

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 23, 1963

Statistical Release No. 1946. The SEC Index of Stock Prices, based on the closing prices of 300 common stocks for the week ended December 20, 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 | |
|--------------------------|---------------|----------|-------------------|-------|-------|
| | 12/20/63 | 12/13/63 | | High | Low |
| Composite | 151.2* | 150.8 | 0.3 | 151.2 | 130.6 |
| Manufacturing | 141.8 | 140.9 | 0.6 | 141.9 | 121.1 |
| Durable Goods | 137.2 | 137.5 | -0.2 | 141.4 | 116.2 |
| Non-Durable Goods | 146.2 | 144.2 | 1.4 | 144.3 | 125.8 |
| Transportation | 134.8 | 135.5 | -0.5 | 135.5 | 106.4 |
| Utility | 190.9 | 191.8 | -0.5 | 191.9 | 170.3 |
| Trade, Finance & Service | 176.1 | 176.9 | -0.5 | 180.9 | 153.8 |
| Mining | 134.2 | 135.7 | -1.1 | 136.4 | 104.2 |

* New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended December 19, 1963, 22 registration statements were filed, 20 became effective, 5 were withdrawn, and 254 were pending at the week-end.

S.E.C. COMPLAINT NAMES HAYNES OIL. The SEC Atlanta Regional Office announced December 18 (LR-2803) the filing of a complaint (USDC, Jacksonville, Fla.) seeking to enjoin Byron Haynes, d/b/a/ Haynes Oil and Gas Company, 205 First Bank and Trust Company Bldg., Jacksonville, from selling and offering for sale oil interests in tracts of land situated in the Parishes of Jefferson Davis, East Baton Rouge, St. John The Baptist, Acadia and Calcasieu, Louisiana, in violation of the registration requirements of the Securities Act.

TEXAS POWER & LIGHT FILES FINANCING PROPOSAL. Texas Power & Light Company, Fidelity Union Life Bldg., 1511 Bryan St., Dallas, filed a registration statement (File 2-21962) with the SEC on December 20 seeking registration of \$15,000,000 of Sinking Fund Debentures due 1989, to be offered for public sale at competitive bidding. Net proceeds from the sale of the debentures (plus a cash contribution of \$6,000,000 from the parent company, Texas Utilities Co., will be used for the construction of new facilities and other corporate purposes. The company's construction program is estimated at \$50,900,000 for 1964 and \$48,200,000 for 1965. W. W. Lynch is president.

BAYSTATE CORP. FILES FOR OFFERING AND SECONDARY. Baystate Corporation, 77 Franklin St., Boston, filed a registration statement (File 2-21963) with the SEC on December 20 seeking registration of 138,285 shares of common stock. Of this amount, 113,285 shares (presently outstanding) are being offered by the holders thereof and 25,000 shares by the corporation. The offering is to be made by an underwriting group headed by The First Boston Corporation, 20 Exchange Place, Lee Higginson Corporation, 20 Broad Street, both of New York City, and F. S. Moseley & Co., 50 Congress St., Boston; and the offering price (maximum \$65 per share*) and underwriting terms are to be supplied by amendment.

A bank holding company, Baystate owns the voting shares of three national banks and six trust companies, all located in Massachusetts. Part of the proceeds from the sale of the 25,000 shares by the corporation will be used to retire an outstanding short term bank debt in the amount of \$600,000. The remainder of the proceeds will be added to the general working funds of the corporation. The corporation had outstanding 762,620 shares of common stock. The prospectus lists two selling stockholders: The First National Bank of Boston (100,000 shares) and The George Putnam Fund of Boston (13,285 shares). After the sale, First National will own 2,510 shares which it plans to donate to charity in 1964, and the Putnam Fund will own 18,315 shares. Philip Eiseman is president and Richard Wengren is senior vice president and treasurer of the company.

DEMPSTER MILL FILES FINANCING PLAN. Dempster Mill Mfg. Co., Beatrice, Nebraska, filed a registration statement (File 2-21964) with the SEC on December 20 seeking registration of \$300,000 of 6½% senior subordinated Sinking Fund Debentures, Series A, to be offered for public sale on an "all or none" basis by underwriters headed by First Nebraska Securities Corporation, 1001 "O" Street, Lincoln, Nebraska. The

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debentures are to be offered for sale at 100% of principal amount, with an 8% commission to the underwriters.

In a separate registration statement (File 2-21965), Dempster seeks registration of 5,000 shares of 6% preferred stock, \$100 par, to be offered for sale at \$100 per share through management officials (without underwriting).

The company was incorporated under Nebraska law on September 9, 1963, for the purpose of acquiring the plant, equipment, inventory, supplies, business and good will of Old Dempster, which for many years had been engaged in the business of manufacturing, distributing and selling of farm implements, including water supply equipment. Net proceeds of the stock sale will first be applied to the retirement of \$344,000 of promissory notes and the balance, if any, added to working capital, while the net proceeds of the debenture sale will be used to finance inventories and accounts receivable. There are 50,000 shares of common stock outstanding, of which officers and directors as a group own 40,000 shares. W. B. McCarthy is chairman of the board and Charles B. Dempster is president.

VALVCO CORP. PROPOSES OFFERING. Valvco Corporation, Beekman St. and Waverly Ave., filed a registration statement (File 2-21966) with the SEC on December 20th seeking registration of 350,000 shares of common stock, to be offered for public sale through underwriters headed by White, Weld & Co., Inc., 20 Broad St., New York, and Schneider, Bernet & Hickman, Inc., 1505 Elm St., Dallas. The public offering price (maximum \$22 per share*) and underwriting terms are to be supplied by amendment.

Valvco was organized in November 1962 for the purpose of acquiring and continuing the business of The Lunkenheimer Company, which manufactures a broad line of bronze, iron and steel high pressure valves for commercial and industrial use. Most of the principal operating officers of Lunkenheimer will continue in the same capacities after the acquisition, expected to be consummated in January 1964, after the purchase plan is approved by shareholders of Lunkenheimer. The actual purchase price will be based on a formula and will be based upon the total assets of Lunkenheimer at September 30, 1963, subject to certain adjustments. Net proceeds of the sale of stock by Valvco, together with \$2,800,000 of funds to be borrowed from banks, will be applied to the payment of the purchase price, and the balance will be added to working capital. Valvco now has outstanding 20,000 common shares, held in equal amounts by White, Weld & Co. (an affiliate of one of the principal underwriters) and the Schneider, Bernet firm. The company originally issued 15,000 common shares (at 50c per share) and a \$12,500 note to each of such stockholders; and, subsequently, each purchaser made a capital contribution to the company of 5,000 shares and the note indebtedness. The prospectus lists Paul M. Arnall as president.

SEC ORDER CITES PACIFIC COAST SECURITIES COMPANY. The SEC, upon the basis of allegations by its staff, has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Pacific Coast Securities Company, 255 California Street, San Francisco, California, engaged in activities violative of the registration provisions of the Securities Act of 1933 and the anti-fraud provisions of the two laws and, if so, whether its broker-dealer registration should be revoked, whether it should be suspended or expelled from membership in the National Association of Securities Dealers, Inc., and whether Edward R. Bunting, president and principal stockholder of the firm, should be found a cause of any such revocation or suspension order, if issued. A hearing for the purpose of taking evidence on the staff charges will be held at a time and place to be announced.

The activities complained of relate to conduct of Pacific Coast Securities during the period April 1961 to September 1963 in connection with its participation as underwriter in the distribution of securities of U. S. Systems, Inc., Automata International, Inc., Blue Haven Pools and Guaranty National Insurance Company. The Regulation A exemption from Pools securities was temporarily suspended by Commission order of September 18, 1963, and proceedings are now pending on the question whether such order should be vacated or made permanent.

National Insurance Company. The Regulation A exemption from Securities Act registration with respect to public offering of Blue Haven Pools securities was temporarily suspended by Commission order of September 18, 1963, and proceedings are now pending on the question whether such order should be vacated or made permanent.

SOUTHEASTERN TIMBERLAND TRUST FILES. Southeastern Timberland Trust, Warm Springs, Ga., today filed a registration statement (File 2-21967) with the SEC seeking registration of 500,000 shares of beneficial interest in the Trust. The shares are to be offered for public sale on a best efforts basis by Georgia Timberlands Management Company, an affiliate of the Trust, which will receive a 15% selling commission. The public offering price (\$3.08 per share maximum*) is to be supplied by amendment.

The Trust was created in May 1962 for the purpose of providing investors with an opportunity to own an interest in various real properties throughout the Southeast, principally consisting of timberlands. It will attempt to qualify as a "real estate investment trust" under the Internal Revenue Code. Management and control of the Trust rests with the Trustees, including Judson R. Kendrick, board chairman. Elmer Loftin, executive vice president, and Harrold C. Crowder, secretary-treasurer (they also are sole officers and stockholders of the management company). Net proceeds of the sale of shares will be invested in accordance with the established policies of the Trust, the management company serving as investment advisor and consultant on properties which it may acquire or sell.

SECURITIES ACT REGISTRATIONS. Effective December 20: Stop & Shop, Inc. (File 2-21855) Chrysler Thrift-Stock Ownership Program and Chrysler Corporation (File 2-21916); Chrysler Corporation (File 2-21924); Effective December 23: Northern States Life Insurance Corporation (File 2-21920).