

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington 25, D.C.

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

(Issue No. 63-10-8)

FOR RELEASE October 10, 1963

**NATIONAL STEEL - ARMCO STEEL SEEK ORDER.** National Steel Corporation, of Pittsburgh, and Armco Steel Corporation, of Middletown, Ohio, have applied to the SEC for an order under the Investment Company Act authorizing Armco's proposed sale of 6,000 capital shares of Hanna Ore Mining Company to National and the assumption by National of Armco's obligation to purchase iron ore from Hanna Ore; and the Commission has issued an order (Release IC-3789) giving interested persons until October 25, 1963 to request a hearing thereon. National is 26%-owned by The M. A. Hanna Company, a registered closed-end investment company. Hanna Ore is owned by Armco, National and Wheeling Steel Corporation. According to the application, each of the stockholders of Hanna Ore is required to purchase from Hanna Ore such proportion of the total iron ore produced and shipped by Hanna Ore as the stock ownership of each bears to the total outstanding capital stock of Hanna Ore. Armco is obligated to purchase 15% and represents that this quantity is in excess of the amount of the type mined by Hanna Ore which it can use on an economically sound basis. On the other hand, National represents that it can make use of additional quantities of iron ore and is willing to acquire additional quantities from Hanna Ore; and it proposes to purchase for \$255,000 the 6,000 shares owned by Armco and to assume the latter's obligation. Following the transaction, National will own 85% of the outstanding stock of Hanna Ore and will be obligated to purchase 85% of the total iron ore production of Hanna Ore.

**NAMOCO AGENCY RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-3787) exempting Namoco Agency, Inc., Wichita, Kansas, from the statutory prohibition against its continuing to serve as principal underwriter and investment manager for Namoco Mortgage Company, Inc. (formerly known as National Mortgage Corporation, Inc., a registered face-amount certificate company). The disqualification arises from a March 7, 1963 Federal court order enjoining the investment company, Namoco Agency, O. K. Bush, Dave Bush and Sam Namee from offering, selling or delivering securities in violation of Sections 5(a) and (c) of the Securities Act. The injunction was based upon the offer and sale of face amount certificates in erroneous but inadvertent reliance upon the intra-state exemption from registration, which is not available to a registered investment company.

**DIVIDEND SHARES RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-3788) authorizing Dividend Shares, Inc., New York open-end investment company, to issue its shares at net asset value for substantially all of the cash and securities of Greensburg-Connellsville Coal & Coke Co., an exempt investment company with 26 shareholders. The cash and securities of Greensburg have an approximate value of \$2,480,000 as of July 20, 1963. The shares so acquired by Greensburg are to be distributed to its shareholders on the liquidation of Greensburg.

**DELISTING APPROVED.** The SEC has granted an application of the American Stock Exchange to delist the common stock of Lefcourt Realty Corporation, effective at the opening of business on October 14, 1963. (Release 34-7156).

**CENTRAL AMERICAN LAND AND CATTLE, ET AL ENJOINED.** The SEC Chicago Regional Office announced October 7 (LR-2758) the entry of a Federal court order (USDC, SD, Iowa) preliminarily enjoining Central American Land and Cattle Company; Del Dewey, formerly of Boise, Idaho but now a resident of Puerto Cabezas, Nicaragua, Central America; James Warner of Boise, Idaho; Charles Briggs of Des Moines, Iowa and Amarillo, Texas and Forest Hayes of Creston, Iowa, from further violations of the Securities Act registration provisions in the sale of preorganization subscriptions and stock of the defendant company.

**CARLON PRODUCTS FILES FOR RIGHTS OFFERING.** Carlon Products Corporation, P. O. Box 133, Aurora, Ohio, filed a registration statement (File 2-21790) with the SEC on October 9 seeking registration of 304,293 shares of common stock. It is proposed to offer such stock for subscription by common stockholders at the rate of five shares for each three shares held. No underwriting is involved. The record date and subscription price (maximum \$3.50 per share\*) are to be supplied by amendment.

The company is engaged primarily in the manufacture and sale of extruded plastic pipe and molded and fabricated plastic pipe fittings. It also manufactures and sells a variety of plastic parts and products, molded and/or fabricated to customer specifications, and polyvinyl chloride sheet. The net proceeds from the stock sale will be used to retire some \$550,000 of short-term indebtedness incurred to finance increased inventories and trade accounts receivable; to increase working capital to support an expansion in certain markets for plastic pipe and fittings; and to obtain additional funds for general corporate purposes, including equipment modernization and product development. In addition to certain indebtedness, the company has outstanding 507,154 shares of common stock, of which Continental Oil Company, of Houston, owns 51.5% and management officials as a group 6.98%. D. W. Sims is board chairman and John I. Rudge is president. According to the prospectus, Continental Oil intends to exercise all its rights to subscribe for stock of the company.

OVER

**ELECTRONIC WHOLESALERS FILES FOR SECONDARY.** Electronic Wholesalers, Inc., 2345 Sherman Ave., N. W., Washington, D. C., filed a registration statement (File 2-21791) with the SEC on October 9 seeking registration of 84,865 outstanding shares of common stock, to be offered for public sale by the holders thereof from time to time in ordinary brokerage transactions at prices obtainable in the over-the-counter market (maximum \$6.50 per share\*). The company is primarily engaged in the distribution of electronic parts and components, television replacement parts and accessories, and high-fidelity and stereophonic sound reproduction equipment and components, all of which are manufactured by others. In addition to certain indebtedness, the company has outstanding 624,000 shares of common stock, of which Stanley H. Rosensweig, board chairman, and Joseph S. Forti, president, own 15.4% and 12.5%, respectively, and management officials as a group 42%. The selling stockholders are Allen & Company (39,000 shares), Bear, Stearns & Co. (9,465 shares), F. William Harder (26,000 shares) and The Premier Title & Mortgage Company (10,400 shares). The selling stockholders acquired their shares in connection with the private placement in 1960 of the company's five year 6% subordinated convertible debentures due 1965 and certain conditional purchase warrants.

**AMERICAN BAR RETIREMENT ASSOCIATION FILES FOR OFFERING.** American Bar Retirement Association, 1155 East 60th St., Chicago, filed a registration statement (File 2-21792) with the SEC on October 9 seeking registration of \$25,000,000 of participations in the American Bar Association Retirement Plan. The Association, which was formed under Illinois law on September 30, 1963 as a not-for-profit corporation, is sponsoring the retirement plan, the purpose of which is to provide members of the American Bar Association and their employees with a retirement program which is qualified for the special income tax benefits which apply to a qualified plan under the Self-Employed Individuals Tax Retirement Act of 1962. Participants may include (1) an "owner-employee," that is any employee who is a single practitioner or a partner who owns more than a 10% capital or profits interest in the partnership; (2) an employer, that is a single practitioner or partnership (only an employer can establish a Plan - a partner, whether or not he is an owner-employee, is not an employer, the employer being the partnership); and (3) an employee, that is any person who derives income from an employer and whose customary employment is for more than 20 hours a week and for more than 5 months in a calendar year. A partnership which does not have at least one owner-employee (such a partnership would generally have ten or more partners) may adopt the Plan and take advantage of all its benefits, but in some instances it might be possible for a partnership which has no owner-employee to adopt a different plan more suitable to its own requirements in certain respects.

When the employer establishes his Plan, he must commit himself to make a contribution each year of a percentage of each participant's compensation. The percentage chosen by the employer may not exceed 10% and must be the same for all participants (except that no more than \$2,500 may be contributed for any one participant in any one year). The employer may also elect a limitation under which its contributions will not exceed a specified percentage of the employer's earned income each fiscal year. In addition to the employer contributions made for him, a participant may make voluntary contributions in any amount not exceeding the lesser of 10% of his compensation for his taxable year or \$2,500. Each participant has the right each year to direct through his employer that employer and voluntary contributions made for him be used in any one or more of the following ways: investment in an Equity Fund which funds will be invested primarily in common stocks; investment in a Fixed Income Fund, which funds will be invested in investments which provide for a fixed or limited income; and purchase of deferred annuities from an insurance company under a group annuity contract (a master group annuity contract has been entered into with Prudential Insurance Company of America). Joseph D. Stecher is president of the Association as well as executive director of the American Bar Association.

**BROWN ENGINEERING FILES STOCK PLAN.** Brown Engineering Company, Inc., 300 Sparkman Drive, N. W., Huntsville, Ala., filed a registration statement (File 2-21793) with the SEC on October 9 seeking registration of 30,000 shares of common stock, to be offered pursuant to its Employee Stock Option Plan.

**SECURITIES ACT REGISTRATIONS. Effective October 10:** Florida Power Corp. (File 2-21690). Otter Tail Power Co. (File 2-21705).

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

---000000---