

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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SEC

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TRADING IN UNITED SECURITY LIFE RESUMES MONDAY. The SEC today announced that it has issued an order suspending over-the-counter trading in the common stock of United Security Life Insurance Company for an additional four-day period, April 13 to April 16, 1967, inclusive. Accordingly, trading in such securities in the over-the-counter market may be resumed at the opening of business April 17, 1967.

Trading in United Security Life Insurance stock was initially suspended by the Commission on February 2, 1966, pending clarification of the financial status of the company and adequate public dissemination of such information. The suspension was ordered after it came to the attention of the Commission that there were substantial questions with respect to the valuation and propriety of certain loans and securities carried on the books of the company as admitted assets, and as to whether the capital and surplus of the company may thereby have been impaired.

On April 4, 1967 the company, which is now operating under the supervision of judicial agent of the Equity Court of Jefferson County, Birmingham, Alabama, appointed at the request of the Superintendent of Insurance of the State of Alabama, mailed to its stockholders of record an annual report for the year ended December 31, 1966. This report includes an unaudited statement of the financial condition of the company as of that date, corrected financial information as of December 31, 1965, and a narrative explanation of the events leading to the company's present situation. In view of these disclosures, the Commission determined that a further suspension of trading beyond April 16, 1967 was not required.

FOREIGN RESTRICTED LIST. The SEC today announced the removal of 12 Bahamian companies from its Foreign Restricted List, as follows: British Colonial Bank of Commerce (Bahamas) Ltd., Commons Bank & Trust Company, Ltd., Essex Bank & Trust Company, Ltd., Investment Bankers of Bahamas, Ltd., Investments & Trust Company, Ltd., Jomur Trust Company, Ltd., Lords Bank and Trust Company, Ltd., Marlboro Bank & Trust Company, Parliament Bank and Trust, Ltd., The Bank of World Commerce, Ltd., Transworld Investment Bank, Ltd. and Whitechapel Bank, Ltd. The reasons for the removal of these companies from the list were the revocation of the charters of the twelve companies by the Government of the Bahamas and that Government's assurance that none of the companies is presently in existence insofar as it is aware. The Bahamas Ministry of Finance had earlier refused to grant banking licenses to any of them under the Bahamian Bank and Trust Companies Regulation Act, which was passed after the publication of the Commission's Foreign Restricted List. The list contains the names of foreign companies whose securities it has reason to believe recently have been, or currently are being, offered for public sale and distribution within the United States in violation of the registration requirements of the Securities Act of 1933. The revised list contains the names of five Bahamian, one British Honduran, five Panamanian and fifteen Canadian companies. (Release 33-4861)

NEW JERSEY P&L RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15710) authorizing New Jersey Power & Light Company, Morristown, N. J., subsidiary of General Public Utilities Corp., to sell \$10,000,000 of first mortgage bonds at competitive bidding. The subsidiary will use the net proceeds of its bond sale in connection with its construction program (estimated at \$12,300,000 in 1967) and to pay some \$5,500,000 of short-term bank loans.

CARHART PHOTO FILES FOR OFFERING AND SECONDARY. Carhart Photo, Inc., 105 College Ave., Rochester, N. Y. 14607, filed a registration statement (File 2-26337) with the SEC on April 11 seeking registration of 135,127 shares of preferred Class A stock, \$.10 par. Of this stock, 63,000 shares are to be offered for public sale by the company and 72,127 shares (being outstanding stock) by the present holders thereof. Hayden, Miller & Co., 650 Union Commerce Bldg., Cleveland, Ohio 44115, is the principal underwriter. The public offering price (\$7.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The principal business of the company is in the photo-finishing field. Of the net proceeds of its sale of additional stock, \$110,000 will be used for capital equipment, \$80,000 will be applied toward payment of additions and improvements to its Buffalo and Indianapolis plants, and the balance will be added to working capital. In addition to indebtedness and preferred stock, the company has outstanding 180,000 common shares, which are owned in equal proportions by Harry D. Carhart, Jr. (president), and Orrin K. Carhart (executive vice president). The prospectus lists 14 selling stockholders, including Harry Carhart, Jr., who is offering 15,000 of 106,770 preferred shares held, and Orrin Carhart, 15,000 of 105,450.

NORTHERN STATES POWER PROPOSES OFFERING. Northern States Power Company, 414 Nicollet Ave., Minneapolis, Minn. 55401, filed a registration statement (File 2-26338) with the SEC on April 11 seeking registration of \$30,000,000 of first mortgage bonds, due 1995, to be offered for public sale at competitive bidding. An operating public utility, the company will use the net proceeds of its bond sale to repay certain indebtedness incurred in connection with its construction program. Construction expenditures in 1967 are estimated at \$106,000,000.

G. P. PUTNAM'S SONS FILES FOR SECONDARY. G. P. Putnam's Sons, 200 Madison Ave., New York 10016, filed a registration statement (File 2-26339) with the SEC on April 11 seeking registration of 309,126 outstanding shares of common stock. The present holders thereof propose to offer the stock for public sale through

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underwriters headed by Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York 10004. The public offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company publishes general works of fiction and non-fiction, books for young people and young adults, paperback books and college text books. In addition to indebtedness, it has outstanding 755,568 common shares, of which management officials own 80.20%. The prospectus lists 23 selling stockholders, including Robert Haven Falconer, who is offering 25,334 of 33,440 shares held; Walter J. Minton (president), as trustee under the will of Melville Minton, deceased, 180,108 of 375,430; and John J. Schieffelin, Jr., 23,780 of 31,680.

FALLS BUDGET FILES PROPOSAL. Falls Budget Corporation, 1222 Main St., Niagara Falls, N. Y. 14304, filed a registration statement (File 2-26340) with the SEC on April 10 seeking registration of 750,000 shares of 5¢ par Class A common stock, preferred in liquidation, and \$2,000,000 of 8% senior subordinated convertible debentures (due 1982). The company is offering to holders of its outstanding 8% and 10% subordinated debenture notes and to holders of 8% subordinated debentures of its subsidiary, Falls Budget Corporation of Ohio, the right to subscribe for the debentures being registered at the ratio of \$1.40 principal amount of debentures for each \$1 principal amount of such notes and debentures held. The record date is to be supplied by amendment. The prospectus states that the subscription price may be paid in whole or in part by the surrender for exchange by the holders thereof of the company's debenture notes or the subsidiary's debentures. Any unsubscribed debentures and all of the Class A common stock are to be offered for public sale through company officials and business employees. The offering prices are \$2 per share of Class A common stock and \$100 per unit of debentures. The company may effect sales through brokers which will receive selling commissions not in excess of 10% of the offering prices.

The company's business consists primarily of the purchase from retail merchants in New York of installment sales contracts. According to the prospectus, it realized "substantial losses" in the past two years and is currently operating at a loss. At least 50% of the net proceeds of this financing will be used by the company to repay, in part, \$3,251,434 of indebtedness, and the balance of the proceeds will be added to general operating funds. In addition to indebtedness, the company has outstanding 474,700 Class B common shares, of which management officials own 74.5%. D. Sloan Hurwitz is board chairman and Elmer G. Brown is president.

DIAMOND ALKALI SHARES IN REGISTRATION. Diamond Alkali Company, 300 Union Commerce Bldg., Cleveland, Ohio 44115, filed a registration statement (File 2-26341) with the SEC on April 10 seeking registration of 78,731 shares of \$2 cumulative convertible preferred stock--Series C. According to the prospectus, at the annual meeting of Diamond shareholders scheduled for April 20, the management will seek approval of a plan for the merger of Nopco Chemical Company into Diamond. Nopco has outstanding 1,415,274 common shares, of which Diamond owns about 35%. Under the merger proposal, each outstanding share of Nopco common not owned by Diamond will be changed by the merger into one share of the Diamond Series C preferred. The 78,731 shares of Series C preferred being registered represent shares to be received by officers and directors of Nopco and members of related family groups, which shares may be sold from time to time at prices current at the time of sale (\$44.25 per share maximum*).

Diamond is engaged principally in the manufacture and sale of certain industrial chemicals, agricultural chemicals and plastics. Nopco, which is located in Newark, N. J., is also engaged in the chemical business. In addition to indebtedness and preferred stock, Diamond has outstanding 6,134,675 common shares. Raymond F. Evans is board chairman and principal executive officer. The prospectus lists 18 prospective selling stockholders, including G. Daniel Davis, who is offering 16,616 shares.

LINCOLN NATIONAL VARIABLE ANNUITY PROPOSES OFFERING. Lincoln National Variable Annuity Fund A, 1301 S. Harrison St., Fort Wayne, Ind. 46802, filed a registration statement (File 2-26342) with the SEC on April 10 seeking registration of \$20,000,000 of individual variable annuity contracts. The contracts are designed for employer pension and profit sharing plans and for annuity purchase plans. Variable annuities are designed to provide annuitants with lifetime annuity instalments, which will tend to reflect changes in the cost of living. The Lincoln National Life Insurance Company seeks to accomplish this objective by providing a medium for investment in equity securities accompanied by annuity guarantees.

Fund A was established by Lincoln National Life in September 1966. Walter O. Menge is board chairman and Henry F. Rood is president of Lincoln National Life.

INDIAN HEAD FILES FOR SECONDARY. Indian Head Inc., 111 W. 40th St., New York 10018, filed a registration statement (File 2-26344) with the SEC on April 11 seeking registration of 150,000 outstanding shares of common stock. The holders thereof may offer the stock for public sale on the New York Stock Exchange or in the over-the-counter market at the then current market prices (\$23.25 per share maximum*), or otherwise.

The company is principally engaged in the textile business. In addition to indebtedness, it has outstanding 2,398,815 common shares, of which management officials own 38.2% (including 16.5% owned by James E. Robison, president). Of the stock being registered, 120,000 shares were issued to six persons in March 1967 in exchange for all of the outstanding stock of MGM Brakes, Inc., and Clover Casting Co. and 30,000 shares were issued in January 1967 to Leo A. Marx, the sole stockholder of L. A. Marx, Inc., in exchange for all of the outstanding stock of that company.

CINCINNATI AND SUBURBAN BELL FILES EXCHANGE PROPOSAL. The Cincinnati and Suburban Bell Telephone Company, 225 E. Fourth St., Cincinnati, Ohio 45202, filed a registration statement (File 2-26345) with the SEC on April 12 seeking registration of 85,848 shares of common capital stock. The stock is to be offered in exchange for the 28,616 outstanding shares of common stock of Consolidated Telephone Company, Florence, Ky., at the rate of three company shares for each share of Consolidated. The company has entered into an agreement

with certain shareholders of Consolidated who own 72 $\frac{1}{2}$ % of its outstanding stock, whereby such persons will participate in the exchange. The exchange offer is subject to the acceptance thereof by the holders of at least 80% of the outstanding stock of Consolidated.

The company is engaged in furnishing communications services in Ohio and in adjacent counties in Indiana; Consolidated provides such services in Boone County, Ky. The company has outstanding 3,227,110 common shares, of which American Telephone and Telegraph Company owns 28%. Bayard L. Kilgour, Jr., is board chairman and William J. Whittaker is president.

PENNSYLVANIA ELECTRIC PROPOSES BOND OFFERING. Pennsylvania Electric Company, 1001 Broad St., Johnstown, Pa. 15907, filed a registration statement (File 2-26349) with the SEC on April 12 seeking registration of \$26,000,000 of first mortgage bonds, due 1997, to be offered for public sale at competitive bidding. The company will use the net proceeds of its bond sale to finance its business as public utility, including (1) the reimbursement of its treasury for a portion of expenditures therefrom prior to 1967 for construction purposes and (2) the payment of short-term bank loans. The cost of its 1967 construction program is estimated to be \$50,000,000.

TEN STOCK PLANS FILED. Form S-8 registration statements have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

The Pittston Company, 250 Park Ave., New York 10017 (File 2-26324) (60,000 shares)
 Jones & Laughlin Steel Corporation, 3 Gateway Center, Pittsburgh, Pa. 15230 (File 2-26325) (common stock)
 General Acceptance Corporation, 1105 Hamilton St., Allentown, Pa. 18101 (File 2-26326) (18,000 shares)
 Automatic Retailers of America, Inc., 10889 Wilshire Blvd., Los Angeles, Calif. 90024 (File 2-26328)
 (149,651 shares)
 Pan American World Airways, Inc., Pan Am Bldg., New York 10017 (File 2-26329) (2,518,082 shares)
 South Carolina Electric & Gas Company, 328 Main St., Columbia, S. C. 29201 (File 2-26330) (100,000 shares)
 Anheuser-Busch, Incorporated, 721 Pestalozzi St., St. Louis, Mo. 63118 (File 2-26332) (652,477 shares)
 Houston Natural Gas Corporation, Petroleum Bldg., Houston, Tex. 77002 (File 2-26343) (156,250 shares)
 Molybdenum Corporation of America, 280 Park Ave., New York 10017 (File 2-26348) (50,000 shares)

One additional stock plan was filed on Form S-1, as follows:

The Dow Chemical Company, Midland, Mich. 48640 (File 2-26333) (200,000 shares)

SCUDDER DUO-VEST EXCHANGE FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4915) giving interested persons until May 2 to request a hearing on an application of Scudder Duo-Vest Exchange Fund, Inc., New York investment company. The Fund proposes to sell units of equal dollar amounts of its income preferred and capital shares in exchange for securities considered acceptable for the Fund's portfolio. It seeks exemption from Section 18(f)(1) of the Act for the issuance of the income preferred shares; permission for the two classes of security holders to vote as separate classes on certain matters; an exemption from the \$100,000 minimum net worth provisions of the Act; and an exemption of the Fund and its adviser from the provisions of Sections 15(a), 16(a) and 32(a) of the Act until the first annual meeting of shareholders (the latter provisions relate to shareholder approval of the investment advisory agreement, the election of directors by shareholders, and shareholder ratification of the selection of an independent public accountant).

POTOMAC ELECTRIC PROPOSES BOND OFFERING. Potomac Electric Power Company, 629 E. St., N. W., Washington, D. C. 20004, today filed a registration statement (File 2-26356) with the SEC seeking registration of \$35,000,000 of first mortgage bonds, due 2002, to be offered for public sale at competitive bidding. The company will use the net proceeds of its bond sale to provide for a portion of its anticipated construction expenditures (estimated at \$88,000,000 for 1967).

GENERAL ELECTRIC FILES FOR OFFERING. General Electric Company, Schenectady, N. Y. 12305, today filed a reg. statement (File 2-26353) with the SEC seeking registration of \$200,000,000 of sinking fund debentures, due 1992. The debentures are to be offered for public sale through underwriters headed by Morgan Stanley & Co., 2 Wall St., and Goldman, Sachs & Co., 20 Broad St., both of New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Net proceeds of this financing will be added to the company's general funds and will be available, together with internally generated funds, for general corporate purposes, including working capital and expenditures for additions and improvements to existing facilities and construction of new facilities. Initially, a portion of such proceeds may be applied to the temporary reduction of short-term bank borrowings of the company. The company's 1966 expenditures for plant and equipment additions and improvements (including equipment leased to customers) amounted to \$484,900,000; and it is expected that such expenditures will continue at a similar or higher level in 1967 and at a high level for the next several years.

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "***"):

<u>File</u>	<u>O- Registrant</u>	<u>Location</u>
2438	All State Properties, Inc**	Great Neck, N.Y.
2451	American Guaranty Corp	Providence, R.I.
2443	American Stamping Co	Euclid, Ohio
2450	Central Minnesota Tel. Co	Alex. Minn.
2427	Denson Co	Jackson, Miss.
2448	Eastern Industries, Inc**	Wescosville, Pa.
2454	Fine Organics, Inc**	Lodi, N.J.
2455	First Equity Corp	Oklahoma City, Oklahoma
2429	Gulf Power Co**	Pensacola, Fla.
2428	Holiday Park Prop. Inc**	Roslyn Heights, N.Y.
2441	Howell Instruments, Inc**	Ft. Worth, Texas
2435	Indiana Limestone Co Inc	Bedford, Indiana
2449	LaFayette Invst. Inc**	LaFayette, Indiana
2447	Mammoth Mt. Inn Corp	Sherman Oaks, Calif.
2442	Metal Bellows Corp**	Sharon, Mass.
2446	Midtex, Inc	Minn. Minn.
2440	Pat Fashions Ind., Inc **	New York, N.Y.
2457	Premier Microwave Corp**	Port Chester, N.Y.
2431	Process Corp**	Cicero, Illinois
2452	Republic Electronic Ind., Inc	Huntington, N.Y.
2439	Rothmor Corp**	Chicago, Ill.
2433	Salant & Salant, Inc	New York, N.Y.
2444	Slater Elec. Inc**	Glen Cove, N.Y.
2453	Valley Bancorporation**	Appleton, Wis.
2445	Woodward & Lothrop, Inc**	Wash. D.C.
2432	World Toy House, Inc	St. Paul, Minn.

SECURITIES ACT REGISTRATIONS. Effective April 11: Fairchild Hiller Corp., 2-26102 (May 22); New Orleans Public Service Inc., 2-26031; The Southern Connecticut Gas Co., 2-26106; John Wiley & Sons, Inc., 2-26140 (May 21).

Effective April 12: Allegheny Airlines, Inc., 2-26081 (40 days); Cellu-Craft Inc., 2-25564 (90 days); Levin-Townsend Computer Corp., 2-26104 (40 days); The National Cash Register Co., 2-26155 (May 22); New Jersey Power & Light Co., 2-26078 (40 days); Pitney-Bowes, Inc., 2-26107; Signal Oil and Gas Co., 2-26072. Effective April 13: The Hartford Fire Insurance Co., 2-26153; Southern Natural Gas Co., 2-25946.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

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