

# 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 December 16, 1963

**Statistical Release No. 1944.** The SEC Index of Stock Prices, based on the closing prices of 300 common stocks for the week ended December 13, 1963, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1963 is as follows:

	1957-59 = 100		Percent Change	1963	
	12/13/63	12/6/63		High	Low
Composite	150.8*	150.7	0.1	150.8	130.6
Manufacturing	140.9	140.8	0.1	141.9	121.1
Durable Goods	137.5	137.8	-0.2	141.4	116.2
Non-Durable Goods	144.2	143.8	0.3	144.3	125.8
Transportation	135.5*	133.7	1.3	135.5	106.4
Utility	191.8	191.9	-0.1	191.9	170.3
Trade, Finance & Service	176.9	177.0	-0.1	180.9	153.8
Mining	135.7	136.4	-0.5	136.4	104.2

\*New High

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended December 12, 1963, 20 registration statements were filed, 29 became effective, 1 was withdrawn, 1 was suspended by stop order, and 257 were pending at the week-end.

**PREFERRED SECURITIES REVOKED; SPACE TECHNOLOGY SUSPENSION PERMANENT.** In a decision announced today, the Commission (1) revoked the broker-dealer registration of Preferred Securities, Inc., 3033 N. Central Ave., Phoenix, for fraudulent representations and manipulation in the offer and sale of stock of Space Technology and Research Corp., 520 Midland Savings Bldg., Denver; and (2) made permanent its prior order suspending a Regulation A exemption from Securities Act registration with respect to the 1961 stock offering by Space Technology. William M. Liddon, president and sole stockholder of Preferred Securities, was found to be a cause of the revocation of that firm's registration. All three respondents signed stipulations consenting to the action taken by the Commission.

According to the Commission's decision, Space Technology's offering circular contained false statements with respect to the proceeds of the offering, the date of completion thereof and the underwriting discounts; and it also failed to name Preferred Securities as an underwriter or to make adequate disclosure of the method of offering, public offering price, and compensation to underwriters. With respect to Preferred Securities, the Commission ruled that it and Liddon bid for and purchased Space Technology stock while engaged in the public offering thereof, in violation of the anti-manipulative provisions of the Securities Exchange Act; and they also made false and misleading statements and omitted material facts concerning the plan for distribution of Space Technology stock and its offering price. The Commission held that, after the purported completion of the offering, Preferred Securities sold 12,000 shares of Space Technology stock to two corporations wholly-owned and 50%-owned, respectively, by Liddon. Thereafter, it repurchased these shares from the two corporations and resold them to public investors at prices exceeding the \$1 per share offering price thereof. "It is clear," the Commission observed, that Preferred Securities "did not make a bona fide public offering of the 12,000 shares at the price stated in the offering circular, and that it obtained underwriting compensation in excess of that disclosed by the offering circular."

**HILL STREET CO. ORDER ISSUED.** The SEC has issued an order (IC-3861) under the Holding Company Act declaring that Hill Street Company, of 760 South Hill St., Los Angeles, has ceased to be an investment company.

**SOCONY MOBIL OIL SEEKS ORDER.** Socony Mobil Oil Company, Inc., 150 E. 42d St., New York, has applied to the SEC for an exemption order with respect to its Employees Savings Plan; and the Commission has issued an order (Release IC-3862) giving interested persons until December 30 to request a hearing thereon. The requested exemption relates to the Equity Fund and the Balanced Fund to be established under Socony's Employees Savings Plan adopted in 1951. Under the current proposal, it is proposed to amend the plan to give an employee additional alternatives to direct the investment of cash credited to his account in either of the two funds.

**du PONT SEEKS ORDER.** E. I. du Pont de Nemours and Company, Wilmington, Del., has applied to the SEC for an exemption order under the Investment Company Act with respect to the proposed sale of an indirect interest in a Brazilian corporation; and the Commission has issued an order (Release IC-3863) giving interested persons until December 30, 1963, to request a hearing thereon. According to the application, Adastr A.G., a Swiss subsidiary of duPont, proposes to sell its 35% interest in Focima-Material Fotografico e Cinematografico S.A., the Brazilian corporation, to the three other stockholders of Focima, for a consideration of 31,000 Swiss francs, or approximately \$7,200.

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**LIFE & FINANCE COS. SEEKS ORDER.** Life and Finance Companies, Inc., 21 N. Pennsylvania St., Indianapolis, has applied to the SEC for an exemption order under the Investment Company Act with respect to proposed transactions with Wabash First and Casualty Insurance Company; and the Commission has issued an order (Release IC-3864) giving interested persons until December 30th to request a hearing thereon. Applicant seeks an order with respect to (1) the granting by Wabash to Applicant of an option to purchase 786,448 authorized but unissued shares of Wabash common stock at a price of \$2.00 a share on or before December 31, 1964; (2) the proposed issuance and sale by Wabash to Applicant (as a result of the latter's election to partially exercise such option) of 500,000 shares of Wabash common stock on or before December 31, 1963, at a price of \$2.00 a share in cash; (3) the borrowing by Applicant of \$1,000,000 from banks on short term notes; and (4) the action taken by those officers and directors of Applicant who own stock of Wabash to effectuate the foregoing transactions. There is now pending before the Commission an application by Life and Finance Companies for an order declaring that it is primarily engaged in business other than that of an investment company.

**IROQUOIS GAS-EMPIRE GAS MERGER APPROVED.** The SEC today issued an order (Release 35-14982) under the Holding Company Act approving the proposed merger of two wholly-owned subsidiaries of National Fuel Gas Company (Empire Gas and Fuel Company, Limited into Iroquois Gas Corporation), both of which are presently engaged in producing, purchasing and distributing natural gas in the western part of New York State. National presently owns all of the outstanding shares of capital stock of Iroquois and Empire (496,746 shares and 12,400 shares, respectively). To consummate the merger, Iroquois will issue 12,400 shares of common stock to National in exchange for the surrender and cancellation of all of Empire's common stock. After Iroquois acquires all of the assets of Empire (approximately \$4,895,040) and assumes its liabilities, National's investment in Iroquois' stock will then be equal to the sum of its present investments in the stocks of Iroquois and Empire.

**NEW YORK TELEPHONE PROPOSES OFFERING.** New York Telephone Company, 140 West Street, New York City, filed a registration statement (File 2-21947) with the SEC on December 13 seeking registration of \$130,000,000 of Refunding Mortgage Bonds, Series G, due 2004, to be offered for public sale at competitive bidding. New York Telephone Company, a wholly-owned subsidiary of American Telephone and Telegraph Company, is engaged in the business of furnishing communication services, mainly local and toll telephone service, in the State of New York and in a small part of Connecticut. Proceeds from the proposed sale will be used to repay bank loans approximating \$75,000,000, and the remainder will be used for plant additions and improvements.

**GENERAL AMERICAN TRANSPORTATION PROPOSES OFFER.** General American Transportation Corporation, 135 South LaSalle St., Chicago, filed a registration statement (File 2-21948) with the SEC on December 13 seeking registration of \$40,000,000 of Equipment Trust Certificates due 1984 (Series 61) to be offered to the public through underwriters headed by Kuhn, Loeb & Co., 30 Wall St., New York City. The offering price (maximum \$1,025 per certificate\*) and underwriting terms are to be supplied by amendment.

General American is principally engaged in the supplying of its railroad freight cars to railroads and shippers for their use. The company manufactures and sells all types of railroad freight cars, but approximately 80% of its fleet consists of tank cars of various capacities. The company owns and operates a fleet of approximately 67,000 railroad freight cars, of which approximately 46% are free of liens. Proceeds from the sale of the Trust Certificates will be used toward reimbursing the treasury of the company for the cost (not less than \$44,444,445 after adjustment for depreciation) of the cars to be subjected to the Agreement under which the Certificates will be issued. The company contemplates spending a minimum of \$30,000,000 in 1964 for additions to its fleet of specialized freight cars, which will be paid for from treasury funds. Proceeds from the sale of additional equipment trust certificates (or other borrowings) may be used toward reimbursing the treasury for such funds. T. M. Thompson is chairman of the board and Spencer D. Mosley is president.

**TRANSCONTINENTAL GAS PIPE LINE PROPOSES OFFERING.** Transcontinental Gas Pipe Line Corp., 3100 Travis St., Box 1396, Houston, filed a registration statement (File 2-21949) with the SEC on December 13 seeking registration of \$40,000,000 of First Mortgage Pipe Line Bonds due 1984, to be offered for public sale through underwriters represented by White, Weld & Co., 20 Broad St., New York City and Stone & Webster Securities Corporation, 90 Broad St., New York City. The offering price and underwriting terms are to be supplied by amendment.

The company owns and operates an interstate pipeline system (extending 1,842 miles from the Texas and Louisiana Gulf Coast to the New York-New Jersey-Philadelphia area) for the transportation and sale of natural gas. Proceeds from the sale of the new bonds (plus additional funds) will be used to prepay \$40,000,000 of outstanding notes incurred in connection with the company's construction program. Expenditures after November 1, 1963, for completion of the current construction program are estimated at \$44,300,000. In addition to other indebtedness, the company had outstanding as of November 30, 1963 15,358,048 shares of common stock. E. Clyde McGraw is president and James B. Henderson, executive vice president.

**SECURITIES ACT REGISTRATIONS.** Effective December 16: Denver U. S. Bancorporation, Inc. (File 2-20762); De Soto Chemical Coatings, Inc. (File 2-21762); Young Industries, Inc. (File 2-21763).  
**Withdrawn December 13:** Peoples Protective Life Insurance Co. (File 2-21908); Wick Investing Corp. of Delaware (File 2-20926).

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