

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

(In ordering full text of Releases from Publications Unit, cite number)

Washington 25, D.C.

(Issue No. 64-5-9)

FOR RELEASE May 13, 1964

EL PASO NATURAL GAS ORDER. The SEC has issued an order under the Trust Indenture Act declaring that the trusteeship of First National City Bank under a 1957 trust indenture, securing outstanding indebtedness of El Paso Natural Gas Company, and under a new 1964 indenture, is not so likely to involve a material conflict of interest as to make it necessary to disqualify the said bank from acting as trustee under the 1957 or 1964 indenture.

FOUR OFFICIALS PROMOTED. SEC Chairman William L. Cary today announced that, as a further step in the realignment of functions and personnel of the Division of Trading and Markets announced October 3, 1963, the following staff officers have been named Assistant Directors in charge of the designated office within the division (each previously served as office chief): Norman S. Poser, Office of Regulation; Frederick Moss, Office of Special Proceedings; Thomas W. Rae, Office of Enforcement; and Mahlon M. Frankhauser, Office of Criminal Reference. Ralph S. Saul and Irving M. Pollack serve as Director and Associate Director, respectively; Vito Natrella as Assistant Director in charge of the Office of Statistical Studies; Robert Block as Chief Counsel to the Division; David Silver as Special Counsel; and Charles R. McCutcheon as Adviser to the Director.

ROBERT GRENE SENTENCED. The SEC Atlanta Regional Office announced May 8 (LR 2927) that Robert Grene of Miami received a three-year prison sentence for his conviction of fraud in the sale of securities, and that Leonard Glaser of Miami Beach received a two-year prison sentence on his plea of guilty.

SEC COMPLAINT NAMES AMERICAN COMMERCE LIFE, OTHERS. The SEC Fort Worth Regional Office announced May 11 (LR 2928) the filing of Federal court action seeking to enjoin violations of the Securities Act registration requirements in the sale by named defendants of stock of Arkansas State Life Insurance Company, Southern United Life Insurance Company and American Commerce Life Insurance Company (formerly Arkansas State Life Insurance Company and Southern United Life Insurance Company), all of Little Rock, Ark. The defendants in the action are American Commerce Life Insurance Company; Affiliated Investments, Inc., and United Investment Company of Paducah, Inc., both of Paducah, Ky.; Kentucky United Investment Company, of Bowling Green, Ky.; Vernon L. Mendenall, of Little Rock; W. Hershell Lee, of Paducah; Tandy J. McGinnis, Jr., of Bowling Green; and Louis E. McMahan, of McLeansboro, Ill.

NAMOCO MORTGAGE SEEKS ORDER. Namoco Mortgage Company, Inc., Wichita, Kansas, has applied to the SEC under the Investment Company Act for approval of a depository agreement between Namoco and the Union National Bank of Wichita whereby Namoco undertakes to deposit and maintain with the bank qualified investments and reserves as required by Section 28 of the Act with respect to installment-type certificates; and the Commission has issued an order giving interested persons until May 28 to request a hearing upon the application.

UNLISTED TRADING GRANTED. The Commission has granted an application of the Boston Stock Exchange for unlisted trading privileges in the common stock of Avon Products, Inc.

REPORTING EXEMPTION GRANTED TWO COMPANIES. The SEC has issued orders under the Securities Exchange Act of 1934 granting applications of the following for exemption from the requirement for filing annual and other periodic reports with the Commission:

- a) The Terminal Tower Company, Cleveland, Ohio
- b) Western California Telephone Company, Los Gatos, Calif.

According to the Terminal Tower application, 300,680 shares or 99.23% of its 303,000 outstanding shares of common stock are held by four companies which are affiliates of Terminal Tower management officials, the remaining 2,320 shares being owned by 18 shareholders. Each shareholder will receive a copy of the company's annual report.

Western California Telephone has outstanding 218,595 common shares, of which 218,534 shares are held by General Telephone & Electronics Corp. and the remaining 61 shares by 7 other persons, who will be furnished financial statements by the issuing company.

MARION OIL OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public stock offering by Marion Oil Company, Inc., of 2625 Poplar Street, Erie, Penn. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed in February 1963, Marion Oil proposed the public offering of 100,000 shares of Class B non-voting common stock at \$3 per share. In its suspension order, the Commission asserts that it "has reasonable cause to believe" that the stock offering by Marion

OVER

Oil exceeded the \$300,000 limitation and that various false and misleading statements were included in its offering circular. These alleged misrepresentations related, among other things, to the following: the failure to state that Marion Oil's property has never operated profitably; the failure to describe properly nearby oil properties (including their production history); the failure to set forth a reasonable and reliable estimation of net recoverable crude oil reserves to issuer's interest for the developed portion of its property; and the failure to set forth adequately and accurately the risks and hazards of issuer's proposed operations as well as the terms of the agreement under which its property was obtained.

MONTANA POWER FILES STOCK PLAN. The Montana Power Company, 40 E. Broadway, Butte, Montana, filed a registration statement (File 2-22415) with the SEC on May 11 seeking registration of 12,000 shares of common stock, to be offered under its Employees' Stock Purchase Plan.

SHULTON FILES STOCK PLAN. Shulton, Inc., 697 Route 46, Clifton, N. J., filed a registration statement (File 2-22417) with the SEC on May 11 seeking registration of 12,000 shares of Class A common stock and 12,000 shares of Class B common stock, to be offered under its Employees' Stock Option Purchase Plan.

AIRPORT PARKING CO. FILES FINANCING PROPOSAL. Airport Parking Company of America, 1308 Prospect Ave., Cleveland, Ohio, filed a registration statement (File 2-22414) with the SEC on May 11 seeking registration of \$2,500,000 of convertible subordinated debentures (due 1979) to be offered for public sale by the company, and 130,000 outstanding shares of Class A common stock to be offered by the present holders thereof. The offerings will be made through an underwriting group headed by Burnham and Company, 60 Broad St., New York, N. Y., and Prescott & Co., 900 National City Bank Bldg., Cleveland, Ohio. The offering price of the debentures and stock (\$14 per share maximum*), interest rate on the debentures and underwriting terms are to be supplied by amendment.

The company is an airport parking organization and now has installations at 51 airports. It presently operates or has under contract 106 additional parking facilities throughout the nation. The company also owns and operates 5 Avis Rent-A-Car franchises, is acquiring operating Avis franchises in Cleveland and Columbus, Ohio, and Norfolk, Va., and has options to acquire 7 more Avis franchise operations. Of the net proceeds from its debenture sale, about \$1,000,000 will be applied by the company to repayment of outstanding indebtedness; approximately \$800,000 will be spent in constructing a parking garage and exhibition hall facility adjacent to the Statler-Hilton Hotel in Cleveland; and the balance will be added to the company's working capital. In addition to indebtedness, the company has outstanding 506,609 shares of Class A common stock and 351,328 shares of Class B common stock, of which management officials as a group own 57.2% and 82.8%, respectively. The prospectus lists four selling stockholders, as follows: Howard M. Metzenbaum, board chairman (offering 52,500 of his holding of 127,562 Class A shares); Alva T. Bonda, president (offering 52,500 of his holding of 132,847 Class A shares); and Moe Lerner, director, and Sylvia Lerner (offering 25,000 of their combined holdings of 33,600 Class A shares).

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified. Copies thereof may be ordered from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with photocopy material when mailed. An index of the caption of the several items of the form was included in the May 1st News Digest.

Stratford Corp Mar. 1964 (2,11,13)
 Inter-Island Resorts Ltd Mar. 1964
 (11)
 Owens-Illinois Glass Co July 1963
 (3)
 Reed Roller Bit Co April 1964 (11,13)
 Wilcox Oil Co April 1964 (12,13)
 Fidelity Acceptance Corp Sept & Nov. 1963
 (7,13)
 Western Nuclear Inc Mar. 1964 (2,7,13)
 Raytheon Co Amend #1 to 8K for Mar. 1964
 (8,12,13)

Indianapolis Water Co April 1964 (11)
 Peoples Tel. Corp Mar 1964 (7,13)
 April 1964 (11,13)
 Systron Donner Corp April 1964 (8)
 Bowl-Mor Co April 1964 (6,11)
 Phila. Aquarium Inc Sept. 1963 (11,13)
 Nov. 1963 (7,13) Mar. 1964 (7,13)
 Southwest Gas Corp Mar. 1964 (4,7,11,13)
 Fred Meyer Inc April 1964 (11,13)
 Canadian Superior Oil Ltd April 1964
 (11)
 Federal Services Finance Corp Mar. 1964
 (7,11,13)

SECURITIES ACT REGISTRATIONS. Effective May 11: The Singer Co. (File Nos. 2-22291 and 22292). Effective May 12: Apache Corp. (File 2-21990); Cary Chemicals Inc. (File 2-22338); Caterpillar Tractor Co. (File 2-22312); Michigan Consolidated Gas Co. (File 2-22298). Effective May 13: Ohl-Oil Funds, Inc. (File 2-22192); Palabora Mining Company Ltd. (File Nos. 2-22240 and 22241); Weil-McLain Co., Inc. File 2-22212).

* As estimated for purposes of computing registration fee.