

# 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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FOR RELEASE June 17, 1966

**MISSISSIPPI POWER SEEKS ORDER.** Mississippi Power Company, an electric-utility subsidiary of The Southern Co., has applied to the SEC for an order under the Holding Company Act authorizing it to sell \$10,000,000 of first mortgage bonds (due 1996) at competitive bidding; and the Commission has issued an order (Release 35-15508) giving interested persons until July 18 to request a hearing thereon. The net proceeds of the bond sale will be used in connection with the subsidiary's construction program, estimated at \$22,313,000 for 1966, and for other corporate purposes.

**PENNZOIL SEEKS ORDER.** Pennzoil Company, Houston, Tex., and four of its wholly-owned subsidiaries have applied to the SEC for an order under the Holding Company Act authorizing certain transactions; and the Commission has issued an order (Release 35-15507) giving interested persons until July 7 to request a hearing thereon. It is proposed that Pennzoil make open-account advances during 1966 to Pennzoil del Caribe, S.A. and Pennzoil de Quebec Limitee in amounts not to exceed \$400,000 and \$250,000, respectively. The subsidiaries will use the proceeds thereof in their current oil and gas exploration and development programs. It is also proposed that Kenreco, Inc., which is inactive, be dissolved and its net assets of approximately \$24,500 be distributed to Pennzoil, and that Pennzoil of Libya, Inc., declare a dividend in the amount of \$120,000 out of capital surplus and pay such amount to Pennzoil.

**AMERICAN NATURAL GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15506) authorizing American Natural Gas Company to increase its authorized shares of common stock from 15,000,000 to 15,650,000. The proposed increase was approved by American Natural's stockholders on April 27, 1966. The additional shares are to be issued (in part) for the acquisition of substantially all the assets of Central Indiana Gas Co., a nonassociate public-utility (which acquisition is to be the subject of a separate notice).

**NORTH AMERICAN INVESTMENT SEEKS ORDER.** North American Investment Corporation, San Francisco, Calif., has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-4629) giving interested persons until July 12 to request a hearing thereon. According to the application, the company was merged into The Fund American Companies (formerly Fireman's Fund Insurance Co.) pursuant to an agreement of merger dated October 15, 1965, which agreement was approved by the board of directors and shareholders of North American on December 7, 1965.

**ELKTON TRADING BAN CONTINUED.** The SEC issued an order on June 16 suspending over-the-counter trading in securities of The Elkton Company for a further ten-day period, June 17-26, 1966, inclusive.

**SEC COMPLAINT NAMES GREAT AMERICAN INDUSTRIES.** The SEC announced June 16 (LR-3525) the filing of a complaint (USDC SDNY) seeking to enjoin Great American Industries, Inc., and certain individuals from further violating Section 10(b) of the Securities Exchange Act and Rule 10b-5 thereunder. The individual defendants named in the complaint are Walter S. Mack, president and board chairman, and two other officials, Bernard Marren and Irving Stolz, as well as Jerome Matusow, Frederick J. Pagnani, Tom Beard, Emanuel Lester and Odie R. Seagraves. The complaint also charged that Mack, Marren and Stolz caused the company to file certain false and misleading Form 8-K reports, and that Stolz and Adam Mele, another official, violated Section 16(a) of the Act.

**GREAT AMERICAN INDUSTRIES TRADING BAN CONTINUED.** The SEC today announced the issuance of an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Great American Industries for the further ten-day period June 18-27, 1966, inclusive.

**PINAL COUNTY TRADING BAN CONTINUED.** Over-the-counter trading in bonds of Pinal County Development Association has also been suspended for the further ten-day period June 18-27, 1966, inclusive.

**PRUDENTIAL REAL ESTATE TRUST PROPOSES OFFERING.** Prudential Real Estate Trust, 10 E. 40th St., New York 10016, filed a registration statement (File 2-25136) with the SEC on June 14 seeking registration of 350,000 shares of beneficial interest in the trust. The shares are to be offered for public sale through underwriters headed by Shearson, Hammill & Co. Inc., 14 Wall St., New York 10005. The public offering price (\$15 per share maximum\*) and underwriting terms are to be supplied by amendment.

Organized under New York law in 1964, the trust succeeded to the business of Leader-Durst Corp., a company organized in 1961 to engage in the ownership and operation of real property. The trust's properties include interests in ten housing developments, four shopping centers, four office buildings and two industrial plants. Of the net proceeds of its sale of shares, it will use \$1,200,000 to repay bank loans and the balance in connection with its acquisition of properties. Management officials own 119,361 (16.2%) of the trust's outstanding shares (including 99,783 shares owned by Theodore Leader, managing trustee).

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**RULE PROPOSED RE MARKET MAKERS.** The SEC announced June 16 a proposal to adopt a new Rule 16d-1 under the Securities Exchange Act relating to transactions by broker-dealer firms engaged in making a market in shares traded over-the-counter (Release 34-7905); and it invited the submission of views and comments thereon not later than July 18.

Under the Exchange Act, persons owning more than 10% of a class of equity securities registered under the Act and officers and directors of the issuer of such securities (both listed and over-the-counter) must report their holdings of, and transactions in, such securities. Under Section 16(b) of the Act, their short-term trading profits in shares of their respective companies may be recovered by or on behalf of the issuer; and Section 16(c) prohibits their short selling of such shares. Section 16(d) exempts from Sections 16(b) and (c) the purchase and sale, or sale and purchase, of a security by a dealer in the ordinary course of business and incident to the establishment or maintenance by him of a primary or secondary market for the shares otherwise than on an exchange. The exemption, however, is not available with respect to the sale of any specific security that is, or at any time since its purchase has been, held by the dealer in an investment account.

Proposed Rule 16d-1 would define the term "securities held in an investment account" as used in Section 16(d) to mean securities which the dealer has identified on his records as being held in an investment account, securities acquired in other than market-making transactions and securities held by the dealer more than five business days after the dealer ceases to maintain a market in the securities. The dealer would be required, with certain exceptions, to maintain a continuous inter-dealer market in the securities on each business day for a period of at least 45 consecutive calendar days. During this period he must publish competitive bona fide bid and offer quotations for the security in an inter-dealer quotation service on at least three of each five consecutive business days he maintains a market; and he must also, on each of the business days he maintains a market, furnish competitive bona fide bid and offer quotations to other brokers or dealers on request and must execute, in reasonable amounts (generally 100 shares), all orders received from such brokers and dealers at his quoted prices.

**FIVE STOCK PLANS FILED.** Form S-8 registration statements have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

C-E-I-R, Inc., One Farragut Sq. S., Washington, D. C. 20006 (File 2-25137) (129,906 shares)  
 General Automotive Parts Corp., 4600 Harry Hines Blvd., Dallas, Tex. 75207 (File 2-25138) (20,000 shares)  
 Associated Dry Goods Corporation, 417 Fifth Ave., New York 10016 (File 2-25140) (90,000 shares)  
 General Waterworks Corporation, 3219 Philadelphia Pike, Claymont, Del. (File 2-25141) (116,762 shares)  
 General Baking Company, 122 E. 42nd St., New York (File 2-25142) (244,000 shares)

**DELISTING GRANTED.** The SEC has issued an order under the Securities Exchange Act granting an application of the American Stock Exchange to strike from listing and registration the Class A stock of Star Industries, Inc., effective at the opening of business on June 20. The application states that only 13,889 shares of the company's Class A stock remain outstanding in the hands of the public, exclusive of the holdings of Liggett & Myers Tobacco Co.

**UNLISTED TRADING SOUGHT.** The SEC has issued orders under the Securities Exchange Act giving interested persons until June 28 to request a hearing on applications of (1) the Pittsburgh Stock Exchange for unlisted trading privileges in the common stock of Eazor Express, Inc., and (2) the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the common stocks of American South African Investment Co. Ltd. and Newmont Mining Corp.

**FIRST EQUITY SECURITY LIFE SEEKS ORDER.** First Equity Security Life Insurance Company Segregated Investment Account, Anderson, Ind., has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-4628) giving interested persons until July 7 to request a hearing thereon. The applicant was established by First Equity Security Life Insurance Co. in anticipation of the offering by that company of variable annuity options in connection with certain of its policies. According to the application, sufficient funds have not been raised to enable the insurance company to meet the minimum capital and surplus requirements under Indiana insurance laws for a company proposing to issue variable annuity contracts on a segregated investment account plan, and the company has therefore suspended such program.

**SECURITIES ACT REGISTRATIONS. Effective June 14:** Colt Industries Inc., 2-24840 (July 26).  
**Effective June 15:** Mid-Continent Telephone Corp., 2-24977; Thalimer Brothers, Inc., 2-24856 (40 days).  
**Effective June 16:** BT New York Corp., 2-24780 (90 days); City of Oslo, 2-25085 (40 days); Green Giant Co., 2-25042 (July 27); Tridair Industries, 2-24955 (90 days); Union Oil Co. of Calif., 2-25123.

**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.

**ORAL ARGUMENT, COMING WEEK.** June 22 - 3:00 P.M. - Christopher & Co., Inc., et al.

\*As estimated for purposes of computing the registration fee.

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