

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 March 10, 1964

ERNSTROM EMPLOYMENT CLEARED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7265) granting an application of the NASD for continuance in membership of a firm while employing George R. Ernstrom, of Fullerton, Calif. Ernstrom was a disqualified person by reason of his conviction in 1956 (USDC, ED NY) of engaging in the securities business in 1952 without being registered as a broker-dealer. The court suspended sentence and placed Ernstrom on probation for three years, on condition that he not engage in the securities business during that time. Both the prospective employer and the NASD have considered Ernstrom's background in detail and have received character testimonials from recent employers and associates of Ernstrom. The activities which led to Ernstrom's conviction occurred more than 11 years ago, and there is no evidence that he violated the special terms of his probation or that he has been the subject of any complaints or disciplinary proceedings since his conviction eight years ago. The member firm states that it intends to employ Ernstrom as a salesman in its main office under the close personal supervision of the firm's principals.

ESS-KAY ENTERPRISES HEARING SCHEDULED. The SEC, on request of Ess-Kay Enterprises, Inc., of Atlanta, Ga., has scheduled a hearing for March 17, 1964 in the Commission's Atlanta Regional Office, for the purpose of taking evidence on the question whether to vacate or make permanent the March 2, 1964, order of the Commission temporarily suspending a Regulation A exemption from registration with respect to a public offering of stock by Ess-Kay. The offering proposal was filed with the Commission in April 1962 and involved 13,416 shares of Ess-Kay common for offering at \$15 per share. The March 2d suspension order was based upon asserted non-compliance with Regulation A disclosures requirements.

FORT APACHE OIL SUSPENSION PERMANENT. Fort Apache Oil & Gas, Inc., Yuma, Ariz., has withdrawn its request for a hearing upon the Commission's January 23d order temporarily suspending a Regulation A exemption with respect to a proposed public offering of 300,000 common shares by said company. The suspension order, which has now become permanent, was based upon failure of the company to disclose (among other things) the speculative aspects and risk features of the company's business and the interests in and benefits to be derived by one of the promoters in other leaseholds adjacent to those of Fort Apache Oil.

TEXAS GAS TRANSMISSION FILES STOCK PLAN. Texas Gas Transmission Corporation, Owensboro, Ky., filed a registration statement (File 2-22127) with the SEC on March 6th seeking registration of \$460,000 of participations in its Thrift Plan for Employees, together with 7,350 common shares which may be acquired pursuant thereto.

PACIFIC STANDARD LIFE PROPOSES OFFERING. Pacific Standard Life Insurance Company, 3550 North Central Ave., Phoenix, filed a registration statement (File 2-22128) with the SEC on March 9th seeking registration of 400,000 shares of common stock, to be offered for public sale by the company (without underwriting) at an estimated maximum of \$6 per share*.

The company was organized under Arizona law in April 1960 and is engaged primarily in writing credit life and disability insurance; but it plans to devote a substantial effort in the immediate future to writing all of the standard forms of insurance. Net proceeds of the stock sale will be added to the capital and surplus of the company, and will enable the company to write a larger volume of insurance in all lines of its business. The company now has outstanding 643,169 common shares, of which management officials own 42.57%. Clifford N. Gamble, president, owns 166,010 shares, or 25.81%.

SURETY LIFE FILES STOCK PLAN. Surety Life Insurance Company, 1935 South Main St., Salt Lake City, Utah 84115, filed a registration statement (File 2-22129) with the SEC on March 9th seeking registration of 267,000 shares of common stock, of which 250,000 shares are to be offered to employees and sales representatives pursuant to the company's Stock Purchase Plan. The remaining 17,000 are to be purchased by DCA Investors, Inc. According to the prospectus, these shares are to be issued to DCA Investors for the purchase from said company of 850 shares of Class B common stock (non-voting) of Aberdeen Management Corporation (said Class B shares constituting 50% of the capital of DCA Investors), and all of the right, title and interest in and to a contract dated January 31, 1964, entered into between DCA Investors, Inc., and Aberdeen Management Corporation, whereby DCA Investors, Inc., would receive from the custodian of Aberdeen Investor Programs \$2,000 per month for the period commencing February 1, 1964, through December 31, 1976, inclusive, aggregating \$310,000. By this purchase, the company would receive the payments due under said contract, commencing with the payment due in February, 1964.

CAPITAL EXPENDITURES UP. The SEC and the Department of Commerce announced today that business expenditures on new plant and equipment in 1964 are expected to amount to a record \$43.2 billion, 10 percent higher than last year. Realizations of these programs would mark the third successive year of recovery from the recent low in 1961; more significantly the expected rise in 1964 is larger than those experienced in the previous two years. For details, see Stat. Release No. 1960.

OVER

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. Copies thereof may be ordered from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with photocopy material when mailed. An index of the caption of the several items of the form was included in the March 9th News Digest.

America Corp. (Ohio) Apr 58 (It 11)	Texize Chemicals Inc (Del) Feb 64 (It 11)
Apr 59 (It 11) Apr 60 (It 11)	Industrial Instruments, Inc. Jan 64 (It 7)
Apr 61 (It 11) May 61 (Its 2,13)	Missouri Natural Gas Co. Feb 64 (It 11)
May 62 (Its 2,13) Apr 62 (It 11)	Fed-Mart Corp Jan 61 (It 11) Jan 62 (It 11)
Apr 63 (It 11) July 63 (It 6)	Jan 63 (It 11) Jan 64 (It 11)
Dec 63 (Its 2,4,11,13)	Foster Grant Co Inc Feb 64 (It 11)
Lakeside Industries Inc Oct 63 (It 11)	American Optical Co Dec 63 (Its 7,10)
Newark Electronics Corp Feb 64 (Its 12,13)	Torrington Co Feb 64 (It 12)
Home Tel & Tel Co of Va Jan 64	Metropolitan Development Corp Jan 64
(Its 2,7,11,13)	(Its 2,10,12,13)

ALUMONT INC. ENJOINED. The SEC Seattle Regional Office announced March 6th (LR-2858) the entry of a Federal court order (USDC, Boise, Idaho) permanently enjoining Alumont, Inc., and Harold T. Allen from further violating the Securities Act registration requirement in the sale of Alumont securities.

SEC COMPLAINT NAMES MIDLAND BASIC, OTHERS. The SEC Denver Regional Office announced March 6th (LR-2859) the filing of a Federal court action (USDC Sioux Falls, S. Dak.) seeking to enjoin Midland Basic, Inc., Midland Security, Inc., Donald P. Sandidge, aka Don P. Sandidge, Phyllis J. Sandidge and Robert Moffet Walz from further violations of the registration requirements of the Securities Act and the Investment Company Act; to enjoin the said Donald P. and Phyllis J. Sandidge from serving as officials of Midland Basic or any other investment company; and to have a receiver appointed for Midland Basic.

SOUTHEASTERN SECURITIES ENJOINED. The SEC New York Regional Office announced March 6th (LR-2860) the entry of a Federal court order (USDC NYC) permanently enjoining Southeastern Securities Corporation, of 15 William St., New York, and A. Francis Renaud, its president, from further violating the net capital and anti-fraud provisions of the Securities Exchange Act. Appointment of S. Hazard Gillespie as receiver of Southeastern continued.

LEO LUEBBEHUSEN ENJOINED. The SEC Fort Worth Regional Office announced March 6th (LR-2861) the entry of a Federal court order (USDC, Fort Worth) permanently enjoining Leo A. Luebbehusen, individually and dba Leo Luebbehusen and Associates, with his consent, from further violating the net capital, anti-fraud and record-keeping provisions of the Securities Exchange Act.

SECURITIES ACT REGISTRATIONS. Effective March 9: Southeastern Public Service Co. (File 2-22089); Zapata Off-Shore Co. (File 2-22010). Effective March 10: Hayes International Corp. (File 2-22036); National Steel Corp. (File 2-22091).

*As estimated for purposes of computing the registration fee.

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