

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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FOR RELEASE June 1, 1966

COPENHAGEN TELEPHONE SEEKS ORDER. The SEC has issued an order giving interested persons until June 30, 1966, to request a hearing upon an application of Kjøbenhavns Telefon Aktieselskab (Copenhagen Telephone Company, Incorporated), filed pursuant to Section 310(b)(1) of the Trust Indenture Act of 1939, for a finding which would permit First National City Bank to serve as trustee under an indenture dated as of April 1, 1966, pursuant to which the Telephone Company issued \$10,000,000 of 6-3/4% Sinking Fund Dollar Debentures due 1986. The said indenture has not been qualified under the Act.

The Bank now serves as trustee under 1962 and 1963 indentures, which were qualified under the Act and pursuant to each of which \$15,000,000 of debentures were issued by the Telephone Company; and it also serves as trustee under a 1964 indenture, not so qualified, pursuant to which \$15,000,000 of debentures were issued. It seeks a determination by the Commission that the Bank's trusteeship under all four indentures is not so likely to involve a material conflict of interest as to make it necessary for the Bank to disqualify itself from acting as trustee thereunder.

FIRST VIRGINIA CORP. FILES EXCHANGE PROPOSAL. The First Virginia Corporation, 2924 Columbia Pike, Arlington, Va. 22204, filed a registration statement (File 2-25074) with the SEC on May 27 seeking registration of 450,600 shares of common stock, to be offered in exchange for all of the outstanding capital stock of First Valley National Bank, Rich Creek, Va., and Staunton Industrial Bank, Staunton, Va. The exchange rate is 4.10 company shares for each share of First Valley National and 10.10 shares for each share of Staunton Industrial. The offer is subject to the acceptance thereof by the holders of not less than 80% of the capital stock of each bank.

The company has ten banking subsidiaries engaged in the general commercial banking business in Virginia. In addition to indebtedness and preferred stock, it has outstanding 4,531,101 common shares, of which management officials own 17.22%. Edwin T. Holland is board chairman and Ralph A. Beaton is president.

AMERICAN-AMICABLE LIFE RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4614) authorizing American-Amicable Life Insurance Co., Waco, Tex., to transfer 76,500 shares of stock of United Services Life Insurance Co. to Insurance Securities Trust Fund in exchange for 85,770 shares of stock of Gulf Life Insurance Co. According to the application, such exchange was effected in February 1964 and in order to resolve certain uncertainties caused by the transaction which may have been in violation of Section 17(a) of the Act, American Amicable sought a Commission order approving the exchange. At all times pertinent hereto, the applicant and Insurance Securities Trust Fund, which is a registered investment company, were "affiliated persons" within the meaning of the Act.

MET-ED RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15489) authorizing Metropolitan Edison Co., Berks County, Pa., subsidiary of General Public Utilities Corp. to sell \$15,000,000 of first mortgage bonds (due 1996) at competitive bidding. The company proposes to use the proceeds of this financing to reimburse its treasury in part for the cost of construction prior to 1966. Its 1966 construction program is expected to cost \$26,500,000.

PENNSYLVANIA ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15488) authorizing Pennsylvania Electric Co., Johnstown, Pa., to acquire the right under its charter to generate electricity by means of water power. For this purpose, Penelec organized and proposes to acquire all of the capital stock of Kinzua Water Power Co., a Pennsylvania corporation whose charter includes such right. Penelec proposes to merge with Kinzua; and it will then be in a position to participate with a non-associated company in the construction and operation of a 325,000 kilowatt pumped storage hydro-electric generating station to be located in Warren County, Pa.

UNITED SECURITY LIFE SUSPENSION CONTINUED. The SEC has issued an order suspending over-the-counter trading in securities of United Security Life Insurance Co. for a further ten-day period, June 2-11, 1966, inclusive.

GUNTER & CO. ENJOINED. The SEC Fort Worth Regional Office announced May 27 (LR-3515) the entry of a Federal court order (USDC, Little Rock, Ark.) enjoining Gunter & Co., Inc., and Carl T. Gunter, Sr., its president (both of Little Rock) from further violations of the anti-fraud provisions of the Securities Exchange Act in transactions with the firm's customers.

OZARK AIR LINES PROPOSES DEBENTURE OFFERING. Ozark Air Lines, Inc., Lambert-St. Louis Municipal Airport, St. Louis, Mo. 63145, filed a registration statement (File 2-25069) with the SEC on May 27 seeking registration of \$12,000,000 of convertible subordinated debentures (due 1986). The debentures are to be offered for public sale through underwriters headed by Lehman Brothers, One William St., and Auchincloss, Parker & Redpath, 2 Broadway, both of New York 10004. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

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The company conducts scheduled airline operations generally in the middle western United States. Of the net proceeds of its debenture sale (together with \$31,500,000 of borrowings), \$6,610,237 will be used to repay indebtedness; \$35,004,000 will be used to pay the balance of the purchase price of certain aircraft and equipment; \$1,194,000 will be expended for ground support equipment; and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 2,327,841 common shares, of which management officials own 38.8% (including 26.2% owned by Floyd W. Jones, board chairman). Thomas L. Grace is president.

ALLIED CHEMICAL FILES FOR SECONDARY. Allied Chemical Corporation, 61 Broadway, New York 10006, filed a registration statement (File 2-25072) with the SEC on May 27 seeking registration of 430,047 outstanding shares of common stock. The present holders thereof propose to offer the stock for public sale through underwriters headed by Carl M. Loeb, Rhoades & Co., 42 Wall St., and Smith, Barney & Co. Inc., 20 Broad St., both of New York 10005. The public offering price (\$39.75 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in chemical activities. In addition to indebtedness, it has outstanding 27,881,610 common shares. The prospectus lists six selling stockholders, including Florence V. Burden, who is offering her entire stock holdings of 285,237. William A. M. Burden, a director, proposes to sell 21,779 of his holdings of 34,279 shares; and the remaining shares are to be sold for the account of four Burden family trusts, which will thereafter hold no company shares. Chester M. Brown is board chairman and president.

JAMES ROPER BARRED. The SEC has issued an order under the Securities Exchange Act (Release 34-7895) barring James L. Roper, of Washington, D. C. from further association with a broker or dealer. Roper was one of the individual respondents named in the proceedings involving the Washington firm of Hodgdon & Co., Inc. He failed to file an answer as directed in the order for proceedings. Thus, under the Commission's rules he may be considered in default and the proceedings may be determined against him upon the basis of the charges set forth in the order. Accordingly, the Commission found that between August 1959 and January 1963 Roper violated the Securities Act registration provisions in the offer and sale of securities of U. S. Infrared Corp., Paragon Electrical Manufacturing Corp. and Data Processing Corp.; also, that he violated the anti-fraud provisions of the Federal securities laws by making false and misleading statements in the offer and sale of securities of Infrared, Paragon and Apache Canadian Oil & Gas Program 1961.

SECURITIES ACT REGISTRATIONS. Effective May 31: Delta Corp., 2-24765; The Fluor Corp., Ltd., 2-24478; Hughes & Hatcher, Inc., 2-24686; International Business Machines Corp., 2-24983 (July 12); Industrial Development Bank of Israel Limited, 2-24735 (40 days); S. S. Kresge Co., 2-24813; Scovill Manufacturing Co., 2-24916; Standard Oil Co. (Indiana), 2-25005; Teleflex Inc., 2-24964; Thermal Hydraulics, Inc., 2-24056 (90 days); United States Rubber Co., 2-24993.
Effective June 1: Charter New York Corp., 2-24907 (Aug 25).
Withdrawn May 31: W. T. Grant Co., 2-24694.

NOTE TO DEALERS. 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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