

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D.C. 20549

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

(Issue No. 67-68)

FOR RELEASE April 11, 1967

COMMENTS INVITED ON FEE PROPOSAL. The SEC has invited the submission of views and comments not later than May 8 upon a proposal to adopt a new Rule 15b9-1 under the Securities Exchange Act (Release 34-8054) to establish fees and charges necessary to defray the costs of additional regulatory duties required to be performed by the Commission with respect to brokers and dealers who are registered with the Commission but are not members of the NASD. Under the proposal, every broker or dealer registered for at least 45 days on June 15, 1967 and who is not a member of the NASD on that date is required to pay the following fees and to file Form SECO-4-67 (the assessment form) on or before June 30, 1967: (1) a base fee of \$100 for each non-member broker or dealer; (2) \$5 for each associated person engaged directly or indirectly in securities activities for or on behalf of the broker or dealer at any time during the period July 1, 1966 to June 15, 1967; and (3) \$30 for each office of the broker or dealer open at any time during the fiscal year. The proposed rule provides that in no case shall any broker or dealer be required to pay more than \$15,000 by virtue of factors (1) and (2)--the base fee plus the fee for associated persons indicated above. The fee of \$30 for each office may not be included in the computation of the \$15,000 maximum.

Registered brokers and dealers who are members of the NASD on June 15, 1967, but who were both registered with the Commission and not members of such association for at least 45 days during the period from July 1, 1966 to June 15, 1967, will be required to pay only half these fees. Brokers and dealers who are registered with the Commission for more than 45 days and who are not members of the NASD on June 15, 1967 are required to pay only half these fees if their registration became effective on or after January 1, 1967.

SCOTT, FORESMAN FILES EXCHANGE PROPOSAL. Scott, Foresman and Company, 1900 E. Lake Ave., Glenview, Ill., 60025, filed a registration statement (File 2-26303) with the SEC on April 5 seeking registration of 70,100 shares of cumulative convertible preferred stock. According to the prospectus, the exchange of shares will provide a desirable diversification that would not otherwise be feasible for either company. Scott is primarily engaged in the publishing and distributing of textbooks and educational materials, while Morrow is engaged in publishing and distributing general trade books, i.e., adult fiction and non-fiction and children's books. Scott's president is Darrel E. Peterson. The stock is to be offered in exchange for the outstanding shares of the common and the two classes of preferred stock of William Morrow and Company, Inc., on the following basis: (1) .044 company share for each first preferred share of Morrow; (2) .08 company share for each second preferred share of Morrow; and (3) 3.1942 company shares for each common share of Morrow. It is the intention of the parties to an Agreement for Exchange of Stock and Plan of Reorganization that the company will receive upon the consummation of the exchange at least 80% of the outstanding shares of each class of Morrow.

CHESEBROUGH-POND'S FILES FOR SECONDARY. Chesebrough-Pond's Inc., 485 Lexington Ave., New York 10017, filed a registration statement (File 2-26306) with the SEC on April 4 seeking registration of 43,700 outstanding shares of common stock. The present holders thereof propose to offer the stock for public sale from time to time on the New York Stock Exchange by means of ordinary brokerage transactions or "exchange distributions" at prevailing prices (\$33.13 per share maximum*) or in the over-the-counter market.

The company is engaged in the manufacture and sale of cosmetics, toiletries and proprietary specialty products. In addition to indebtedness, it has outstanding 10,373,773 common shares. The selling stockholders are Lawrence R. Clickner, who is offering 25,000 of 108,000 shares held, and Gordon A. Jones, 18,700 of 75,188. The shares owned by Clickner were acquired by him in 1966 in exchange for all of the outstanding capital stock of Faichney Instrument Corp., and the stock owned by Jones were acquired in 1966 in exchange for all of the outstanding capital stock of Lily White Sales Company, Inc. Jerome A. Straka is president of the company.

APACHE PROPOSES OFFERING. Apache Corporation, 1800 Foshay Tower, Minneapolis, Minn. 55402, filed a registration statement (File 2-26312) with the SEC on April 6 seeking registration of 400 units in its Mid-Year Oil and Gas Program 1967, to be offered for public sale in \$10,000 units. The securities are to be offered on a "best efforts" basis by the company and its wholly-owned subsidiary, Apache Oil Programs, Inc. The company is to be the managing and general partner of the program whose purpose is to explore for oil and gas. Raymond Plank is president.

GMH OIL PROPOSES OFFERING. GMH Oil Company, 306 Midland National Bank Bldg., Midland, Tex., filed a registration statement (File 2-26313) with the SEC on April 6 seeking registration of 100 units of interests in its limited partnership, to be offered for public sale at \$10,000 per unit.

Organized under Texas law in March 1967, the company proposes to explore for and produce oil and gas in continental United States and the western provinces of Canada. The general partners are Arden R. Grover, Malcolm R. MacCurdy, and Benjamin F. Hoffacker, Jr.

OVER

CAPITOL TRANSAMERICA FILES EXCHANGE PROPOSAL. Capitol Transamerica Corporation ("CTC"), 2 E. Gilman St., Madison, Wisc. 53703, filed a registration statement (File 2-26315) with the SEC on March 31 seeking registration of 287,710 shares of common stock. The stock is to be offered in exchange for outstanding stock of three companies not now owned by CTC, as follows: 6 CTC shares for each 8 of 27,986 shares of Capitol Indemnity Corporation (CIC); 4 CTC shares for each 8 of 52,554 shares of Capitol Land Title Insurance, Inc. (CLT), formerly All-Star Title Insurance, Inc.; and 5.5 CTC shares for each 10 of 435,360 shares of Northern States Life Insurance Corporation (NSL), all Wisconsin insurance companies. The prospectus states that all shares in CIC and CLT submitted by the stockholders for exchange will be accepted by CTC and that, as to holders of NSL stock, the offer is subject to acceptance thereof by the holders of 51% of the outstanding stock.

Organized under Wisconsin law in June 1965, the company's principal business has been holding stock in insurance companies. It presently owns 94.4% of the outstanding stock of CIC, 84.5% of CLT, and 18.6% of NSL. CTC has outstanding 473,771 common shares. George A. Falt is president.

MICHIGAN CONSOLIDATED GAS PROPOSES BOND OFFERING. Michigan Consolidated Gas Company, One Woodward Ave., Detroit, Mich. 48226, filed a registration statement (File 2-26317) with the SEC on April 7 seeking registration of \$35,000,000 of first mortgage bonds, due 1992, to be offered for public sale at competitive bidding. A subsidiary of American Natural Gas Company, the company will use the net proceeds of its bond sale to retire approximately \$17,000,000 of bank notes, to pay at maturity the outstanding \$16,500,000 principal amount of the company's 3-7/8% sinking fund debentures, due 1967, and to pay construction costs. The company also proposes to sell 360,000 additional shares of its common stock to the parent for \$5,040,000. Its 1967 construction program is estimated to cost \$29,500,000.

WRIGHT AIR LINES FILES FOR OFFERING. Wright Air Lines, Inc., Burke Lakefront Airport, Cleveland, Ohio 44114, filed a registration statement (File 2-26318) with the SEC on April 7 seeking registration of 150,000 shares of common stock. The stock is to be offered for public sale through underwriters headed by Hartzmark & Co., Inc., 1805 E. Ohio Bldg., Cleveland, Ohio 44114. The public offering price (\$6 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to reimburse the underwriters for the fees and disbursements of their counsel up to \$7,500. It has also agreed to sell to the principal underwriter for \$125, five-year warrants to purchase an aggregate of 12,500 common shares.

Organized under Ohio law in May 1966, the company merged with Commuter Airlines, Inc., which was incorporated in 1965. It operates as a "commuter" or "third-level" airline to provide frequently scheduled air transportation for passengers and freight. Of the net proceeds of its stock sale, \$50,000 will be used to repay short-term bank loans; \$500,000 will be used to acquire additional aircraft; and the balance will be used as working capital. In addition to indebtedness, the company has outstanding 62,739 common shares, of which 43,875 shares were issued pursuant to said merger. Ernest L. Rolls (board chairman) owns 39,487.5 shares. Gerald E. Weller is president.

UNDERWRITERS NATIONAL ASSURANCE PROPOSES RIGHTS OFFERING. Underwriters National Assurance Company, 2859 N. Meridian St., Indianapolis, Ind. 46208, filed a registration statement (File 2-26319) with the SEC on April 7 seeking registration of 144,673 shares of capital stock. The stock is to be offered for subscription by stockholders at the rate of two new shares for each five shares held on the effective date of the registration statement. Any unsubscribed shares are to be offered for public sale through Hayden, Stone Inc., 25 Broad Street, New York. The offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of health insurance. Net proceeds of its stock sale will be used in the conduct of its insurance business and to establish more career agencies. The company has outstanding 361,683 common shares, of which management officials own 29.44%. Ralph K. Lindop is board chairman and W. Harold Petersen president.

LIFE INSURANCE INVESTORS SEEKS ORDER. Life Insurance Investors, Inc., Chicago mutual fund company, has joined with Consolidated American Life Insurance Company, Jackson, Miss., in the filing of an application with the SEC under the Investment Company Act; and the Commission has issued an order (Release IC-4910) giving interested persons until May 2 to request a hearing thereon. The company seeks an exemption from Section 22(d) of the Act with respect to the proposal of the mutual fund to issue its shares at their net asset value to holders of certain insurance policies issued by a predecessor of Consolidated.

From 1960 through 1963 Consolidated's predecessor sold participating life insurance policies known as the President's Expander Plans, which provide that at the beginning of each year from the second through the tenth policy years a guaranteed Additional Benefit ("Additional Benefit") equal to 40 percent of the annual life premium for the policy will mature under the policy. Under the policies, the insured has the option of receiving the Additional Benefits in cash, having them applied toward the payment of premiums or leaving them on deposit with the insurance company, in which case the monies are paid into a so-called Anti-Inflation Growth Fund ("Fund") which invested in the stocks of life insurance companies. It is now proposed that the Fund will be liquidated and the holders of interests in the Fund will be given the option of receiving their pro rata share of the proceeds from the liquidation of the Fund in cash or receiving a number of shares of Investors, at net asset value, equal to the cash value of said holders' pro rata share of the proceeds from liquidation of the Fund.

FEDERATED-DUAL EXCHANGE FUND SEEKS ORDER. Federated-Dual Exchange Fund, Inc., Pittsburgh, has applied to the SEC for an order under the Investment Company Act (1) exempting the company from the provisions of Section 14(a) of the Act; (2) exempting the issuance by the company of Income Shares from the provisions of Section 18(a)(2)(E) of the Act; and (3) permitting the two classes of security holders of the company to

vote as separate classes on certain matters. The Commission has issued an order (Release IC-4911) giving interested persons until May 2 to request a hearing thereon. The Fund previously filed a registration statement under the Securities Act for 190,000 Income Shares and a like number of Capital Shares to be offered to investors in exchange for securities of the character of those included in a list set forth in its prospectus. (NOTE: Section 18(a)(2)(E) of the Act requires a class of senior security which is a stock to have complete priority over any other class as to payment of dividends, which dividends shall be cumulative. Section 14(a) requires that no registered investment company shall make a public offering of its securities unless it has a net worth of at least \$100,000.)

EXCHANGE GROWTH/INCOME FUND SEEKS ORDER. Exchange Growth/Income Fund, Inc., Boston, has applied to the SEC for an order under the Investment Company Act (1) exempting from the provisions of Section 18(a)(2)(E) of the Act the issuance by the company of Cumulative Income Shares described below; and (2) permitting the two classes of security holders of the company to vote as separate classes on certain matters. The Commission has issued an order (Release IC-4912) giving interested persons until May 2 to request a hearing thereon. The company previously filed a registration statement under the Securities Act for 200,000 Cumulative Income Shares and a like number of Capital Shares to be offered to investors in exchange for securities of the character of those included in a list set forth in the prospectus.

GLEN ALDEN-DELAWARE EXEMPTED. The SEC has issued an order under the Investment Company Act (Release IC-4913) granting an application of Glen Alden-Delaware, Inc., of New York, for exemption from all provisions of that Act, subject to its filing of certain periodic reports with the Commission.

NEW ORLEANS P.S. FINANCING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-15709) authorizing New Orleans Public Service, Inc., (a) to issue and sell at competitive bidding \$12,000,000 of first mortgage bonds, due 1997, and 60,000 shares of \$100 par cumulative preferred stock; and (b) to issue and sell to its parent, Middle South Utilities, Inc., an additional 225,000 common shares for \$2,250,000. Proceeds of this financing will be used by the subsidiary for the purpose of financing, in part, the \$31,400,000 cost of its 1967 construction program and to pay short-term borrowings therefor.

SOUTHERN CAL. EDISON PROPOSES OFFERING. Southern California Edison Company, 601 West Fifth St., Los Angeles, Calif. 90053, filed a registration statement (File 2-26323) with the SEC on April 10 seeking registration of \$80,000,000 of First and Refunding Mortgage Bonds, Series V, due 1992, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be used in part to repay some \$22,000,000 of short-term obligations; and the balance will become treasury funds available for the company's construction program. Gross plant expenditures for the years 1967-68 are estimated at \$640,981,000.

DELISTING SOUGHT. Cohu Electronics, Inc., whose common shares are listed on the American Stock Exchange has applied to the SEC for withdrawal of the stock from the Pacific Coast Stock Exchange by reason of the limited volume of trading thereon; and the Commission has issued an order (Release 34-8053) giving interested persons until April 24 to request a hearing thereon.

UNLISTED TRADING AUTHORIZED. The SEC has issued orders (Release 34-8053) granting applications of the following exchanges for unlisted trading privileges in common shares of the companies named: A. Boston Stock Exchange - Baxter Laboratories, Brown Co., Container Corp. of America, Ginn & Co., Great Western Financial Corp., Pennsalt Chemical Corp., Seaboard World Airlines, and Sprague Electric Co.; B. Midwest Stock Exchange - Gulf & Western Industries; C. Pittsburgh Stock Exchange - Kennametal, Inc.; D. Philadelphia-Baltimore-Washington Stock Exchange - American Air Filter, Baxter Laboratories, Inc., Becton, Dickinson & Company, Cessna Aircraft Company, Cone Mills Corporation, Day Mines, Inc., E G & G Inc., Ideal Cement Company, Piper Aircraft Corporation, Sanders Associates, Inc.

MOODY'S CAPITAL FUND FILES FOR OFFERING. Moody's Capital Fund, Inc., 28 Park Place, New York 10007, today filed a registration statement (File 2-26336) with the SEC seeking registration of 1,000,000 shares of capital stock. The Fund was organized under Maryland law on March 28, 1967, as a diversified management investment. It is proposed that on May 5 The Lazard Fund, Inc., will be merged into Moody's Capital Fund; and pursuant to the merger agreement shares of the latter are to be issued in exchange for outstanding shares of Lazard Fund (the amount thereof to be supplied by amendment).

Moody's Advisors & Distributors, Inc., of the 28 Park Place address, a subsidiary of Moody's Investors Service, Inc., of 99 Church St., New York, will serve as the new Fund's investment adviser and distributor. William I. LaTourette is president of the Fund, the Adviser and Moody's Fund, Inc. Fund shares will be offered for public sale at net asset value plus a sales charge of 8.5% of the offering price (\$18 per share maximum*).

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 in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the April 3 News Digest.

American Mail Line LTD Mar.67 (11) 2-6218-2
 Arkansas Valley Industries, Inc. Mar67 (12,13)
 0-1594-2
 Beryllium Corp Mar67(13) 1-5311-2
 Burndy Corporation Mar67 (7) 1-4406-2
 Capitol Products Corp (P.A.) Mar67 (11,13)
 Chesapeake & Ohio RY CO. Feb67 (3) 1-1261-2
 Clarise Sportswear Co.Inc. Mar67 (13) 2-18533-2
 Clear Creek Corporation Mar67 (6) 0-1379 - 2
 Copeland Refrigeration Corp. Jan67 (2,3,7,11,13)
 1-4312-2
 Cummins Engine Company, Inc. Feb67 (4,7,8,13,)
 1-4949-2
 Dennison Manufacturing Company Mar 67 (11)
 1-4643-2
 DWG Corporation Feb67 (7,13) 1-2207-2
 Eastern Mass.St. RY. CO.
 Jan67 (6) 1-1563-2
 Mar67 (6) 1-1563-2
 Elizabethtown Gas Company Mar67 (11) 0-683-2
 Fall River Gas Company Mar67 (11) 0-449-2
 Federal Sign and Signal Corp Mar67 (11,13)
 0-693-2
 Gateway Industries, Inc. Feb67 (13)
 1-5241-2
 HI-C Incorporated
 Dec66(3,13) 0-403-2
 Feb67 (7) 0-403-2
 Jayark Films Corporation Mar67 (11) 2-18743-2
 McDonnel Company Feb67(12,13) 1-3685-2
 Missouri Power & Light Co. Mar67(11) 0-1013-2
 Motto's Super Markets, Inc. Mar67 (7,8) 1-4918-2
 Niagara Frontier Transit SYS INC. Mar67 (7,13)
 0-835-2
 Rexach Construction Co., Inc. Nov66(7)
 0-889-2
 Rexall Drug & Chemical Co Feb67 (7,12) 1-3894-2
 Robert Reis & Co. Mar67(6) 0-2175-2
 S.D.Warren CO. Feb67 (7,13) 1-4292-2

Silvey Corp.
 Jul66 (7,13) 0-2103-2
 Feb67(12,13) 0-2103-2
 Stone Container Corp. Mar67 (13) 1-3439-2
 Supermarkets General Corp. Mar67(11,13) 1-5287-2
 Tex N. Petroleum Corp. Mar67 (13) 2-9716-2
 The Great Atlantic & Pacific Tea Co, Inc. Mar67
 (12,13) 1-4141-2
 Tractor Supply Co. Oct66 (7) 1-4270-2
 United Aircraft Corporation Feb67 (4,13) 1-812-2
 United States Sugar Corporation Mar67 (13) 0-162-2
 Universal Leaf Tobacco Co. Inc. Mar67 (12) 1-652-2
 Viking Industries, Inc. Feb67(2,13) 1-5300-2
 Western Maryland RY.CO. Mar67(13) 1-766-2

Amendments to 8-K
 Water Treatment Corporation
 Amend #1 for Feb67 (12) 0-1735-2
 Rimrock Tidelands, Inc.
 Amend #1 to 8-K for Feb67(2) 0-1228-2

Amendments to 8-K

American Export Isbrandtsen Co. Inc. Delaware
 Amend #1 for Feb.67 (3) 1-5054-2
 Crescent Corp. Amend #1 for Jan.67 (3,13)
 1-3425-2
 Investors Security Corp. Amend #1 for Jan.67
 0-1972-2
 Investors Unlimited, Inc. Amend #1 for Oct66
 (1,11,12,13) 0-2202-2
 Irving Air Chute Co., Inc. Amd. #1 for Dec. 66
 (7) 1-149-2
 Lee National Corp. Amd.#2 for Feb.67 (3)
 1-344-2
 The Rucker Company Amd. #2 For Jun. 66 (13)
 2-19797-2
 Sunset House (Formerly) Amend #1 for Jan.67 (13)
 1-5285-2
 Turf Paradise, Inc. Amend #1 for Oct. 66-
 0-1923-2 .

SECURITIES ACT REGISTRATIONS. Effective April 10: Eagle-Picher Industries, Inc., 2-25995;
 Lone Star Gas Company, 2-26166; Marathon Oil Company, 2-26141; Monogram Industries, Inc., 2-26118 (May 22).

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.

---ooo0ooo---