

# 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. 66-111)

FOR RELEASE June 13, 1966

**NUVEEN TAX-EXEMPT FUND FILES.** John Nuveen & Co., 135 S. LaSalle St., Chicago, Ill. 60603, depositor and sponsor of Nuveen Tax-Exempt Bond Fund, Series 12, filed a registration statement (File 2-25116) with the SEC on June 8 seeking registration of 75,000 units of interest in said Fund. The sponsor has deposited with the Fund's trustee, United States Trust Company of New York, interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof (the principal amount thereof to be supplied by amendment), which initially constitute the Fund's underlying securities. Such securities are considered to be "exempt from all Federal Income Taxes under existing law." Each unit represents a fractional undivided interest in the principal and net income of the Fund in the ratio of 10 units for each \$1,000 par value of bonds initially deposited in the Fund.

**BGGOCO. MANAGEMENT PROPOSES OFFERING.** BGGOCO. Management Company, 1028 Patterson Bldg., Denver, Colo. 80202, filed a registration statement (File 2-25118) with the SEC on June 8 seeking registration of \$2,000,000 of commitments to its 1966 Buttes Gas and Oil Exploration Program, \$40,000 of maximum assessments for overexpenditures of the exploration fund, and \$1,000,000 of additional interests in the program by reason of development activities. Interests in the program are to be offered for sale to qualified investors in minimum commitments of \$10,000. The offering is to be made through company officials and employees and may be made through certain broker-dealers.

Organized under Delaware law in May 1966, the management company intends to act as agent and nominee of the participants in this and future joint venture programs. Buttes Gas & Oil Co., which is primarily engaged in exploring for and producing oil and gas, will be engaged by the management company to conduct the exploration activities of the program, primarily in California, Texas and the Rocky Mountain area. The management company has outstanding 100 capital shares, which are owned equally by John Boreta (president of the management company and Buttes Gas & Oil) and Otto Hackel (vice president of the two companies).

**PYRAMID RANCH FILES FINANCING PROPOSAL.** Pyramid Ranch Company, 301 Liberty Bank Bldg., 99 N. King St., Honolulu, Hawaii, filed a registration statement (File 2-25098) with the SEC on June 3 seeking registration of 34,600 shares of limited partners Class A contributions to the capital of the partnership and 34,600 shares of limited partners Class B contributions. The shares are to be offered for public sale in minimum units of ten, each unit consisting of 1 Class A and 1 Class B share, and at \$115 per unit. The offering is to be made by the company; selling expenses and commissions are estimated at \$6.75 per unit. The company is also registering 7,250 shares of limited partners Class A contributions and 7,250 Class B shares, to be offered to certain persons as repayment of loans aggregating \$725,000, the proceeds of which were used in connection with the financing of the partnership's properties. One unit (consisting of 1 Class A and 1 Class B share) is to be offered in cancellation of each \$100 of indebtedness. Any units not so accepted are to be offered for public sale at \$115 per unit.

Organized as a limited partnership under Hawaiian law in April 1966, the partnership proposes to acquire and manage real properties. It has acquired two properties in Los Angeles County, Calif., one consisting of approximately 9,100 acres (known as the Kinsey Ranch) and the other consisting of 530 acres (known as the Miller Ranch). The contracts provide that the partnership will pay \$4,095,000 for the Kinsey Ranch and approximately \$172,537 for the Miller Ranch. The partnership will use \$2,824,000 of the net proceeds of this financing to pay the balance of the indebtedness evidenced by the purchase notes for the said properties; it will repay a \$315,000 note to Hung Wo Ching (general partner); and the balance will be used for engineering studies and other matters involving the properties. In addition to indebtedness, the partnership has outstanding 11,040 shares of general partners' contributions, and 3,160 shares of each Class A and Class B contributions. Ching owns 80% of the general, and 70.6% of each of the Class A and Class B shares, acquired in exchange for some \$333,400 of equity in the properties.

**FIRST QUARTER CORPORATE PROFITS UP.** The SEC and Federal Trade Commission announce (for June 14 newspapers) that sales and profits of U. S. manufacturing corporations in the first quarter of 1966 were significantly higher than in the corresponding period of 1965. Sales in the first quarter of 1966 totaled \$129.9 billion, 13 percent above the first quarter of last year and after-tax earnings rose 16 percent to \$7.2 billion. The first quarter gains in sales and earnings over the year earlier period were widespread, occurring in virtually all industries. The first quarter figures were slightly lower than fourth quarter 1965 results, due to seasonal influences; after allowance for seasonal patterns sales and profits in the January-March period were up substantially from the final quarter of 1965. Profit margins also showed an improvement over the high rates in the first quarter of last year--a period characterized by post-strike operations in the motor vehicle industry and strike-hedge buying of primary metals. Profits after taxes per dollar of sales in the first quarter amounted to 5.6 cents compared with 5.4 cents in the corresponding period of 1965. Durable and nondurable goods industries shared the increase in profit margins about equally. Manufacturing corporations paid out \$3.0 billion in dividends in the first quarter of 1966 compared with \$2.7 billion in the same period of last year. Internal funds--earnings retained for use in the business and depreciation charges--amounted to \$8.3 billion, an increase of 13 percent over the January-March quarter of 1965. Retained earnings were \$600 million higher and depreciation \$400 million more than in the first quarter last year. (For additional details, see Statistical Release No. 2130, available at the Press Club)

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**COASTAL PRODUCTS PROPOSES OFFERING.** Coastal Products Corporation, 1708 North Ashley St., Valdosta, Ga. 31602, filed a registration statement (File 2-25103) with the SEC on June 6 seeking registration of 250,000 shares of common stock. It is proposed to offer these shares for subscription by stockholders at the rate of one new share for each four shares held. The record date and subscription price (\$1.50 per share maximum\*) are to be supplied by amendment. No underwriting is involved. Management officials, who own some 30% of the outstanding stock, have indicated an intention to exercise their subscription rights.

Organized in 1960, the company proposes to manufacture hardboard and softboard products; and it is in the final stages of completing a hardboard and softboard manufacturing plant in Blountstown, Fla. Net proceeds of its sale of additional stock will be added to the company's general funds and used to complete the equipping of such plant and to provide working capital. In addition to indebtedness, the company has outstanding 1,000,000 common shares. Edwin A. Locke, Jr., is president.

**DATRONIC RENTAL PROPOSES OFFERING.** Datronic Rental Corporation, 185 N. Wabash Ave., Chicago, Ill. 60601, filed a registration statement (File 2-25104) with the SEC on June 6 proposing the public offering of 80,000 shares of common stock (at \$7 per share maximum\*). No underwriting is involved.

The company is principally engaged in the business of leasing to commercial, industrial and financial concerns, used data processing equipment of the unit record type. Net proceeds of this offering will be used to finance the purchase of additional equipment for reconditioning and resale or lease and for other requirements of the company, including additional sales and promotional activities. A portion of the funds may be used to purchase new and used EDP equipment. In addition to indebtedness, the company has outstanding 670,595 common shares, of which management officials own 62.4%. Joseph Canzoneri is president.

**STOUFFER FOODS FILES EXCHANGE PLAN.** Stouffer Foods Corporation, 1375 Euclid Ave., Cleveland, Ohio, filed a registration statement (File 2-25119) with the SEC on June 9 seeking registration of 2,036,178 shares of its common stock. It is proposed to offer these shares in exchange for shares of common stock of Interstate Hosts, Inc., in the ratio of 1.22 shares of Stouffer common for each share of Interstate Hosts common (the latter's shares represent shares now outstanding, shares issuable upon conversion of its 5% convertible subordinated debentures during the pendency of the exchange offer, and shares subject to outstanding stock options - with respect to which options Stouffer, upon consummation of the exchange offer, will offer to substitute options to purchase 74,366 shares of its common stock).

Stouffer specializes in the preparation, selling and serving of foods through its Restaurant and Inn Division, its Frozen Prepared Foods Division and its Management Food Service Division. It desires to acquire through the exchange plan at least 95% of the outstanding shares of Interstate Hosts, but may elect to consummate the exchange if holders of not less than 80% of such shares accept the offer. It is contemplated that Interstate Hosts will continue in existence as a subsidiary, with substantially its present management and operating personnel. Arthur Mag and Hulsey S. Lokey, board chairman and president, respectively, of Interstate Hosts, will be elected to Stouffer's board of directors and Lokey will become board chairman.

In addition to indebtedness and preferred stock, Stouffer now has outstanding 1,479,459 common shares, of which management officials own 22.2%. Vernon Stouffer, president and board chairman, owns 414,506 and his wife 187,160 shares.

**BROWN FUND OF HAWAII SEEKS ORDER.** The Brown Fund of Hawaii, Ltd., Honolulu, Hawaii, has applied to the SEC for an order under the Investment Company Act authorizing it to issue its shares at net asset value, without sales charge, for substantially all of the assets of the Profit Sharing Plan of Murrayair, Ltd., which are held by Bishop Trust Co., Ltd., pursuant to a profit sharing trust agreement. The Commission has issued an order (Release IC-4622) giving interested persons until June 29 to request a hearing thereon. The assets of the trust consist substantially of stocks with a market value at March 15, 1966, of \$88,073 and U. S. Treasury bills in the face amount of \$15,000. The net assets of Brown Fund were \$2,386,935 on December 31, 1965.

**DU PONT SEEKS ORDER.** E. I. DuPont de Nemours and Company, Wilmington, Del., has applied to the SEC for exemption order under the Investment Company Act with respect to the proposed sale of its 50% interests in Dekachimie, S. A., to Etablissements Kuhlmann ("EK"); and the Commission has issued an order (Release IC-4623) giving interested persons until June 29 to request a hearing thereon. Dekachimie was incorporated in France in 1961 by DuPont and EK for the manufacture and sale of toluene diisocyanates. DuPont will receive \$2.4 million for the sale of its 50% interest.

**TWO TRADING BANS CONTINUED.** The SEC announced June 10 the suspension of over-the-counter trading in securities of Continental Vending Machine Corporation for the further ten-day period June 11-20, inclusive, and in securities of United Security Life Insurance Company for the period June 12-21, 1966, inclusive.

**ORAL ARGUMENT - COMING WEEK.** June 15 - 3:00 P. M. - Charters & Co. of Miami, Inc.

**SECURITIES ACT REGISTRATIONS.** Effective June 9: Alliance Investment Corp., 2-24244 (90 days); American Mortgage Advisers, Inc., 2-24576 (90 days); Mortgage Investors of America, 2-24577 (90 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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GPO #93-167