

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington, D.C. 20549

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

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 65-12-17)

FOR RELEASE December 23, 1965

**QUEENSLAND ALUMINA SECURITY RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4454) exempting Queensland Alumina Security Corp., Wilmington, Del., from all provisions of the Act.

**EATON & HOWARD BALANCED FUND SEEKS ORDER.** Eaton & Howard Balanced Fund, Boston, Mass., open-end diversified investment company, has applied to the SEC for an order under the Investment Company Act authorizing it to issue its shares at net asset value to Algonquin Investment Company in exchange for substantially all of the assets of Algonquin; and the Commission has issued an order (Release IC-4455) giving interested persons until January 12, 1966, to request a hearing thereon. According to the application, net assets of Eaton & Howard and Algonquin amounted to \$228,177,893 and \$4,618,294, respectively, on September 30, 1965.

**DOWD NAMED ADMINISTRATOR OF BOSTON OFFICE.** Chairman Manuel F. Cohen today announced the appointment of James E. Dowd as Administrator of the Commission's Boston Regional Office. He succeeds Philip E. Kendrick, who is retiring effective December 30, 1965. Mr. Dowd has served as Assistant Regional Administrator of the Boston Office since September 1959. He first joined the Commission's staff in January 1951 and, except for the private practice of law for about two years during the period 1955-57, he has been continuously employed in the Boston Office. Mr. Dowd received a B. A. degree from Boston College in 1947 and an LL.B. degree from Boston College Law School in 1949. Prior to joining the Commission's staff in 1951 he engaged in the practice of law in Boston. He served on active duty in the United States Army for over three years and attained the rank of First Lieutenant. Born in Cambridge, Mass., on May 18, 1922, Mr. Dowd is married to the former Marguerita A. O'Donoghue and they have two daughters and a son.

Mr. Kendrick's retirement follows a distinguished career with the Commission since April 1935, when he first joined the staff of the Boston Regional Office. He served in progressively more responsible positions in that office, becoming Regional Administrator in July 1948. In his more than 30 years of service with the Commission, Mr. Kendrick made major contributions to the effective administration and enforcement of the Federal securities laws.

**LIBERIAN IRON ORE FILES RIGHTS OFFERING.** Liberian Iron Ore Limited ("Lio"), c/o The Royal Trust Co., 97 Queen St., Charlottetown, Prince Edward Island, Canada, filed a registration statement (File 2-24345) with the SEC on December 22 seeking registration of 659,171 shares of capital stock. The stock is to be offered for subscription by stockholders at the rate of one new share for each five shares held on February 25, 1966. The First Boston Corp., 20 Exchange Pl., New York 10005, and two other firms head the underwriting group. The offering price (\$18 per share maximum\*), underwriting terms and other details of the offering are to be supplied by amendment; however, the prospectus indicates that the underwriters will acquire 300,000 of the shares through the exercise of subscription warrants. The Liberian American-Swedish Minerals Company ("Lamco"), Monrovia, Liberia, is also registering \$11,000,000 of its 6½% junior subordinated debentures, to be purchased by Lio with the proceeds of its stock sale.

Lio is engaged in making loans to Lamco and holding 50% of its capital stock (the balance of such stock being owned by the Government of Liberia). According to the prospectus, Lamco and Bethlehem Steel Corp. entered into a joint venture in 1960 to produce high-grade iron ore. Lamco holds a 75% interest in the venture and Bethlehem the remaining 25% interest. Lamco will apply the proceeds of its sale of debentures toward the cost of the joint venture's current expansion program, estimated at \$51,400,000. In addition to indebtedness, Lio has outstanding 3,295,854 common shares, of which the "Swedish Syndicate" (composed of The Swedish Lamco Syndicate and Trafik AB Grangesberg-Oxelosund & Co.) owns 74.1%. Marc Wallenberg, Sr., is president of Lio and chairman of Lamco. Johnston Avery is president of Lamco.

**GENERAL REAL ESTATE PROPOSES OFFERING.** General Real Estate Shares, 2043 First National Bldg., Detroit, Mich., filed a registration statement (File 2-24346) with the SEC on December 22 seeking registration of 100,000 shares of beneficial interest in the trust. The shares are to be offered for public sale through underwriters headed by Alex. Brown & Sons, 135 E. Baltimore St., Baltimore, Md., and two other firms. The public offering price (\$10.50 per share maximum\*) and underwriting terms are to be supplied by amendment.

The trust was organized under Michigan law in 1962 "to provide an opportunity to invest, through ownership of transferable shares of beneficial interest, in a diversified group of properties consisting principally of income producing real estate." Net proceeds of this offering are to be applied to the acquisition of an office building in Tampa, Fla., and a regional shopping center in Wichita, Kansas. The trust has outstanding 157,000 shares of beneficial interest, of which trustees, officers of the trust and their associates own 7%. Richard D. Arnos is managing trustee.

**WESTERN UNION PROPOSES RIGHTS OFFERING.** The Western Union Telegraph Company, 60 Hudson St., New York 0013, filed a registration statement (File 2-24347) with the SEC on December 22 seeking registration of 77,653 shares of convertible cumulative preferred stock. The stock is to be offered for subscription by common stockholders at the rate of one preferred share for each 20 common shares held on January 18. Any

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unsubscribed shares are to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 30 Wall St., and Lehman Brothers, 1 William St., both of New York. The dividend rate, offering price (\$102 per share maximum\*) and underwriting terms are to be supplied by amendment.

Net proceeds of the company's stock sale will be used in the furtherance of its construction program. In addition to indebtedness and preferred stock, it has outstanding 7,516,448 common shares, of which management officials own 4.5%. W. P. Marshall is board chairman and R. W. McFall is president.

**INSIDER TRADING RULE AMENDED.** The SEC today announced the adoption of an amendment to Rule 16b-3 under the Securities Exchange Act (Release 34-7776). Section 16(b) of the Act provides that profits on short-term trading (transactions within a six-month period) by any person owning more than 10% of any class of equity security registered under Section 12, or by any officer or director of the issuer, shall inure to and be recoverable by or on behalf of the issuer. Rule 16b-3 exempts from the profit recovery provision of Section 16(b) any acquisition of stock (other than stock acquired upon the exercise of an option, warrant or right) pursuant to employee benefit plans meeting certain conditions and the acquisition of stock options under certain stock option plans. The rule as now amended excludes from the phrase "exercise of an option, warrant or right" an irrevocable election to take stock rather than cash under a deferred compensation plan where the stock will not be delivered to the participant until six months after termination of employment, provided such election is made prior to the making of an award under such plan.

**SECURITIES ACT REGISTRATIONS.** Effective December 22: Jostens, Inc., 2-24328; National Bowl-O-Mat Corp., 2-24241.

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

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