

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 September 4, 1964

INVESTMENT COMPANY RULE ADOPTED. The SEC today announced the adoption of a new Rule 12d-1 under the Investment Company Act (Release IC-4044) to provide an exemption from the provisions of Section 12(d)(3) of the Act which prohibit registered investment companies from purchasing direct or indirect interests in or securities of firms engaged in business as brokers, dealers, underwriters, and investment advisers. The purpose of the rule is to permit investment companies, under specified circumstances, to retain or to acquire the securities of portfolio companies which are directly or indirectly engaged in these businesses, provided that the portfolio companies are primarily and predominantly engaged in other businesses and have derived and continue to derive a relatively insignificant portion of their gross revenues from these businesses.

The conditions stated in the rule are that the exemption is available for acquisitions by investment companies if during the most recent three fiscal years the portfolio company derived not more than 15% of its total gross revenues from the specified businesses, and if the registered investment company and all companies under the same or affiliated management as the registered company do not, in the aggregate, own more than 10% of the total outstanding voting stock of the portfolio company. The rule also provides an exemption for the purchase by an investment company of an unlimited percentage of the securities of a portfolio company, if the portfolio company, during its most recent three fiscal years, has not derived more than 1% of its total gross revenues from the businesses referred to in Section 12(d)(3) of the Act.

ARKANSAS P & L PROPOSES OFFERING. Arkansas Power & Light Company, Ninth and Louisiana Streets, Little Rock, filed a registration statement (File 2-22741) with the SEC on September 3 seeking registration of 75,000 shares of \$100 par cumulative preferred stock, to be offered for public sale at competitive bidding. The company is a public utility operating primarily within Arkansas. Net proceeds from its stock sale will be used for construction purposes, to repay bank loans incurred therefor and for other corporate purposes. Construction expenditures for 1964 are estimated at \$39,500,000. In addition to indebtedness and preferred stock, the company has outstanding 6,300,000 shares of common stock, all of which is owned by Middle South Utilities, Inc. Reeves E. Ritchie is company president.

ATLAS CREDIT FILES FINANCING PROPOSAL. Atlas Credit Corporation, Melrose Park, Philadelphia, filed a registration statement (File 2-22742) with the SEC on September 3 seeking registration of \$9,000,000 of capital debentures due 1984 (with attached warrants to purchase common stock), to be offered for public sale through underwriters headed by White, Weld & Co. Inc., 20 Broad St., New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged through subsidiaries in the finance business and related activities. On September 28, 1964 a Plan for Transfer of Assets to Subsidiary (Atlas Financial Corporation) is scheduled for approval. Simultaneous with the issuance of the securities registered hereby, the company's finance business assets will be conveyed to Atlas Financial. The company will then be, in effect, a holding company owning the stock of its four finance subsidiaries. Of the net proceeds from its sale of securities, \$6,750,000 will be invested in Atlas Financial and used to reduce short-term indebtedness incurred for working capital. The balance of the proceeds will be available for general corporate purposes including financing the acquisition by a subsidiary of shares of West Jersey Title and Guaranty Company (a title insurance company) and for working capital. In addition to indebtedness and preferred stock, the company has outstanding 2,174,175 common shares, of which management officials as a group own approximately 33%. J. L. Wolgin is president and board chairman.

JERRY MOORE, INC., FILES FOR SECONDARY. Jerry Moore, Inc., Downtowner Bldg., Canton, Ohio, filed a registration statement (File 2-22743) with the SEC on September 3 seeking registration of 250,000 outstanding shares of common stock, to be offered for public sale by Gerald H. Moore (company president). The offering is to be made at \$10 per share through Myron A. Lomasney & Co., 67 Broad St., New York, which will receive a \$1-per-share commission. Moore has also agreed to sell to the underwriter, for an aggregate price of \$200, 5-year options to purchase an additional 20,000 shares.

Organized under Ohio law in 1962, the company is engaged in leasing and acquiring interests in prospective oil and gas properties, conducting exploratory and developmental work thereon, and producing and selling oil and gas. In addition to indebtedness, it has outstanding 1,070,000 common shares, all of which are owned by management officials (including 1,065,000 shares owned by Moore). In connection with its organization, the company issued to Moore 100 common shares of the par value of \$100 per share (which were changed to 1,020,000 common shares par value 10¢ per share by recapitalization of the company on June 30, 1964) and a note in the principal amount of \$25,500. In consideration therefore, Moore transferred to the company the following assets: a private residence located in Canton and interests in leases located in Morrow County, Ohio. The cost to Moore of such assets (net of a mortgage of \$26,637 on the residence at the time of transfer) was \$35,500 and the company received the assets at such value. The company on June 30, 1964 issued 45,000 common shares to Moore in connection with its acquisition of the capital stock of Graytex Drilling Company, Inc.

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 September 2 News Digest.

Pacific Tel & Tel Co, July 64, (3)

Essex Chemical Corp, July 64, (3,7,8)
Pacific Asbestos Corporation, July 64,
(6)

NAC Charge Plan & Northern Acceptance Corp,
Nov 63, (7)
Statham Instruments, Inc, July 64, (8)

Hecla Mining Co, July 64, (12)

Florida East Coast Railway Co, July 64,
(12,13)

Applied Technology, Inc, July 64, (12)

ORAL ARGUMENT, COMING WEEK. September 10, 2:30 P.M., Arnold Securities Corp.

SECURITIES ACT REGISTRATIONS. Effective September 4: Apache Corp. (File Nos. 2-21989, 2-21991 and 2-22579).

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