

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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**REVIEW OF NASD ACTION AGAINST HERSH DISMISSED.** The SEC has issued an order under the Securities Exchange Act (Release 34-7456) dismissing an application for review of disciplinary action taken by the National Association of Securities Dealers, Inc., against Theodore Hersh, former employee of J. Logan & Co., on the ground that such application has been abandoned by virtue of the fact that Hersh failed to file a brief in support thereof.

**NASD PETITION GRANTED.** The SEC has issued an order under the Securities Exchange Act (Release 34-7458) granting an application of the NASD for continuance of a broker-dealer firm in membership while employing Theodore M. Johnson, of Denver, Colo., a "disqualified person." The disqualification arose under an August 1964 decision and order of the Commission, which found Johnson (and others) a cause of its order revoking the broker-dealer registration of Idaho Acceptance Corp., of Boise, Idaho, and Andersen, Randolph & Co., Inc., of Salt Lake City, Utah, for violations of the Federal securities laws in the sale of Idaho Acceptance stock (Release 34-7383).

**GLOBAL MARINE FILES FINANCING PROPOSAL.** Global Marine Inc., 650 S. Grand Ave., Los Angeles, filed a registration statement (File 2-22906) with the SEC on November 5 seeking registration of \$8,400,000 of subordinated debentures due 1984 and 420,000 shares of common stock, to be offered for public sale in units consisting of \$100 principal amount of debentures and five common shares. The offering is to be made through underwriters headed by White, Weld & Co. Inc., 20 Broad St., New York. The interest rate, public offering price (\$132.50 per unit maximum\*) and underwriting terms are to be supplied by amendment. The company is also registering an additional 260,000 common shares, of which it proposes to offer 240,000 to one or more investors and 20,000 to its employees; the offering price (\$9.25 per share maximum\*) is also to be supplied by amendment. In addition, the company filed a registration statement (File 2-22907) covering 178,876 shares of common stock, to be offered pursuant to its Employees' Stock Options Plans.

The company was organized under Delaware law in October 1964 for the purpose of reincorporating Global Marine Exploration Co. It is principally engaged in contract drilling for oil and gas in offshore areas, primarily by means of floating drilling vessels rather than by stationary or semi-fixed platforms. Of the net proceeds from this financing, \$7,400,000 will be used to repurchase 800,000 of its common shares from Union Oil Company of California (representing 45% ownership in the company) at \$9.25 per share. The balance will be applied to its construction program (estimated at \$10,000,000 through 1965) and used for other corporate purposes. In addition to indebtedness, the company has outstanding 1,809,174 common shares, of which management officials as a group own 10%. R. F. Bauer is president.

**CONSUMERS COOPERATIVE PROPOSES OFFERING.** The Consumers Cooperative Association, 3315 N. Oak Trafficway, Kansas City, Mo., filed a registration statement (File 2-22908) with the SEC on November 5 seeking registration of \$13,000,000 of 5-1/2% 25-year subordinated certificates of indebtedness; 200,000 shares of 5-1/2% preferred stock; 40,000 shares of 4% second preferred stock; and 400 shares of common stock. The certificates and 5-1/2% preferred shares are to be offered at \$100 per unit and \$25 per share, respectively, to members of local cooperatives and to the general public. The second preferred and common shares are to be offered at \$25 per share to local cooperatives which are members of or eligible for membership in the company.

The company manufactures and distributes farm supplies to retail farmer cooperative associations. It intends to apply a major portion of the proceeds (supplemented by earnings, depreciation and bank borrowings) to facility expansion and improvements. Approximately \$3,135,000 will be used to retire maturing certificates of indebtedness and, on request, to redeem such certificates (prior to maturity) and 5-1/2% preferred stock. In addition to indebtedness, the company has outstanding 962,280 shares of 5-1/2% preferred; 37,464 shares of 4% second preferred; 795,433 shares of 2% third preferred; and 870,020 common shares. Management officials as a group own 4,808 preferred shares. John L. Schulte is board chairman and Homer Young is president.

**CONTINENTAL VENDING, TASTEE FREEZ TRADING BAN CONTINUED.** The SEC has issued orders suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation and Tastee Freez Industries, Inc., for a further ten-day period, November 8 to November 17, 1964, inclusive.

**MURCH ENJOINED.** The SEC Seattle Regional Office announced November 3 (LR-3070) the entry of a Federal court order (USDC Wash.) permanently enjoining John A. Murch of Edmonds, Wash., from further violating the anti-fraud and registration provisions of the Federal securities laws. Murch consented to the order.

**FRED MEYER, INC., FILES STOCK PLAN.** Fred Meyer, Inc., 3800 S. E. 22nd Ave., Portland, Ore., filed registration statement (File 2-22909) with the SEC on November 5 seeking registration of 150,000 shares of Class A common stock, to be offered under its Employees' Stock Option Plan.

OVER

TILECAST OFFERING EXEMPTION 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 offering of stock by Tilecast Corporation, of Bayamon, Puerto Rico. 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 December 1963, Tilecast proposed the public offering of 43,000 common shares at \$4 per share. Sheldon Securities Corporation was named as the underwriter of the offering, which commenced in February 1964. The Commission states in its suspension order that it "has reasonable cause to believe" that the offering has been and will be made in violation of Section 17 of the Securities Act, since the offering circular is false and misleading with respect to the underwriting and terms of an agreement for the escrow and return of funds to subscribers. Tilecast also failed to file a revised offering circular as well as the required report of stock sales.

PACIFIC GAS PROPOSES OFFERING. Pacific Gas and Electric Company, 245 Market St., San Francisco, Calif., today filed a registration statement (File 2-22910) with the SEC seeking registration of \$65,000,000 of First and Refunding Mortgage Bonds, Series KK, due 1996, to be offered for public sale at competitive bidding. Net proceeds thereof will be added to treasury funds and applied toward the cost of property additions and the retirement of some \$7,000,000 of bank loans. Construction expenditures are estimated at \$243,000,000 for 1964 and \$275,000,000 for 1965.

ORAL ARGUMENT, COMING WEEK. Nov. 10, 2:30 P.M. - Underhill Securities Corp.

SECURITIES ACT REGISTRATIONS. Effective November 5: Calvert - Mid-America, Inc. (File 2-22826); Ethyl Corp. (File 2-22759). Withdrawn November 4: Worthington Corp. (File 2-16800).

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

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