

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

(Issue No. 63-7-19)

FOR RELEASE July 26, 1963

SUSPENSION OF AIR CRAFT MARINE ENGINEERING OFFERING MADE PERMANENT. In a decision announced today (Release 33-4626), the SEC made permanent its January 1962 order temporarily suspending a Regulation A exemption from Securities Act registration with respect to a public offering by Air Craft Marine Engineering Corporation, 7850 Gloria St., Van Nuys, Calif., of 300,000 common shares at \$1 per share. In its order, the Commission sustained findings of its Hearing Examiner that despite advice from the Commission's staff that an offering circular used by the company in an unsuccessful offering in 1959-60 could not be used in the offer and sale of its stock after May 1960 and that a revised offering circular should be filed prior to any solicitations in respect of the 300,000-share offering, the company nevertheless obtained subscriptions from about 233 persons in the period June to December 1961 without filing a revised offering circular containing current and adequate information as required. The Commission found that the prior offering circular was used in connection with some or all of the 1961 solicitations, by which time the information therein had become materially inadequate and inaccurate, including information as to the identity of and obligations to promoters, the company's unsuccessful prior efforts to sell its stock, the cancellation of permits to sell stock, the operating history of the company, and the disposition by the company's president of his ownership of the company's proposed plant site. The Commission also found that the company failed to file a report of stock sales as required by Regulation A.

PENNSYLVANIA ELECTRIC SEEKS ORDER. Pennsylvania Electric Company, Johnstown subsidiary of General Public Utilities Corporation, a registered holding company, has applied to the SEC for an order under the Holding Company Act authorizing it to borrow up to an aggregate of \$34,900,000 from a group of banks; and the Commission has issued an order (Release 35-14918) giving interested persons until August 15, 1963 to request a hearing thereon. The proceeds from such borrowings will be used by the company to pay short term bank borrowings, for construction purposes, and to reimburse its treasury for expenditures made for construction.

AMERICAN CAPITAL INVESTMENT SEEKS ORDER. American Capital Investment, Inc., Cincinnati open-end investment company, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-3744) giving interested persons until August 13, 1963 to request a hearing thereon. According to the application, the company was dissolved in November 1962 and all security holders have surrendered their holdings and received their distributive share of the assets, all of which have been distributed.

MERIDIAN FUND SEEKS ORDER. Meridian Fund, Inc., Denver open-end investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to the offering of certain shares of Meridian at net asset value where such shares represent investments of dividends paid under the Fund's proposed Systematic Withdrawal Account; and the Commission has issued an order (Release IC-3745) giving interested persons until August 13, 1963 to request a hearing thereon. Under the Systematic Withdrawal Account any holder of \$10,000 or more of its shares at the public offering price may request Meridian to make monthly or quarterly withdrawal payments to him of even amounts out of his account. Under such plan all distributions, whether from capital gains or income, will be automatically reinvested in additional shares at net asset value and credited to the account. It is contemplated that the amount of periodic withdrawals under such plan will be in excess of dividends from income.

MAJESTIC SPECIALTIES FILES STOCK OPTIONS. Majestic Specialties, Inc., 2530 Superior Ave., Cleveland, filed a registration statement (File 2-21597) with the SEC on July 24 seeking registration of 20,000 shares of common stock, to be offered pursuant to Employee Restricted Stock Options.

DORCHESTER GAS PRODUCING PROPOSES DEBENTURE OFFERING. Dorchester Gas Producing Company, 1501 Taylor St., Amarillo, Texas, filed a registration statement (File 2-21598) with the SEC on July 25 seeking registration of \$3,500,000 of subordinated convertible debentures due 1975, to be offered for public sale through underwriters headed by A. C. Allyn & Co., 122 S. LaSalle St., Chicago and two other firms. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is presently engaged in the production, gathering and sale of natural gas and in the processing, extraction, fractionation and upgrading of natural gas liquids through the ownership and operation (either independently or in conjunction with others), of natural gas processing plants and the sale and distribution of a variety of products derived and extracted from natural gas. Of the net proceeds from the debenture

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sale, \$3,000,000 will be used to reduce presently outstanding 6% mortgage notes of the company and a subsidiary, Dorchester Gas Processing Company, and the balance will be added to working capital. In addition to certain indebtedness, the company has outstanding 751,540 shares of common stock, of which management officials as a group own 15.5%. Metropolitan Dallas Corp., one of the underwriters, holds of record 9.4%, of which 6.5% is beneficially owned by that company. George S. Rooker is board chairman, J. G. Eckel is president, and Preston A. Peak is chairman of the executive committee; and Rooker and Peak are principal stockholders of Metropolitan Dallas.

HIGH PLAINS GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-14914) granting a request of High Plains Gas Company, of Dallas, that its registration as a holding company be terminated. This action followed consummation of a series of proposed transactions by High Plains Gas and its subsidiaries, Public Service Corporation of Texas and High Plains Natural Gas Company (erroneously referred to in the News Digest of July 24 as having been approved that day, whereas the approval order was issued May 29) designed to effectuate the liquidation and dissolution of Public Service and High Plains Gas.

SECURITIES ACT REGISTRATIONS. Effective July 25: Uris Buildings Corp. (File 2-21501).
Effective July 26: Dana Corp. (File 2-21487); The Flintkote Co. (File 2-21552).

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