

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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Washington 25, D.C.

FOR RELEASE February 21, 1961

**SEC REGISTRATION PROCESS SIMPLIFIED.** The SEC has amended its Rules 473 and 478 under the Securities Act of 1933 to simplify the process of registering securities under that Act by eliminating the requirement for successive "delaying" amendments during the pendency of registration statements.

Under Section 8(a) of the Act, a registration statement becomes effective on the 20th day after filing or such earlier date as the Commission shall determine (under its power to "accelerate" the effectiveness of statements). However, the filing of an amendment establishes a new filing date and starts the 20-day period running anew. In order to prevent statements from becoming effective through lapse of time and before they have been amended to cure any deficiencies therein, it has been the practice of registrants to file technical or so-called "delaying" amendments prior to the 20th day to start the waiting period running again.

The amendment of Rule 473 provides for the filing, either with a registration statement or at a later date, of an amendment which would operate to delay the effective date of the statement without the necessity of filing successive delaying amendments. The delaying effect of such an amendment may be terminated in either of two ways, one by filing a further amendment which specifically states that the registration statement shall thereafter become effective in accordance with Section 8(a) of the Act, or by the Commission's granting acceleration of the effective date of the statement. If the former method is followed, the registration statement will ordinarily become effective twenty days after such amendment is filed, unless the Commission grants acceleration within that period. The new procedure is not mandatory although it is expected that registrants will find it to their advantage to follow it in order to avoid the necessity of preparing and filing successive delaying amendments. Use of the new method of delaying the effective date of a registration statement will not prejudice the orderly processing of the registration statement in the normal course unless the registrant specifically indicates a desire for such delay.

The Commission also has adopted an amendment to Rule 478 to permit the signing of any amendment filed pursuant to Rule 473 by the registrant or its agent for service.

**RICHARD C. BARBER REGISTRATION REVOKED.** The SEC today announced the issuance of an order (Release 34-6478) revoking the broker-dealer registration of Richard C. Barber, Madisonville, Ky., for failure to file the required financial reports for the past four years.

**CUSTER CHANNEL WING HEARING SET.** On request of Custer Channel Wing Corporation, of Hagerstown, Md., the SEC has scheduled a hearing for April 25, 1961, in its Washington office on the question whether to vacate or make permanent the Commission's order of December 29, 1960, temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of stock by the said company. The order asserted that certain terms and conditions of Regulation A were not complied with and the company's offering circular was false and misleading in respect of certain material facts.

**GEN. PUBLIC UTILITIES FILES FINANCING PROPOSAL.** General Public Utilities Corporation, New York holding company, has filed a financing proposal with the SEC under the Holding Company Act for itself and a subsidiary; and the Commission has issued an order (Release 35-14375) giving interested persons until March 9, 1961, to request a hearing thereon.

Under the proposal, GPU proposes to make bank borrowings from time to time during 1961 in amounts not to exceed \$12,000,000 outstanding at any one time. Its subsidiary, Pennsylvania Electric Company, of Johnstown, Pa., proposes to issue and sell to GPU during 1961 an additional 425,000 shares of its common stock at \$20 per share, or an aggregate of \$8,500,000. These funds will be used by the subsidiary for property additions and to reimburse its treasury for past expenditures for such purpose. The parent will use the balance of its borrowings to repay other borrowings.

**JURY VERDICT FAVORS TWO; ONE PLEAD GUILTY.** A verdict of not guilty was returned February 5th (LR-1914) by a Federal court jury in Boise, Idaho, against Edward L. Gibbons and Robert D. Sparrow, who had been tried under an indictment charging fraud in the sale of American National Investment Company stock. Edward L. MacClain previously had entered a plea of guilty; and defendant James J. McGraw died prior to the opening of trial.

**CENCON INC. SEEKS ORDER.** Cencon, Inc., New York, has applied to the SEC for an exemption from all provisions of the Investment Company Act; and the Commission has issued an order (Release IC-3194) giving interested persons until March 6, 1961, to request a hearing thereon. According to the application, Cencon is owned 50% by Continental Oil Company, a Delaware Corporation, and 50% by Universe Tankships, Inc., a Liberia corporation. Continental Oil is a publicly held company, while Universe is a wholly-owned subsidiary of Oceanic Tankships, S. A., a Panama corporation, all of the capital stock of which is owned by two persons, Daniel K. Ludwig and W. W. Wagner. Continental owns all of the capital stock of Conoco, A.G., a Switzerland corporation,

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which in turn owns 50% of Refineria Panama, S. A., a Panama corporation. The remaining 50% is owned by Central Industries, Inc., a Liberia corporation all of whose capital stock is owned by Universe Tankships.

The application further states that Refineria Panama proposes to construct and operate in Panama an oil refinery and related facilities and other properties. It will finance part of the cost of construction of this project by borrowing \$25,000,000, indirectly through Cencon, from two insurance companies. Cencon proposes to obtain these funds from the insurance companies by the issuance to them of \$25,000,000 of notes; and Refineria Panama in turn will execute and deliver to Cencon notes secured by a mortgage on substantially all of its properties. The financing documents contemplate the possibility that Cencon, which will serve solely as a debt financing vehicle for Refineria Panama, may issue one or more additional series of its notes in aggregate principal amount of \$50,000,000.

**COMMONWEALTH FUND FOR GROWTH FILES FOR OFFERING.** Commonwealth Fund For Growth, Inc., 155 Berkeley St., Boston, Mass., filed a registration statement (File 2-17613) with the SEC on February 20, 1961, seeking registration of 300,000 shares of common stock, to be offered for public sale at net asset value plus a sales charge ranging from a maximum of 7½% downward. The offering will be made through Trusteed Funds, Inc., the Fund's sponsor.

The Fund was organized under Delaware law in January 1960 and is an open-end diversified investment company whose investments are said not be limited to any particular industry but are selected on the basis of the Fund's stated investment objective of long-term capital growth, and income as consistent with such objective. Studley, Shupert & Co., Inc., of Boston, is listed as the Fund's investment adviser, and R. Wallace Bowman as president of the Fund and vice president of the investment adviser. Leonard F. Hendricks is listed as vice president of the Fund and a vice president and stockholder of the sponsor. Everett M. Studley, a director of the Fund, is treasurer and principal stockholder of the adviser and a director and stockholder of the sponsor.

**ADLER ELECTRONICS FILES FOR OFFERING AND SECONDARY.** Adler Electronics, Inc., 1 LeFevre Lane, New Rochelle, N. Y., filed a registration statement (File 2-17616) with the SEC on February 20, 1961, seeking registration of 160,000 shares of common stock, of which 110,000 shares are to be offered for public sale by the company and 50,000 shares, being outstanding stock, by the present holders thereof. The offering is to be made on an all or none basis through underwriters headed by Carl M. Loeb, Rhoades & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the design, development, production and sale of advanced electronic communications systems and equipment, including transportable communications systems and heterodyne repeater transmitting and receiving equipment for radio, television and microwave. The net proceeds from the company's sale of additional stock will be added to working capital. Initially the proceeds will be used to pay a \$500,000 demand bank loan and the balance to reduce \$1,584,647 of short-term bank loans which were incurred to defray expenses of production.

According to the prospectus, Richard C. Ernst, a director, is the holder of record of all of the 1,388 outstanding shares of \$1 par preferred stock of the company, which have a redemption value of \$250 per share, or a total of \$347,000. This stock, as well as common stock registered in his name, is held on behalf of a group including members of his and his wife's families, certain corporations and others. The group has agreed to surrender upon redemption thereof the preferred shares and an outstanding \$75,000 note and, with the \$422,000 proceeds, to purchase 28,129 additional common shares at \$15 per share.

In addition to the said loans, note and preferred stock, the company now has outstanding 524,000 shares of common stock, of which Benjamin Adler, president, owns 212,000 shares and proposes to sell 25,000 shares. Ernst holds of record (in addition to 15,625 shares beneficially owned) an aggregate of 248,375 common shares, of which 100,500, 52,710 and 36,500 shares are owned beneficially by Lynan G. Realty Corp., B. Bros. Realty Corp. and Hecser Corp., respectively, and each proposes to sell 10,000, 8,500 and 6,500 shares, respectively. After the foregoing transactions, the Ernst group will own an aggregate of 267,129 shares.

**SAXON PAPER CORP. FILES FOR SECONDARY.** Saxon Paper Corporation, 240 West 18th Street, New York, filed a registration statement (File 2-17615) with the SEC on February 20, 1961, seeking registration of 193,660 shares of common stock, to be offered for public sale from time to time by the present holders thereof on the American Stock Exchange at prices current at the time of the offering. Of such stock, 82,910 shares are intended to be offered within the 90-day period following the effective date of the statement, and the balance may be offered after the expiration of said period.

The company is engaged in the wholesale distribution of fine printing papers and paper products to the graphic arts industry, as well as to retail stationers and similar outlets. In addition to certain indebtedness, the company has outstanding 557,500 shares of common stock, of which Myron P. Berman, board chairman and president owns 86,340 shares, Clarice Brager, his sister, 75,000 shares, and management officials as a group, 239,150 shares. In March 1960, Berman and his associates acquired an aggregate of 205,000 outstanding common shares at \$6.30 per share from Sidney W. Saks, formerly controlling shareholder, chairman and president of the company. The prospectus lists 54 sellers of 193,660 shares of this stock (excluding Berman and his sister) their holdings ranging from 1,000 to 23,000 shares.

**ROCHESTER TELEPHONE PROPOSES RIGHTS OFFERING.** Rochester Telephone Corporation, 10 Franklin Street, Rochester, N. Y., today filed a registration statement (File 2-17617) with the SEC seeking registration of 273,437 shares of common stock. The company proposes to offer such stock for subscription by stockholders of record on March 24, 1961 on the basis of one new share for each five shares held. The subscription price is to be supplied by amendment. A group of underwriters headed by The First Boston Corporation have agreed to purchase at the subscription price such of the shares not issued pursuant to the rights offering, and to offer such shares for public sale on an all or none basis at prices related to the current price on the New York Stock Exchange at the time of offering. The underwriting terms are to be supplied by amendment.

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The net proceeds from the stock sale will be applied to the repayment of part of the company's demand borrowings from banks made in 1960 and 1961 for construction purposes, expected to aggregate \$6,000,000. The company expended \$15,219,080 for gross construction in 1960 and anticipates expenditures of about \$14,600,000 for 1961.

**FULTON INDUSTRIES FILES FOR SECONDARY.** Fulton Industries, Inc., 170 Boulevard, S. E., Atlanta, Ga., today filed a registration statement (File 2-17618) with the SEC seeking registration of 233,955 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering will be made on an all or none basis through underwriters headed by The Robinson-Humphrey Company, Inc. and Walston & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company carries on diversified manufacturing operations through several divisions and subsidiaries. These include Fulton Cotton Mills, a producer of textiles, Continental Gin Company, a manufacturer of cotton ginning equipment, Ainsworth Manufacturing Company, a producer of automotive parts, Precision Castings Company, a producer of non-ferrous metal castings, and American Buildings Company, a manufacturer of pre-engineered steel buildings.

In addition to certain indebtedness, the company has outstanding 1,491,166 shares of common stock, of which Jay Levine, board chairman, and David Berdon, vice chairman, own 163,036 shares each and propose to sell 32,607 shares each. David Berdon & Co. owns 130,910 shares and proposes to sell 26,182 shares; Wright National, Inc. owns 158,002 shares and proposes to sell 31,600 shares; and Bernard A. Mitchell, president, owns 99,114 shares and proposes to sell 19,823 shares. The prospectus lists 15 other stockholders who propose to sell amounts ranging from 612 to 18,348 shares.

**NORTH AMERICAN CAR PROPOSES OFFERING.** North American Car Corporation, 77 South Wacker Drive, Chicago, today filed a registration statement (File 2-17619) with the SEC seeking registration of 150,000 shares of common stock, to be offered for public sale through Glore, Forgan & Co. and Merrill Lynch, Pierce, Fenner & Smith, Inc. The offering price will be related to the current market price of outstanding shares at the time of the offering; and the underwriting terms are to be supplied by amendment.

The company is primarily engaged in the business of operating, as owner or lessee, and leasing specialized types of railway cars on a rental and mileage basis to shippers and railroads through the United States, Canada and Mexico. It expects to use about \$2,000,000 of the proceeds of its stock sale in connection with refinancing of equipment trust notes; and the balance will be added to the general funds of the company and will be available for use to expand its fleet and other facilities.

In addition to indebtedness, the company now has outstanding 1,370,594 common shares, of which management officials own about 5%. The prospectus lists E. C. R. Lasher as president.

**IVEST FUND FILES FOR OFFERING.** Ivest Fund, Inc., One State Street, Boston, Mass., filed a registration statement (File 2-17620) with the SEC on February 20, 1961, seeking registration of 150,000 shares of common stock, to be offered for public sale at net asset value through Ivest, Inc., the Fund's underwriter and investment adviser. No sales commission or underwriting charges will be paid.

The Fund was organized under Massachusetts law on February 16, 1961 and is a non-diversified, fully managed, open-end investment company, whose stated objective is capital appreciation. The Fund is the successor to Professional Investors, a private investment association previously managed by the operating officers of the Fund and its investment adviser. The assets of Professional Investors underlying its outstanding shares of beneficial interest will be transferred to the Fund by its shareholders, of whom not more than 25 of the 26 such shareholders will own such shares representing at least \$100,000 in net value of the underlying assets.

William Nicholas Thorndike is listed as president of the Fund and of Ivest, Inc.; George Lewis as treasurer and vice president of both companies; and Stephen Davies Paine and Robert Wren Doran as vice presidents of both companies. Thorndike, Doran, Paine and Lewis are the sole stockholders of Ivest, Inc.

**EFFECTIVE SECURITIES ACT REGISTRATIONS.** February 21: Atlanta Self-Service Associates (File 2-17447); Banner Industries, Inc. (File 2-17365); Ilikon Corporation (File 2-17408); K-S Funds, Inc. (File 2-17155).

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