

# 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 B ("Fund B") have applied to the SEC for an exemption from certain specified provisions of the Investment Company Act; and the Commission has issued an order (Release IC-5053) giving interested persons until August 28 to request a hearing thereon. Lincoln established Fund B pursuant to Indiana law in December, 1956, as a segregated investment account to offer group or individual variable annuity contracts not qualifying for federal tax benefits under Sections 401 and 402 of the Internal Revenue Code of 1954, as amended. Fund B is a diversified management company registered under the Act. The application seeks exemption from the provisions of Sections 15(a), 16(a), 17(f), 22(e), 27(a)(4), 27(c)(1), 27(c)(2), and 32(a)(2) of the Act, and Rule 17f-2 thereunder.

**SEC REMANDS CASE.** The SEC today announced a decision under the Securities Exchange Act (Release 34-8141) remanding for consideration by its Hearing Examiner the latter's decision involving three persons who were associated with the New York firm of Waldman & Co. (whose registration previously was revoked). The three respondents, Norman Pollisky, Allan Harris and Aaron J. Gabriel, had petitioned the Commission for review of the Examiner's decision and order barring them from further association with any broker or dealer, based upon findings by the Examiner that they had engaged in activities violative of the Federal securities laws. The Commission observed that it was not clear from the Examiner's decision whether he used "substantial evidence" as the measure of proof needed to support his findings (as distinguished from the "preponderance of the evidence" standard applicable to administrative proceedings), or was merely enunciating the rule as to the scope of judicial review. In view of the uncertainty as to the standards of proof used, the Commission determined to remand the case to the Examiner to enable him to make findings with respect to the petitioners specifically based on an application of the preponderance of evidence standard.

**MICHIGAN CONSOLIDATED SEEKS ORDER.** Michigan Consolidated Gas Company, Detroit subsidiary of American Natural Gas Company, has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell up to \$25,000,000 of notes to banks; and the Commission has issued an order (Release 35-15816) giving interested persons until September 6 to request a hearing thereon. Michigan proposes to use the proceeds of the sale of the notes to finance, in part, its construction costs, which for the year 1967 are estimated at \$32,550,000.

**AMERICAN HYDROCARBON EXEMPTION EXTENDED.** The SEC has issued an order under the Investment Company Act (Release IC-5054) exempting American Hydrocarbon Corporation, Dallas, from all provisions of the Act for 120 days, commencing June 27.

**CARIBBEAN-ATLANTIC PROPOSES OFFERING.** Caribbean-Atlantic Airlines, Inc., P. O. Box 6035, Loiza Station, Santurce, Puerto Rico 00914, filed a registration statement (File 2-27068) with the SEC on August 10 seeking registration of 150,000 shares of common stock. These shares are to be offered for public sale through underwriters headed by Laird & Company, Corporation, 61 Broadway, New York, N.Y. 10006. The public offering price (\$17.00 per share maximum) and underwriting terms are to be supplied by amendment.

The company ("Caribair") is engaged in the business of transporting passengers, property and mail in local, overseas and foreign air transportation. Of the net proceeds of the stock sale, \$296,497 will be paid on or before September 30, to the Puerto Rico Ports Authority for retroactive payments due in respect of 1961 to 1967 for use of airport facilities and equipment at San Juan International Airport and at the airports in Ponce and Mayaguez, Puerto Rico, as a result of recent arbitration proceedings between the Ports Authority and twelve airlines serving Puerto Rico. The balance will be added to the company's general funds to replenish depleted working capital invested by it in 1965 and 1966 in connection with its Convair 340 conversion program and such proceeds, together with internally generated funds, will be available for general corporate purposes. In addition to indebtedness, the company has outstanding 661,766 common shares, of which management officials own 87.2% (including 79.9% owned by Dionisio Trigo, president).

**ALCOA PROPOSES DEBENTURE OFFERING.** Aluminum Company of America, 1501 Alcoa Building, Pittsburgh, Pa. 15219, filed a registration statement (File 2-27070) with the SEC on August 10 seeking registration of \$125,000,000 of sinking fund debentures, due 1992. The debentures are to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N.Y. 10005. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is a producer of primary aluminum and fabricated aluminum products. Part of the net proceeds of its sale of debentures will be used to repay some \$81 million of bank borrowings and the balance will be added to working capital. The company's construction program is estimated at \$266 million for 1967 and \$700 million for the years 1967-1969. In addition to indebtedness, the company has outstanding 21,485,512 common shares, of which management officials own 12.3%. Frederick J. Close is board chairman and John D. Harper is president.

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**BRINKMANN INSTRUMENTS FILES FOR OFFERING AND SECONDARY.** Brinkmann Instruments, Inc., Cantiague Road, Westbury, N. Y., filed a registration statement (File 2-27069) with the SEC on August 10 seeking registration of 150,000 shares of common stock. Of this stock, 150,000 shares are to be offered for public sale by the company and 75,000 (being outstanding shares) by the present holders thereof. The public offering price (\$17.50 per share maximum\*) and underwriting terms are to be supplied by amendment. Shields & Co. Inc., 44 Wall St., New York 10005 is listed as the principal underwriter. Also included in the registration statement are 5-year warrants for the purchase of 10,000 common shares sold to the underwriters for \$100.

The company is primarily engaged in the marketing and distribution of scientific instruments and apparatus and specialty chemicals manufactured by foreign concerns which are sold for use in laboratories in connection with chemical and biological research, materials testing and development, quality control, clinical analyses and for educational purposes. Net proceeds from the company's sale of additional shares will be used to improve its working capital, to purchase additional inventory and to carry accounts receivable. In addition to indebtedness, the company has outstanding 360,375 common shares, of which management officials own 88.81%. Carl A. Brinkman (president), his wife, and members of his family own approximately 98% of the outstanding common stock. The prospectus lists five selling stockholders. Carl A. Brinkman proposes to sell 18,125 of his holdings of 76,248 shares, Anna K. Brinkmann (treasurer), 20,625 of 76,248 shares, Klaus P. Brinkmann and Karin Brown, 16,875 shares each of 82,929 and 76,218 shares, respectively, and Klaus P. Brinkmann and Karin Brown as Trustees for Ruth Schafranek, their sister, 2,500 of 8,358 shares.

**NORTHERN ENTERPRISES RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5056) exempting Northern Enterprises, Inc., Duluth, Minn., from Section 7 of the Act until such time as the Commission acts upon its application for an order declaring that it is engaged in a business other than that of an investment company. Section 7 generally prohibits an investment company, unless registered under Section 8, to engage in the conduct of any business. In seeking exemption from Section 7, Northern Enterprises agreed that various of its transactions and activities would be subject to certain specified provisions of the Act as though it were a registered investment company.

**SUBSCRIPTION TELEVISION TRADING BAN CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in securities of Subscription Television, Inc., for the further ten-day period August 14 through August 23, 1967, inclusive.

**AMERICAN POTASH SHARES IN REGISTRATION.** American Potash & Chemical Corporation, 3000 West Sixth St., Los Angeles, Calif. 90005, filed a registration statement (File 2-27067) with the SEC on August 10 seeking registration of 18,125 outstanding shares of common stock. According to the prospectus, the company entered into an agreement in March to issue a total of 50,000 shares to Seeley G. Mudd, Henry T. Mudd, Caryll Mudd Sprague and George D. Dub in payment for a federal lease of sodium borate properties in Kern County, Calif., known as the Little Placer Deposit, together with related real property and mining equipment known as the Western Borax Property. In May it delivered 31,875 shares to Seeley Mudd and Caryll Mudd Sprague in reliance on their representation that they acquired the shares for investment and not with a view to the distribution thereof. The 15,625 shares being registered are to be issued to Henry T. Mudd and George D. Dub, who expect to offer the shares for sale (at \$47.25 per share maximum\*).

The company is engaged in the production, manufacture and distribution of a wide variety of chemicals for industry and agriculture. Recently, it announced a proposal for its merger into Kerr-McGee Corporation. In addition to indebtedness and preferred stock, American Potash has outstanding 2,336,357 common shares, of which management officials own 1% and Kerr-McGee 9.7%. Peter Colefax is board chairman and Parker S. Dunn president.

**NEW YORK TELEPHONE PROPOSES OFFERING.** New York Telephone Company, 140 West St., New York 10007, today filed a registration statement (File 2-27077) with the SEC seeking registration of \$75,000,000 of refunding mortgage bonds, Series Q, due 2007, to be offered for public sale at competitive bidding. Net proceeds of its bond sale will be applied toward repayment of some \$200,000,000 of bank borrowings. C. W. Owens is president.

**SECURITIES ACT REGISTRATIONS.** Effective August 10: The Connecticut Water Co., 2-26795 (40 days); Handleman Co., 2-26906 (40 days); International Utilities Corp., 2-26814; Kin-Ark Management Corp., 2-26778 (40 days); Kingsport Press, Inc., 2-26750; Niagara Mohawk Power Corp., 2-26918 (40 days); Ogden Corp., 2-26833 (40 days); Optics Technology, Inc., 2-26685 (90 days); Pettibone Mulliken Corp., 2-26852 (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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