are combined by a reverse split into a lesser number of shares, the amount of undistributed securities of such class covered by the registration statement shall be proportionately reduced.

SEC ORDER CITES TWO FIRMS. The SEC has ordered administrative proceedings under the Investment Advisers Act of 1940 involving the investment adviser registrations of Marketlines, Inc., New York, N. Y., and Elizabeth Schreiber, d/b/a Commodity Trading Advisory Service, Lynbrook, N. Y. David S. Romanoff is president and the owner of all of the outstanding common stock of Marketlines, and Harold Schreiber is vice-president.

The proceedings are based upon staff charges that Marketlines, aided and abetted by Romanoff and Harold Schreiber, and Commodity Trading, also aided and abetted by Harold Schreiber, failed to state material facts and made materially false and misleading statements in their registration applications, particularly with respect to past violations of the Investment Advisers Act and the Securities Exchange Act of 1934 and with respect to the names of controlling persons. The staff also charges that Marketlines, aided and abetted by Romanoff and Harold Schreiber, engaged in activities violative of the anti-fraud provisions of the Investment Advisers Act in connection with advertisements published, circulated and distributed by them. In December 1964 the Commission revoked the investment adviser registration of Market Values, Inc., and denied its application for broker-dealer registration. Harold and Elizabeth Schreiber were found to have aided and abetted Market Values in violations of the Investment Adviser Act and the Securities Exchange Act and to be causes of the denial of Market Values' broker-dealer registration.

A hearing will be held, at a time and place to be announced, to take evidence on the staff charges and afford the respondents an opportunity to establish any defenses thereto, all for the purpose of determining whether the alleged violations occurred and, if so, whether any action of a remedial nature is appropriate in the public interest.

SEARCH INVESTMENTS SEEKS ORDER. Search Investments Corporation, 1031 Northwestern Bank Bldg., Minneapolis, Minn., 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. The Commission has issued an order (Release IC-4303) giving interested persons until August 5 to request a hearing thereon. According to the application, the company's shareholders approved a proposal on January 15, 1965, that the applicant cease to be an investment company and that its assets be applied to the purchase of operating companies. In May it acquired all of the outstanding securities, other than bank notes, of two Pennsylvania companies engaged in the general automotive supply business.

KANSAS DEVELOPMENT CREDIT SEEKS EXEMPTION. Kansas Development Credit Corporation, Inc., Topeka, Kansas, has applied to the SEC for an exemption order under the Investment Company Act with respect to all provisions of the Act. The Commission has issued an order (Release IC-4304) giving interested persons until August 4 to request a hearing thereon. The application states that the principal function of the company is to supply needed capital to Kansas businesses, which are unable to obtain capital otherwise, and that its primary motive is the industrial and commercial expansion of Kansas. To date, none of its authorized 100,000 shares of common stock have been sold or offered for sale. It is planned that the stock will be offered only to 51 businesses and industries in Kansas (including Kansas corporations and non-Kansas corporations doing business in Kansas), which will purchase such stock for investment purposes only and not for resale.

UNLISTED TRADING SOUGHT. The SEC has issued an order under the Securities Exchange Act (Release 34-7649) giving interested persons until July 28 to request a hearing on an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks of Beneficial Finance Company and Schick Electric, Inc.

OVER

WORK WEAR PROPOSES DEBENTURE OFFERING. Work Wear Corporation, 1768 E. 25th St., Cleveland, Ohio 44114, filed a registration statement (File 2-23835) with the SEC on July 16 seeking registration of \$6,000,000 of convertible subordinated debentures, due 1985. The debentures are to be offered for public sale through underwriters headed by Auchincloss, Parker & Redpath, 2 Broadway, New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of work clothing, and in industrial laundering and garment rental. Of the net proceeds from its debenture sale, \$1,018,750 will be used to reduce the company's long-term indebtedness of \$9,018,750; \$3,700,000 will be applied to the reduction of short-term bank indebtedness; and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 641,208 common and 1,400,000 Class B common shares, of which management officials own 17,476 and 1,112,640 shares, respectively. Leighton A. Rosenthal is president.

CALIF. INTERSTATE TEL. FILES FOR BOND OFFERING. California Interstate Telephone Company, 16461 Mojave Dr., Victorville, Calif. 92392, filed a registration statement (File 2-23836) with the SEC on July 16 seeking registration of \$10,000,000 of first mortgage bonds, Series B, due 1990, to be offered for public sale at competitive bidding. Net proceeds from its bond sale will be used in part to discharge or reduce the company's short-term bank loans, which were incurred to finance the acquisition of property and a portion of its construction program. The balance will be used for construction purposes. The company estimates that cash requirements in 1965 for gross additions to its telephone plant will be approximately \$17,000,000.

LOUISVILLE CEMENT FILES STOCK PLAN. Louisville Cement Company, 501 S. Second St., Louisville, Ky., filed a registration statement (File 2-23837) with the SEC on July 16 seeking registration of \$1,129,525.71 of interests of participants in the company's Thrift Plan, together with 59,419 shares of common capital stock that may be acquired pursuant thereto.

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 in parentheses. 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 July 7 News Digest.

Weingarten Mark ts Realty Co May 61 (7,13) May 63 (7,13)	2-14373-2	Aztec Oil & Gas Co June 65 (7) Internatl Seaway Trading Corp May 65 (11)	0-502-2 2-21446-2
Data Products Corp June 65 (3)	2-21968-2	Interphoto Corp June 65 (11)	1-4864-2
Thrift Plan of Reda Pump Co June 65 (7)	2-13744-2	Lee Natl Corp June 65 (11)	1-344-2
Wetterau Foods Inc June 65 (7,8,13)	0-1451-2	Northern Ill Gas Co May 65 (7,8)	1-3821-2
Genl Tel Co of Fla June 65 (7,13)	1-3090-2	Personal Industrial Bankers Inc June 65 (11,13)	2-11690-2
Leeds Travelwear Inc June 65 (3)	0-531-2	All American Life & Casualty Co June 65 (7,11,13)	2-8318-2
Pec Israel Economic Corp June 65 (11)	0-1039-2	Guardman Chemical Coatings Inc May 65 (9,11,13)	1-4704-2
H K Porter Co Inc June 65 (3,13)	1-4157-2	Walter E Heller & Co June 65 (12)	1-2291-2
American Gypsum Co June 65 (11,13)	2-15900-2	N Y Air Brake Co June 65 (13)	1-1016-2
Applied Electronics Corp of N J June 65 (11)	2-16240-2	N Y Shipbuilding Corp June 65 (13)	1-226-2
Dravo Corp June 65 (7)	0-989-2	Blue Crown Petroleum Ltd Amend #3 to 8K for July 64 (13)	1-4493-2
Genl Instrument Corp June 65 (11,13)	1-3406-2	Pall Corp Amend #1 to 8K for Mar 65 (13)	1-4311-2
Martin-Mariette Corp June 65 (8,12)	1-4552-2	Wetterau Foods Inc Amend #1 to 8K for Sept 64 (13)	0-1451-2
Miami Extruders Inc June 65 (11,13)	1-4263-2	Maradel Products Inc Amend #1 to 8K for Apr 65 (13)	0-1260-2
Mt Vernon Mills Inc June 65 (7,8)	1-1025-2	Jefferson Construction Co Amend #1 to 8K for Apr 65 (13)	1-4538-2
Pauley Petroleum Inc June 65 (7,13)	0-52-2		
Potomac Elec Pwr Co June 65 (11,13)	1-1072-2		
Quebec Natural Gas Corp June 65 (13)	2-13160-2		
J M Smucker Co June 65 (7,11,13)	2-15709-2		
Union Elec Co June 65 (3)	1-2967-2		
Genl Foam Corp June 65 (12)	1-4664-2		
N Y Central RR Co June 65 (7,13)	1-4480-2		
Nissen Corp June 65 (11)	2-17073-2		
Russell Stover Candies Inc June 65 (3)	0-40-2		

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended July 15, 1965, 25 registration statements were filed, 21 became effective, 2 were withdrawn, and 322 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective July 16: Global Marine Inc., 2-23701 (40 days).
Effective July 19: Educators Life Insurance Co., 2-23419 (90 days); Petrosearch, Inc., 2-23549 (90 days).

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.