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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COBURN ASSOCIATES CITED. The staff of the SEC, upon the basis of information developed in its investigation, asserts that J. B. Coburn Associates, Inc., 150 Broadway, New York, (a) offered and sold stock of Champion Industries, Inc., during the period September 1962-April 1963 i violation of the registration requirements of the Securities Act of 1933 and (b) failed to make and keep accurate and current its books and records with respect to its transactions in Champion Industries stock in violation of the record-keeping requirements of the Securities Exchange Act of 1934.

Upon the basis thereof, the Commission has ordered administrative proceedings under the said Exchange Act to determine whether such violations occurred and, if so, whether the broker-dealer registration of Coburn Associates should be revoked and whether it should be suspended or expelled from membership in the National Association of Securities Dealers, Inc. Also charged by the staff with participating in such sales of Champion Industries stock are Polequity Corporation, a New York corporation which owns 100% of the outstanding stock of Coburn Associates; Bernard W. Berger, president of Coburn Associates and a stockholder of Polequity; James Cohen, a stockholder of Polequity and (until recently) president of Coburn Associates; and Myrna Goldman, the latter's cashier. A hearing for the purpose of taking evidence on the staff charges will be held at a date to be announced later.

Also named as respondents in the administrative proceedings are two additional broker-dealer firms, Washington Planning Corp., of the New York address, and its 80%-owned subsidiary, Washington Planning Corp. of Maryland, Warner Bldg., 501 - 13th St., N. W., Washington, D. C. Berger is president of these two firms; and Cohen was (until recently) a vice president of Planning Corp. of New York and continues to serve as a vice-president of Planning Corp. of Maryland. Coburn Associates and Planning Corp. of New York have requested withdrawal of their broker-dealer registrations, but such withdrawals have not become effective. Thus, the question whether to revoke the broker-dealer registrations of the two additional firms and/or to suspend or expell them from NASD membership also is presented by the Commission's order for administrative proceedings.

A.V.C. CORP. SEEKS ORDER. A.V.C. Corporation, 1617 Pennsylvania Blvd., Philadelphia, has applied to the SEC for an exemption order under the Investment Company Act permitting its issuance of A.V.C. shares at less than their net asset value, in accordance with the terms of outstanding options to purchase such stock; and the Commission has issued an order (Release IC-3794) giving interested persons until October 31, 1963, to request a hearing thereon.

According to the application, on January 21, 1963, A.V.C., which was then known as American Viscose Corporation, a leading producer of rayon, acetate and cellophane, entered into an agreement with FMC Corporation ("FMC") whereby it agreed to sell to FMC all of its assets, except certain marketable securities, cash and shares of common stock of Monsanto Chemical Company, for the sum of $116,000,000 (subject to certain adjustments) plus the assumption by FMC of certain liabilities of A.V.C. On April 4, 1963, A.V.C. registered under the Act. The transactions with FMC were consummated on August 5, 1963, and the total assets of A.V.C. as of the following day consisted of cash and cash items amounting to $177,318,124 and stock of Monsanto Chemical Company valued at market in the amount of $189,675,324. There were 4,755,024 shares of A.V.C. common stock outstanding as of the latter date. A.V.C. had had in effect since November 1950 a stock option plan for its principal officers, executives and key managerial employees. As of the date of the agreement with FMC, A.V.C. had outstanding options to purchase 38,527 shares of A.V.C. common stock. No options have been granted since December 1961. Under the terms of the agreement with FMC, the latter agreed to substitute options to purchase FMC stock for options granted by A.V.C. but only with respect to those options which by their terms could not have been exercised prior to August 5, 1963. As a result of this provision of the agreement between A.V.C. and FMC, options to purchase a total of 4,714 shares of A.V.C. stock were still outstanding on August 6, 1963, of which options to purchase 2,228 shares were held by five officers of A.V.C. and the remaining options were held by employees other than officers. Such options are exercisable at prices ranging from $27 to $54.25 per share.

Since the net asset value of A.V.C. stock as of August 6, 1963, was about $77 per share, the exercise of the above options would involve the issuance of stock at a price below the net asset value, contrary to a provision of the Investment Company Act. Issuance of the 4,714 shares of A.V.C. pursuant to the outstanding options would result in a reduction in the net asset value per share of A.V.C., computed as of August 6, 1963, from $77.18 to $77.143 per share.

GREAT LAKES INDUSTRIES SEEKS ORDER. Great Lakes Industries, Inc., 521 West 6th St., Monmouth, Ill., has applied to the SEC for an order of exemption from the Investment Company Act; and the Commission has issued an order (Release IC-3795) scheduling the application for hearing on November 4, 1963. Applicant requests the exemption on the basis that it considers itself primarily engaged in a business other than that of an investment company. The company asserts that prior to 1960 it engaged in the business of producing metal platings and that since November 1960, when it merged with Western Stoneware Company, a manufacturer of clay products, it has continued to produce metal platings, but has been primarily engaged in the business of manufacturing commercial stoneware and related products. During 1962, Great Lakes Industries' sales of metal platings and of commercial stoneware and clay products amounted to $650,869 and $1,471,113,

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respectively. Between November 1961 and November 1962, applicant acquired 179,423 shares, or approximately 25.1% of the outstanding capital stock of Natco Corporation ("Natco"), which is engaged in the business of manufacturing structural clay products, with a view towards participating in the control and management of Natco.

The application further indicates that as of June 30, 1962, the assets of Great Lakes, stated at cost, aggregated $3,320,480, including $268,483 of cash, $492,784 of fixed assets, net of depreciation, and $2,149,607 representing the cost of Great Lakes' interest in Natco. The latter amount is equivalent to approximately 70.4% of the cost of Great Lakes assets exclusive of cash. Applicant states that the market value of its interest in the stock of Natco at June 30, 1962 was $1,547,523, which is equal to approximately 63% of Great Lakes' total assets (less cash), adjusted to reflect the interest in Natco at the market value indicated hereinabove.

Accordingly, the company believes that the fair market value of its fixed assets is many times their net book value and that it is entitled to an exemption on the basis that it does not meet the statutory definition of an investment company.

ROANOKE BLDG. SEEKS ORDER. The Roanoke Building Company, Baker Bldg., Minneapolis, Minn., has applied to the SEC for an exemption order under the Investment Company Act with respect to a proposed borrowing from Investors Syndicate of America, Inc. ("ISA"); and the Commission has issued an order (Release IC-3796) giving interested persons until November 1, 1963, to request a hearing thereon. ISA is a wholly-owned subsidiary of Investors Diversified Services, Inc.; and the latter owns 34.38% of the outstanding common stock of Roanoke Building. The principal asset of Roanoke Building is the leasehold estate and improvements known as the Roanoke Building in Minneapolis. Baker Properties, Inc., owns 51% of the stock of Roanoke Building and manages and operates the property. The present application relates to a proposed mortgage loan from ISA to Roanoke Building in the amount of $3,000,000 to provide funds to finance the construction of an addition to the building and certain further capital improvements made therein, and in connection therewith to refinance the unpaid balance of the $550,000 mortgage loan made by ISA to Roanoke Building in April 1958.

BROCKTON EDISON FINANCING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14957) authorizing Brockton Edison Company, Brockton, Mass., to issue and sell at competitive bidding $5,000,000 of bonds due 1993 and 60,000 shares of preferred stock, $100 par. Net proceeds of the bond sale, together with treasury funds or short-term bank borrowings, will be used to redeem Brockton's outstanding $5,000,000 of 5¼% Series Bonds due 1989 at the redemption price of 105-7/8% plus accrued interest. Brockton also will redeem its presently outstanding 40,000 shares of 5.60% preferred, $50 par, and 40,000 shares of 5.48% preferred, $100 par, at their current redemption prices of $54.18 and $107.91 per share, respectively. Proceeds of the sale of the new preferred, together with treasury funds or bank borrowings, will be applied to such redemption.

COMMONWEALTH RESOURCES DELISTED. The SEC has granted an application of the San Francisco Mining Exchange to delist the common stock of Commonwealth Securities Corporation, effective at the opening of trading October 28, 1963, which failed to file its 1962 annual report. (Release 34-7157).

UNLISTED TRADING GRANTED. The SEC has granted applications of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Campbell Red Lake Mines, Ltd., and of the Pittsburgh Stock Exchange for such privileges in the common stock of National Steel Corporation (Release 34-7157).

MID-CONTINENT TELEPHONE PROPOSES OFFERING. Mid-Continent Telephone Corporation, 363 Third St., Elyria, Ohio, filed a registration statement (File 2-21808) with the SEC on October 17, 1963, seeking registration of 150,000 shares of common stock, to be offered for public sale through underwriters headed by The Ohio Company, 51 North High St., Columbus. The public offering price and underwriting terms are to be supplied by amendment.

Through subsidiaries, the company operates in parts of eighteen counties in Ohio which include 104 communities. Net proceeds of the sale of additional stock will be used to repay short-term loans incurred in connection with acquisitions, investments and advances to subsidiaries by the parent. The funds were used by the subsidiaries for property additions and improvements ($6,833,994 in 1962). In addition to certain indebtedness and preferred stock, the company now has outstanding 131,747 common shares, of which management officials own 80,347 shares and The Ohio Company (of which H. N. Wilson, a director of the issuer, is an officer) owns 90,818 shares. Weldon W. Case is president of the issuer; and members of the Case family, as a group, own 21.8% of the outstanding shares.

SECURITIES ACT REGISTRATIONS. Effective October 18: Southern California Edison Co. (File 2-21770). Withdrawn October 17: Management Investment Corp. (File 2-20689).

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