

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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OLYMPIC LIFE INS. FILES FOR OFFERING. Olympic Life Insurance Company, 304 W. Seventh St., Fort Worth, Texas, filed a registration statement (File 2-22404) with the SEC on May 7 seeking registration of 1,500,000 shares of common stock. Of this stock, 1,200,000 shares are for issuance to persons who have acquired pre-organization subscriptions for a like number of common shares of the company, such persons being primarily insurance agents or otherwise related to the insurance business in Texas. Pursuant to such subscriptions, 150,000 shares will be issued to an "Association for the Incorporation" of Olympic (the 23 promoters in this group include William R. Bagg, president); 79,000 shares to a three-man "underwriting group"; and an additional 60,000 shares to Bagg (including those shares subscribed for on his behalf by the Association). The selling price of subscriptions acquired by the underwriting group is equal in amount to the total compensation they are to receive for services to be rendered to the Association. Subscriptions for an additional 200,000 shares were acquired by the said promoters (other than Bagg and two others). According to the prospectus, no re-offering of shares is to be made by the promoters, management officials, underwriters and others, whose holdings aggregate 550,500 shares. Also included in the statement are 265,000 shares to be reserved for issuance on exercise of special options to be issued to insurance agents and 35,000 for issuance on exercise of general options to be issued to officers and employees. The company is to be organized under Texas law and licensed to engage in the conduct of an insurance business in that State. The proceeds from its sale of securities will be applied to the conduct of such business.

BROAD STREET INVESTING SEEKS ORDER. Broad Street Investing Corporation, New York open-end investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to the proposed issuance of its shares at net asset value for substantially all of the cash and securities of High Street Investment Fund, Inc.; and the Commission has issued an order (Release IC-3973) giving interested persons until May 28th to request a hearing thereon. According to the application, the cash and securities of High Street (a Rhode Island corporation with approximately 250 stockholders) had an approximate value of \$3,439,824 as of March 23, 1964. The shares of Broad Street Investing so acquired by High Street are to be distributed to its shareholders on the liquidation of High Street.

MICHIGAN CONSOLIDATED ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15069) approving a proposal of Michigan Consolidated Gas Company for the issuance and sale of 500,000 additional shares of common stock to its parent, American Natural Gas Company, for \$7,000,000, and for the issuance and sale (at competitive bidding) of \$30,000,000 of first mortgage bonds due 1989. The proceeds from the subsidiary's sale of bonds and stock are to be used to retire outstanding short-term notes payable to banks, which were issued for construction purposes and which aggregated \$13,500,000 at the end of 1963, and to finance, in part, its 1964 construction program.

CONSOLIDATED NATURAL GAS FILES FINANCING PROPOSAL. Consolidated Natural Gas Company, New York holding company, has joined with five of its subsidiaries in the filing of a financing proposal with the SEC under the Holding Company Act; and the Commission has issued an order (Release 35-15070) giving interested persons until June 10th to request a hearing thereon. Under the proposal, the parent would issue bank notes during 1964 in amounts not to exceed \$20,000,000 in the aggregate, to provide funds for the system's 1964 construction program (estimated at \$70,600,000), and \$35,000,000, to finance the seasonal increase in gas storage inventories. In addition, Consolidated proposes to make open account advances to the subsidiaries in amounts aggregating \$23,300,000 for financing plant construction expenditures and \$35,000,000 for financing gas storage inventories.

SALE OF HYDROCARBON CHEMICAL SECURITIES RESTRAINED. The SEC New York Regional Office announced May 7 (LR 2926) the entry of a Federal court order (USDC, New Jersey) temporarily restraining the sale of stock and debentures of Hydrocarbon Chemicals, Inc., and debentures of its subsidiary, Southwestern Hydrocarbon Pipeline Co. in violation of the Securities Act registration requirement, the said order applying to defendants Paul N. Belmont, Bank of Commerce, Robert F. Euwer, Harry Duckworth, John Albert Williams, Charles T. Cubellis, A. George Kavner, David H. McAvoy, Jr., Philip Comora, Anthony DePetro, Harry S. Ivory, A. Lee Wheeler, and Jack F. Perkins, Jr. With their consent, the court also preliminarily enjoined Merle B. Kenwood and permanently enjoined Jerome J. Gunther, dba Jerome J. Gunther & Co., and Arthur H. Witmond.

RECEIVER FOR FLEETWOOD SECURITIES. The SEC New York Regional Office announced May 7 (LR 2925) that a Federal court (USDC SDNY) had named Barry H. Garfinkel, Esq., 551 Fifth Ave., New York, as receiver for Fleetwood Securities Corporation of America, 44 Wall St., New York. The court also entered an order preliminarily enjoining Investment Company Act violations by Fleetwood, which is depositor and principal underwriter for The Electronics Investment Program, a registered unit investment trust.

OVER

SEC COMPLAINT NAMES FRONTIER PETROLEUM. The SEC Chicago Regional Office announced May 7 (LR 2924) the filing of Federal court action (USDC Chicago) seeking to enjoin Frontier Petroleum Corporation, of Chicago, and its owners and operators, Raymond Silhan and Steve Pawlowski, from violating the Securities Act registration requirements in the sale of oil interests.

SEC COMPLAINT NAMES PETROLINI CORP. The SEC Chicago Regional Office announced May 8 (LR 2923) the filing of Federal court action (USDC Chicago) seeking to enjoin Petrolini Corporation of Chicago and Quincy, and its owner and operator, John Edward Carson, from violating the Securities Act registration requirement in the sale of oil interests.

PITNEY-BOWES FILES STOCK PLAN. Pitney-Bowes, Inc., Walnut and Pacific Streets, Stamford, Conn., filed a registration statement (File 2-22413) with the SEC on May 11 seeking registration of \$1,200,000 of participation in its Employees' Stock Purchase Plan.

SEC ORDER CITES DIVERSIFIED SECURITIES. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Diversified Securities Corporation, of 572 E. Green Street, Suite 205, Pasadena, Calif. The said firm has been registered with the Commission as a broker-dealer since December 1962; and on April 10, 1964, it filed a request for withdrawal from registration. It is a member of the National Association of Securities Dealers, Inc., and Leon Kimel and Donald A. Forsblade are president and vice president, respectively.

The proceedings are based upon staff charges that the firm and the two individuals, from January to March 18, 1964, offered and sold common stock of Kramer-American Corp. and of Merit Oil Ltd. in violation of the Securities Act registration and anti-fraud provisions. On April 18, 1964, pursuant to Commission complaint, the three respondents were preliminarily enjoined by Federal court order from further offering and sale of Kramer-American stock in violation of the said registration requirement.

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

SCIENTIFIC DATA SYSTEMS FILES FOR OFFERING AND SECONDARY. Scientific Data Systems, Inc., 1649 Seventeenth St., Santa Monica, Calif., filed a registration statement (File 2-22403) with the SEC on May 7 seeking registration of 387,975 shares of common stock. Of this stock, 200,000 shares are to be offered by the company and 187,975 (being outstanding stock) by the present holders thereof. The offering will be made by an underwriting group headed by Hayden, Stone Incorporated, 25 Broad St., New York (35,000 shares will initially be offered to persons designated by the company). The public offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company designs, manufactures and sells small to medium size, high-speed digital computers and special purpose computer systems. It also produces related peripheral equipment and accessories, including circuit modules, analog-to-digital and digital-to-analog converters, and multiplexing equipment. Net proceeds from the company's sale of additional stock will be added to its general funds. From such funds, \$600,000 will be used to reduce outstanding short-term notes; about \$400,000 will be used for expansion of facilities and manufacturing equipment at the company's new plant; about \$800,000 will be applied to the reduction of trade accounts payable; and approximately \$300,000 will be used for the retirement at maturity in 1965 of a note for \$692,000 executed in connection with the purchase of certain land and facilities. In addition to indebtedness, the company has outstanding 1,904,800 common shares, of which management officials as a group own approximately 45%. The prospectus lists 25 selling stockholders, including Peter J. Fenchel, vice president (offering 4,500 of his holding of 19,200 shares); Max Palevsky, president (offering 25,000 of his holding of 386,000 shares); the estate of Leonard M. Sperry, former board chairman (offering 37,000 of its holding of 176,700); and Victoria H. Sperry (offering 50,000 of her holding of 155,350 shares). The additional stock being offered ranges in amounts from 250 to 16,000 shares. Arthur Rock is listed as board chairman.

SMYTHE BOWERS HILLIARD CO. DECISION RENDERED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7312) in administrative proceedings involving the broker-dealer firm of Smythe, Bowers, Hilliard & Co., Inc., of 166 W. Washington St., Chicago. According to the decision, in the spring of 1962 when it was undergoing a change in ownership and management, the firm violated the anti-fraud provisions of the Federal securities law in that in five instances it sent confirmations to customers representing that their securities orders had been executed as agent, and a commission charged, when, in fact, the execution of such orders had not occurred. The firm also engaged in the conduct of a securities business when it did not meet the SEC net capital rule, and it failed to file its 1961 report of financial condition and to maintain and keep current certain required books and records. Various considerations were urged in mitigation, including the fact that George A. Smythe, within three months after he became president, took action to correct all the pre-existing conditions which resulted in the violations. The Commission concluded that revocation of the firm's broker-dealer registration is not required in the public interest, provided the firm shows that, upon the resumption of business (the firm had consented to suspension of its registration), appropriate safeguards will be established and maintained to guard against further violations. Accordingly, the Commission determined to withhold the entry of an order for 90 days to permit such a showing.

DATE FOR COMMENTS ON RULE PROPOSAL EXTENDED. On April 21, 1964 the SEC announced a proposal to amend Form S-1, Form S-8 and Form S-11 under the Securities Act of 1933 and Form 10, Rule 10b-6 and Rule 16b-3 under the Securities Exchange Act of 1934, which amendments were deemed appropriate in view of certain

changes made by the Revenue Act of 1964 in the provisions of the Internal Revenue Code relating to stock options eligible for special tax treatment (see Release 33-4686).

This proposal was not published in the Federal Register until May 9, 1964, due to the delay experienced in preparing it for such publication.

Accordingly, the due date for the submission of views and comments thereon has been extended to June 1, 1964.

SEC COMPLAINT NAMES RAM OIL CO. The SEC San Francisco Regional Office announced May 7 (LR 2922) the filing of a Federal court complaint (USDC, Los Angeles) seeking to enjoin further offering and sale of stock of Ram Oil Company by the defendant company, of Phoenix, Arizona, in violation of the Securities Act registration requirement. Also named as defendants were Donald E. Hornecker and Maynard J. Davies, president and vice president, respectively.

J. W. RILEY ENJOINED. The SEC Atlanta Regional Office announced May 5 (LR 2920) the entry of a Federal court order (USDC, Miami) permanently enjoining the sale of The Genesis Corporation stock by James W. Riley in violation of the Securities Act anti-fraud provisions. Two other defendants previously were so enjoined.

SEC COMPLAINT NAMES COMSTOCK COIN CO. The SEC announced on May 8 (LR 2921) the filing of a Federal court action (USDC, Nev.) seeking to enjoin the sale of securities (investment contracts) by Comstock Coin Company, of Reno, and its president, Don A. Denny.

SIERRA PACIFIC POWER FILES FINANCING PROPOSAL. Sierra Pacific Power Company, 220 S. Virginia St., Reno, Nev., filed a registration statement (File 2-22411) with the SEC on May 8 seeking registration of \$7,000,000 of first mortgage bonds (due 1994) and 100,000 shares of preferred stock, to be offered for public sale at competitive bidding. The company is engaged principally in the electric utility business in the States of Nevada and California. Net proceeds of this financing will be used to pay outstanding bank loans (aggregating approximately \$9,000,000) incurred for construction purposes, and any balance will be used to provide funds for the company's 1964 construction program (expected to approximate \$13,500,000). In addition to indebtedness and preferred stock, the company has outstanding 1,895,743 shares of common stock, of which management officials as a group own 2.6%. Fred L. Fletcher is listed as president.

COLONIAL CORP. FILES FOR SECONDARY. Colonial Corporation of America, 45 W. 33rd St., New York, N. Y., filed a registration statement (File 2-22412) with the SEC on May 8 seeking registration of 433,500 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through an underwriting group headed by Hayden, Stone Incorporated, 25 Broad St., New York. The public offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures and sells men's and boys' popular-priced sport and dress shirts, outerwear jackets and pajamas; women's and girls' popular-priced blouses, dresses, lingerie and housecoats; utility fabrics (consisting principally of interfacings, underlinings and interlinings); and curtains, draperies and bedspreads. In addition to indebtedness, it has outstanding 3,148,090 shares of common stock, of which management officials as a group own 33%. The prospectus lists nine selling stockholders, including Sol Berger, president (offering 235,776 of his holding of 960,762 shares), David B. Carmel (offering 70,762 of his holding of 171,009 shares) and Stanley I. Sheerr (offering 61,343 of his holding of 161,589 shares). The remaining stock to be offered ranges in amounts from 3,598 to 28,505 shares.

SWEETS CO. FILES FOR SECONDARY. The Sweets Company of America, Incorporated, 1515 Willow Ave., Hoboken, N. J., filed a registration statement (File 2-22408) with the SEC on May 8 seeking registration of 94,000 outstanding shares of common stock, to be offered for public sale by the present holder thereof. The offering is to be made through an underwriting group headed by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., New York. The public offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company's business consists of the manufacture and sale of candy and other confectionery products. Substantially all of its products are sold under the registered trademarks "Tootsie" or "Tootsie Roll". The company has outstanding 1,586,350 shares of common stock, of which management officials as a group own 15%. The selling stockholder is the Leah and Joseph Rubin Foundation, a charitable corporation, which owns beneficially 124,200 common shares. The directors of the Foundation are William B. Rubin (president of the company) and ten other persons, eight of whom are related to him.

STANDARD FINANCIAL FILES FOR SECONDARY. Standard Financial Corporation, 530 Fifth Ave., New York, N.Y. filed a registration statement (File 2-22410) with the SEC on May 8 seeking registration of 126,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made by an underwriting group headed by Francis I. duPont, A. C. Allyn, Inc., One Wall St., New York. The public offering price (\$14.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company furnishes working funds for a diversified group of industrial and commercial clients throughout the United States. In addition to indebtedness and preferred stock, it has outstanding 2,520,380 shares of common stock, of which management officials as a group own 17.46%. Theodore H. Silbert is president. The prospectus lists seven selling stockholders, including Fred Nives (offering 100,000 of his holding of 130,000 shares) and Samuel Schulman (offering his entire holding of 22,500 shares). The remaining stock to be offered ranges in amounts from 1,500 to 10,000 shares.

SECURITIES ACT REGISTRATIONS. Effective May 8: Chesapeake Life Ins. Co. (File 2-22205); Monsanto Co. (File 2-22322); Surety Life Ins. Co. (File 2-22129). Effective May 11: American Building Maintenance Industries (File 2-22117); Long Island Lighting Co. (File 2-22332); Central Illinois Public Service Co. (File 2-22326); Southern Gas Co. (File 2-22321); The Singer Co. (File 2-22290). Effective May 12: Colonial Life and Accident Ins. Co. (File 2-22199). Withdrawn May 8: Marshall Press (File 2-20435).

*As estimated for purposes of computing the registration fee.