

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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LINCOLN NATIONAL LIFE SEEKS ORDER. The Lincoln National Life Insurance Company ("Lincoln") and Lincoln National Variable Annuity Fund A ("Fund A") have applied to the SEC for exemption from certain specified provisions of the Investment Company Act; and the Commission has issued an order (Release IC-5055) giving interested persons until August 24 to request a hearing thereon. Lincoln established Fund A pursuant to Indiana law in September 1966 as a segregated investment account to hold assets set aside by Lincoln in relation to contributions received by the latter with respect to its proposed variable annuity contracts. On February 21, 1967, the Commission issued an order (Release IC-4848) exempting in certain respects both Lincoln and Fund A from certain provisions of the Act with respect to the proposed issuance of variable annuity contracts by Fund A. The applicants seek further exemptions in order to sell group and individual variable annuity contracts which are issued with respect to plans initially qualifying under Section 401 or Section 403(a) of the Internal Revenue Code of 1954.

OHIO POWER BORROWINGS CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-15814) with respect to proposed bank borrowings by Ohio Power Company (Canton) and cash capital contributions to Ohio Power by its parent, American Electric Power Company, Inc., New York holding company. Ohio Power has previously received authorization to issue and sell, at competitive bidding, \$50,000,000 of bonds and \$20,000,000 of debentures. Market conditions may not be such as to make it propitious to invite proposals for the purchase of such bonds and debentures on August 16, as currently contemplated. To afford Ohio Power the "necessary flexibility" in arranging its financing program and to meet the September 25 maturity of \$58,600,000 of outstanding promissory notes, Ohio Power has received Commission authorization (if the sale of the bonds and debentures is not consummated by September 15) to issue and sell to banks on or before September 25 its promissory notes in an amount not to exceed \$61,100,000. The proceeds thereof, to the extent necessary, will be applied to the payment or prepayment of the outstanding notes. It is further proposed, in the event the Ohio Power bonds and debentures are not sold on or before August 24, that the parent will make one or more cash capital contributions to Ohio Power prior to December 31, in amounts not exceeding \$10,000,000 in the aggregate. These funds, together with any balance of the proceeds of the sale of notes to banks after payment of the outstanding notes, will be used by Ohio Power to pay a part of the cost of its current construction program.

OKLAHOMA PUBLIC SERVICE RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15813) authorizing Public Service Company of Oklahoma (Tulsa), a subsidiary of Central and South West Corporation, to amend its 1945 mortgage indenture so as to increase from \$125 million to \$225 million the principal amount of bonds that may be outstanding at any one time.

SOUTHWESTERN ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15815) authorizing Southwestern Electric Power Company, Shreveport, La., subsidiary of Central and South West Corporation, to amend its charter to increase from \$10 to \$12 the par value of each of the 5,500,000 authorized shares of common stock, both issued and unissued. In connection therewith, the subsidiary will transfer from earned surplus to its common stock capital account the sum of \$10,533,600--the equivalent of \$2 per share for each of the 5,266,800 outstanding common shares. This will result in a permanent capitalization of a portion of the company's earned surplus.

THREE TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in securities of Continental Vending Machine Corporation, Pakco Companies, Inc., and Westec Corporation, for the further ten-day period August 11 through August 20, 1967, inclusive.

COLWELL CO. FILES STOCK PLAN. The Colwell Company, 3223 West Sixth St., Los Angeles, Calif. 90005, filed a registration statement (File 2-27062) with the SEC on August 9 seeking registration of 25,000 shares of common stock, which are reserved for issuance under its stock option plan.

SIGNAL OIL AND GAS SHARES IN REGISTRATION. Signal Oil and Gas Company ("Signal"), 1010 Wilshire Blvd., Los Angeles, Calif. 90017, filed a registration statement (File 2-27063) with the SEC on August 9 seeking registration of 346,543 shares of \$2.20 dividend cumulative convertible preferred stock and 220,939½ warrants. According to the prospectus, 95,260 preferred shares (convertible into 190,520 shares of Signal Class A common) are to be issued upon the consummation of a merger into Signal of Mack Trucks, Inc. ("Mack"), in accordance with a plan and agreement of merger dated May 31, 1967; such preferred shares are to be issued to the former common stockholders of Mack. All or part of the preferred shares (and the Signal Class A common into which they are convertible) may be offered from time to time by the holders (or recipients) thereof on the American Stock Exchange or the Pacific Coast Stock Exchange or otherwise at prices current at the time of sale (\$88.00 per share maximum*). The prospectus also covers 200,939½ warrants (exchangeable initially into 251,283 preferred shares, which are convertible into 502,566 Signal Class A common shares) to be distributed upon consummation of the Signal-Mack merger to former holders of Mack warrants. The holders (or recipients) thereof propose to offer the warrants from time to time in the over-the-counter market. OVER

Signal is engaged in the exploration for and production of crude oil and natural gas, and the refining, transporting, and marketing of crude oil, natural gas and their finished products. Since 1964, it has also engaged in the design, manufacture, and sale of environmental control systems, gas turbine engines, and other components and component systems for military and commercial aircraft, missiles, and spacecraft, together with related ground support equipment. In addition, it has investments in an ocean shipping line and in real estate. Mack manufactures heavy duty motor trucks. In addition to indebtedness, Signal has outstanding 9,389,614 Class A common shares and 867,042 Class B common shares; and Mack has outstanding 3,090,053 common shares. S. B. Mosher is board chairman and F. N. Shumway is president of Signal, the surviving company.

MANAGEMENT ASSISTANCE PROPOSES RIGHTS OFFERING. Management Assistance Inc., The MAI Building, 300 East 44th St., New York, New York 10017, filed a registration statement (File 2-27064) with the SEC on August 9 seeking registration of \$26,606,400 of convertible subordinated debentures, due 1987. The debentures are to be offered for subscription by common stockholders at the rate of \$100 of debentures for each 15 shares held. The record date, interest rate, offering price and underwriting terms are to be supplied by amendment. White, Weld & Co., 20 Broad St., New York, New York 10005, is listed as the principal underwriter.

The company is engaged in the rental of data processing equipment and provides related reconditioning, preventive maintenance and repair services in the United States, Canada and other foreign countries. Of the net proceeds of its sale of the debentures, approximately \$20,000,000 is to be used to retire an equivalent principal amount of outstanding indebtedness to Continental Illinois National Bank and Trust Company of Chicago originally incurred to finance the acquisition of equipment; the balance will be applied to pay all or a portion of the purchase price of additional data processing equipment and used for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 3,990,959 common shares, of which management officials own 18.1% (including 8.6% owned by Walter R. Oreamuno, board chairman). Jorge M. Gonzalez is president.

SEC SUSPENDS TRADING IN ROTO AMERICAN. The Securities and Exchange Commission today ordered the temporary suspension of exchange and over-the-counter trading in the common and preferred stocks of Roto American Corporation ("Roto") of Paramus, New Jersey, for the ten-day period August 10, 1967 to August 19, 1967, inclusive. The common stock is listed on the National Stock Exchange and is also traded over-the-counter.

On March 9, 1967, a creditor's petition in bankruptcy with respect to Roto was filed in the U.S. District Court in New Jersey. An appraiser's report was filed with the Court on June 20 (but not made generally available to Roto stockholders or the general public) which contains material information concerning the financial condition of the company. More recently Roto filed preliminary proxy material with the Commission containing information which appears necessary to an informed analysis and evaluation of the company's securities. This proxy material is currently under examination by the Commission's staff for compliance with the disclosure provisions of its proxy rules; but under those rules, proxy statements do not become public until the completion of the examination and distribution of the material by the company to its shareholders.

Roto common was traded at a low of 80¢ per share in January. Just prior to the filing of the petition in bankruptcy on March 9, it was traded at about 1-1/8. Early in July the price had risen to \$4 per share, and it continued to advance to a high of 9-7/8 on August 9.

Under the circumstances, the Commission concluded that it was necessary and appropriate in the public interest to suspend trading in the securities of Roto pending clarification of its financial condition and the status of its current operations.

SECURITIES ACT REGISTRATIONS. Effective August 9: The Mountain States Telephone and Telegraph Co., 2-26826; National Distillers and Chemical Corp., 2-26976 (40 days); Standard International Corp., 2-26900 (40 days); Tektronix, Inc., 2-26932 (40 days).

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.

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