

sec news digest

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U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

March 28, 1975

RULES AND RELATED MATTERS

MAR 31 1975

TERMINATION OF TEMPORARY SUSPENSION OF COMPETITIVE BIDDING

LIBRARY

The Commission today announced that it is not extending the temporary suspension of the competitive bidding requirements of Rule 50 with respect to common stocks of holding companies registered under the Public Utility Holding Company Act of 1935. The suspension expires on March 31, 1975, except that common stock issues publicly announced on or before January 31, 1975, may be sold on or before April 30, 1975, without competitive bidding.

The suspension was based upon special conditions which appeared to affect the marketing of utility common shares at the time it was announced. Following a public hearing, the Commission concluded that the temporary suspension has served its purpose and need not be extended. (Rel. 35-18898)

INTERPRETATION OF REQUIREMENTS OF RULE 17a-15 WITH RESPECT TO DISPLAYS ON INTERROGATION SYSTEMS

The Commission issued an interpretative release setting forth its current views as to the requirements of Rule 17a-15 (the Rule) under the Securities Exchange Act of 1934 to assist persons in their understanding of and compliance with the Rule. The interpretative release deals with: the timing of vendor obligations under the Rule; minimum display requirements for interrogation systems; permissibility of individual market center oriented displays; market identification requirements; and related matters. (Rel. 34-11317)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES HOWARD R. HUGHES, OTHERS

The SEC announced the filing of a civil injunction action in Federal District Court for the Northern District of California against Howard R. Hughes, Summa Corporation, Hughes Air Corp., doing business as Hughes Air West, David B. Charnay, George Crockett, Chester C. Davis, Herman Greenspun, Patrick J. Hillings, Robert A. Maheu and James Snyder.

The complaint alleges that the defendants Hughes, Hughes Air Corp., doing business as Hughes Air West, Summa, Davis, Maheu and Snyder violated the antifraud and proxy provisions of the securities laws; that defendants Hughes, Summa, Davis, Maheu, Crockett, Charnay and Greenspun violated the antimanipulative provisions of the securities laws, and, that defendant Hillings violated the proxy provisions of the securities laws.

The complaint seeks to enjoin the defendants from further violations of the securities laws and to require defendants Hughes, Summa, Hughes Air Corp., doing business as Hughes Air West, Crockett and Charnay to disgorge all monetary and other benefits derived directly or indirectly from the alleged violations of the securities laws. (LR-6802)

TRADING SUSPENSIONS

TRADING SUSPENDED IN CASTLE INDUSTRIES, INC.

Over-the-counter trading has been suspended in all securities of Castle Industries, Inc. of Lubbock, Texas, for the ten-day period beginning on March 27 and terminating at midnight (EDT) on April 5, 1975.

The suspension was initiated because of the unavailability of adequate and accurate information about Castle, its financial condition and operations.

Castle, since 1969, engaged in the manufacturing, distribution and sale of mobile homes. Castle has approximately 1,046,250 shares of common stock issued and outstanding in the hands of at least 900 persons.

There are no current financial statements for Castle. No Form 10-K for the fiscal year ended December 31, 1973, has been filed with the Commission. Moreover, Castle has not filed any periodic reports required by Section 13 of the Exchange Act since at least June 15, 1973. On February 3, 1975, Castle filed a petition for bankruptcy with the federal court in Lubbock, Texas, pursuant to Chapter X of the Bankruptcy Act. There has been no trustee or receiver appointed by the Court. (Rel. 34-11316)

ADDITIONAL ACTION ON FIVE TRADING SUSPENSIONS

The SEC has announced the suspension of (a) exchange and over-the-counter trading in the securities of Equity Funding Corp., and over-the-counter trading in the securities of Zenith Development Corp., Industries International, Inc. and Westgate California Corp. for the further ten-day period March 28 - April 6, inclusive; and (b) over-the-counter trading in the securities of Continental Vending Machine Corp. for the further ten-day period March 31 - April 9, inclusive.

INVESTMENT COMPANY ACT RELEASES

TAX-EXEMPT SECURITIES TRUST

A notice has been issued giving interested persons until April 22 to request a hearing on an application by Tax-Exempt Securities Trust (Series 1 and Subsequent National and State Series) requesting exemption from (1) the initial net capital requirements; (2) the limitations on frequency of capital gains distributions; and (3) the daily pricing requirements for the secondary market operations of the Fund's sponsor. (Rel. IC-8732-Mar. 27)

HOLDING COMPANY ACT RELEASES

INDIANA & MICHIGAN ELECTRIC COMPANY

An order has been issued authorizing Indiana & Michigan Electric Company (I&M), subsidiary of American Electric Power Company, Inc., to issue and sell \$15 million of first mortgage bonds, due 1985, to refund first mortgage bonds previously issued and due April 1, 1975. (Rel. 35-18891 - Mar. 26)

THE SOUTHERN COMPANY

An order has been issued authorizing proposals of The Southern Company and Southern Services, Inc., a wholly-owned subsidiary of Southern, whereby Southern Services will mortgage its office building to secure a \$12 million loan and Southern will guarantee Southern Services's obligations under the mortgage loan. (Rel. 35-18892 - Mar. 26)

NATIONAL FUEL GAS COMPANY

An order has been issued releasing jurisdiction over fees and expenses, aggregating \$1,044,895, incurred by National Fuel Gas and its subsidiaries, in connection with the System's realignment plan approved by the Commission on July 5, 1974. (Rel. 35-18893 - Mar. 27)

OHIO POWER COMPANY

A notice has been issued giving interested persons until April 18 to request a hearing on a proposal by Ohio Power Company, subsidiary of American Electric Power Company, Inc., to increase the aggregate maximum amount of short-term indebtedness from \$215 million to \$270 million. (Rel. 35-18894 - Mar. 27)

MISCELLANEOUS

ESB INC.

An order has been issued granting the application of ESB Inc., a Delaware corporation, under Section 12(h) of the Securities Exchange Act of 1934 for an exemption from filing

the final report on Form 10-K required by the provisions of Section 13 and 15(d) of the Act. It appears to the Commission that the requested exemption is not inconsistent with the public interest or protection of investors because the company is now a wholly-owned subsidiary. (Rel. 34-11318)

SECURITIES ACT REGISTRATIONS

(S-6) FIRST INVESTORS CORPORATION (SPONSOR)

120 Wall St., New York, N.Y. 10005 - \$25 million of first investors single payment and periodic payment plans for investment in First Investors Fund For Income, Inc., a unit investment trust, the underlying security of which is First Investors Fund For Income, Inc. (File 2-53010 - Mar. 12)

(S-14) FIRST BANCGROUP-ALABAMA, INC. (FBG)

31 North Royal St., Mobile, Ala. 36621 - 352,638 shares of common stock. The shares will be issued to the shareholders of United Alabama Bancshares, Inc. (UAB) upon consummation of a proposed merger of UAB into FBG. The merger conversions ratio will depend upon the results of a prior exchange offer to be made by UAB to its shareholders wherein shares of one of UAB's bank subsidiaries will be offered in exchange for outstanding shares of common stock of UAB. FBG is a bank holding company which controls two national banks. (File 2-53032 - Mar. 14)

(S-1) SECURITY SAVINGS LIFE INSURANCE COMPANY

Suite 104, 2560 Electronic Lane, Dallas, Texas 75220 - 600,000 shares of common stock. It is proposed to offer these shares at \$3.85 each through employees of the company. The company is a Texas life insurance corporation. (File 2-53034 - Mar. 14)

(S-1) THE LIMITED STORES, INC.

4661 East Main St., Columbus, Ohio 43213 - \$5 million of sinking fund debentures, due 1991, to be offered for sale through The Ohio Company, 51 North High St., Columbus, Ohio 43215. The Limited Stores, Inc. operates 62 women's fashion apparel stores in 12 states. (File 2-53039 - Mar. 17)

(S-14) FIRST-WICHITA BANCSHARES, INC.

719 Scott, Wichita Falls, Tex. 76301 - 400,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common shares of The First-Wichita National Bank of Wichita Falls at the rate of one share for each Bank share. First-Wichita Bancshares was organized in January 1975 for the purpose of acquiring all the outstanding shares of The First-Wichita National Bank, and becoming a bank holding company. (File 2-53110 - Mar. 25)

(S-7) PHILADELPHIA ELECTRIC COMPANY

2301 Market St., Philadelphia, Pa. 19101 - up to 4,000,000 shares of common stock, to be offered for sale through a negotiated offer to underwriters headed by Drexel Burnham & Co. Inc. and The First Boston Corp. The company is a public utility supplying electric, gas and steam service. (File 2-53126 - Mar. 26)

In a separate statement the company seeks registration of \$65 million of first and refunding mortgage bonds, due 2000, to be sold at competitive bidding to a group of non-affiliated underwriters. (File 2-53127 - Mar. 26)

(S-14) ERIE CORPORATION

5011 Washington Ave., Evansville, Ind. 47715 - \$1,675,000 of 11% subordinated notes, due 1980, to be offered for exchange to shareholders electing to tender their shares. The Corporation's primary asset is a covered mall regional shopping center located in Evansville, Indiana. (File 2-53128 - Mar. 26)

(S-1) NATIONAL MINE SERVICE COMPANY

3000 Koppers Bldg., Pittsburgh, Pa. 15219 - 241,773 shares of common stock. It is proposed to offer these shares for subscription by means of transferable warrants to the common stockholders at the rate of one share for each seven shares held at a price to be determined. The company manufactures and sells mining machinery, sells distributors products and manufactures, repairs and rebuilds hydraulic components for mining equipment and also distributes longwall mining systems and components. (File 2-53131 - Mar. 26)

(S-1) LIFE INVESTORS INC.

375 Collins Road NE, Cedar Rapids, Iowa 52406 - 100,000 shares of common stock, to be purchased by the Life Investors Ownership Participation Trust. The Company is a financial services holding company specializing primarily in life insurance. (File 2-53132 - Mar. 26)

(S-7) DRESSER INDUSTRIES, INC.

The Dresser Bldg., 1505 Elm St., Dallas, Tex. 75201 - \$75 million of sinking fund debentures, due 2000, to be offered for sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N.Y. 10005. Dresser is a leading supplier of engineered products and technical services to energy-oriented industries and industrial markets. (File 2-53134 - Mar. 26)

In a separate statement the company seeks registration of 416,350 shares of common stock, to be offered for sale by Jeflion Investment Company, the selling shareholder, through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N.Y. 10005, and Lazard Freres & Co., One Rockefeller Plaza, New York, N.Y. 10020. (File 2-53135 - Mar. 26)

(S-1) TEACHERS SERVICE ORGANIZATION, INC.

1104 Philadelphia Pike, Wilmington, Del. 19807 - \$7 million of 6-1/4% demand subordinated thrift certificates, 7% one year subordinated thrift notes, 7-1/2% one year subordinated thrift notes and 8% two year subordinated thrift notes, to be offered for sale at par by the company without underwriter at the principal amount thereof. This filing represents an increase in the principal amount of securities offered in connection with a continuous offering the same securities by the company. The company is engaged principally in the business of making loans to school teachers and is the largest financial institution doing business primarily in Pennsylvania which makes loans to teachers as its principal business. (File 2-53138 - Mar. 26)

In a separate statement the company seeks registration of \$5 million of notes, the terms of which will be supplied supplementally, will be offered for sale at par by the company without underwriter. The initial note to be offered will be a 7% five year note. (File 2-53137 - Mar. 26)

(S-B) PROVINCE OF NEWFOUNDLAND, CANADA

(U.S. Representative - Hon. Bruce I. Rankin, Canadian Consulate, General, 1251 Avenue of the Americas, New York, N.Y. 10020) - \$50 million of sinking fund debentures, due 2000, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. (File 2-53142 - Mar. 26)

REGISTRATIONS EFFECTIVE

Mar. 27: Eureka Standard Consolidated Mining Co., 2-52863; Petro Search Income Program Series V, 2-52352.

Mar. 28: Gannett Co., Inc., 2-53112; General Mills, Inc., 2-52768.

REGISTRATIONS WITHDRAWN

Jan. 31: National City Bancorporation, 2-51379.

Mar. 25: Hardee's Food Systems, Inc., 2-50955.

Mar. 26: Daylin, Inc., 2-52571.

Mar. 27: Atlas Energy Group, Inc., 2-52090.

NOTICE

Many requests for copies of documents referred to in the SEC News Digest have erroneously been directed to the Government Printing Office. Copies of such documents and of registration statements may be ordered from the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. The reproduction cost is 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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