

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 March 4, 1963

Statistical Release No. 1884. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended March 1, 1963, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1962 is as follows:

	1957-59 = 100		Percent Change	1962-63	
	3/1/63	2/21/63		High	Low
Composite	130.6	134.3	-2.8	144.3	107.0
Manufacturing	121.1	124.7	-2.9	135.0	98.6
Durable Goods	116.2	120.2	-3.3	135.6	95.2
Non-Durable Goods	125.8	128.9	-2.4	134.4	101.8
Transportation	107.5	110.4	-2.6	112.0	85.5
Utility	172.0	177.3	-3.0	185.5	143.0
Trade, Finance & Service	156.0	158.1	-1.3	178.2	129.8
Mining	106.3	109.1	-2.6	113.3	83.8

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended March 1, 1963, 26 registration statements were filed, 17 became effective, 4 were withdrawn, 1 suspended by stop order, and 343 were pending at the week-end.

WESTERN HILLS MOTOR HOTEL OFFERING 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 stock offering by Western Hills Motor Hotel of Ruidoso, New Mexico, 1505 West 10th St., Fort Worth, Texas.

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 on December 5, 1962, Western Hills proposed the public offering of 300 limited partnership interests at \$1,000 per unit. The Commission asserts in its suspension order that it has reasonable cause to believe that certain terms and conditions of the Regulation were not complied with and that the company's notification and offering circular were false and misleading in respect of certain material facts. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

According to the order, the company did not comply with the Regulation in that (1) securities of Western Hills were offered before and after the filing of the notification and prior to the filing of an offering circular, containing the required information, (2) the offerings were made through the use of sales material not filed with the Commission, as required, (3) written offers were made without giving the customer concurrently (or before) an offering circular, and (4) securities were sold without giving the purchaser an offering circular with or prior to the confirmation of the sale or payment of all or part of the purchase price. The alleged misrepresentations relate to the company's failure to disclose in the offering circular all states in which it proposed to make the offering, that past attempts at private financing had been turned down because of the nature of the project, and that no arrangements for additional financing to complete the project had been made in the event that only the minimum amount of interests necessary to make the offering binding were sold. Moreover, it is alleged that the company failed to include all financial statements as required.

THREE HEARINGS RE-SCHEDULED. The Commission also has rescheduled the hearings in three other cases involving the question whether to vacate or make permanent prior Regulation A suspension orders, as follows:

Name	Date	Place
Carbon Foundry Corp., Salt Lake City American Beryllium & Oil Corp. Salt Lake City	March 11, 1963	SEC Denver Regional Office
American Radiotelephone Corp. Natick, Mass.	March 13, 1963	SEC Denver Regional Office
	March 18, 1963	SEC Boston Regional Office

PROPOSAL TO EXEMPT OILS AND INDUSTRIES, INC. The SEC has issued a notice under the Investment Company Act of a proposal to declare that Oils and Industries, Inc., c/o America Corporation, 420 Lexington Ave., New York, has ceased to be an investment company (Release IC-3641); and interested persons may request a hearing thereon not later than March 15, 1963. The said company was merged in 1955 into Eagle Lion Studios, Inc., a subsidiary of Chesapeake Industries, Inc. (now known as America Corporation). Eagle, the surviving corporation, later changed its name to Intercoast Petroleum Inc. Under the merger proposal, the outstanding shares of Oils and Industries, Inc. became exchangeable for and convertible into the stock of Chesapeake Industries, Inc. For each share of the preferred stock of Oils and Industries, Inc. surrendered, Chesapeake Industries offered 1/5 share of its \$4.00 preferred stock. For each share of the Oils and Industries, Inc. common stock, Chesapeake offered 1/8 share of its \$4.00 preferred stock and 3-3/4 shares of its common stock.

OVER

As of October 19, 1962, there were 1566 shares of common stock of Oils and Industries, Inc. unexchanged for which 5872.50 shares of common stock and 195.75 shares of preferred stock of America were reserved, and 1247 shares of preferred stock for which 249.4 shares of preferred stock of America were reserved.

PROPOSAL TO EXEMPT INTERCONTINENTAL HOLDINGS. The SEC has issued notice under the Investment Company Act of a proposal to declare that Intercontinental Holdings Ltd., c/o America Corporation, 420 Lexington Ave., New York, has ceased to be an investment company (Release IC-3642); and interested persons may request a hearing thereon not later than March 12, 1963. Intercontinental was dissolved in 1955 and thereafter all of its assets, after payment of all liabilities, were distributed to its stockholders.

MEDIC CORP. FILES FOR STOCK OFFERING. Medic Corporation, 714 Medical Arts Building, Oklahoma City, Okla., filed a registration statement (File 2-21120) with the SEC on February 28 seeking registration of 1,000,000 shares of Class B common stock, to be offered for public sale at \$1.25 per share. The offering will be made on a best efforts basis by Lincoln Securities Corporation, of the Medical Arts Building address, which will receive a 25¢ per share selling commission.

The company's principal assets consist of shares of stock in Western Heritage Life Insurance Company, an Oklahoma company, and Medical Arts Life Insurance Company, an Arizona company, and a recently purchased substantial stock interest in Western Empire Life Insurance Company. The net proceeds from the stock sale will be used to pay \$240,350 of loans from banks, to pay the company's operating overhead, and to acquire, by chartering or otherwise, shares of stock in life insurance companies, to acquire control of life insurance companies, and to provide management services for such companies. In addition to certain indebtedness, the company has outstanding 1,017,225 Class A and 1,178,000 Class B common shares, of which Charles B. Benedict, executive vice president, and M. C. Duncan, president, each owns 5.85% of both classes in the aggregate. Benedict, Duncan and two other officers of the company own the underwriter.

TRI-CONTINENTAL FILES EXCHANGE OFFER. Tri-Continental Corporation, 65 Broadway, New York, filed a registration statement (File 2-21122) with the SEC on March 1 seeking registration of 810,740 shares of \$2 cumulative preferred stock (\$50 par). It is proposed to offer such stock in exchange for shares of its presently outstanding \$2.70 cumulative preferred stock (\$50 par), on a share for share basis. All shares of the old preferred stock not deposited or accepted for exchange by April 22, 1963, will be called for redemption at \$55.225 per share (which includes accumulated dividends to date of redemption). New preferred shares not issued pursuant to the exchange are to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York. The public offering price and underwriting terms are to be supplied by amendment.

The company is registered under the Investment Company Act as a diversified, management investment company of the closed-end type. Net proceeds from the company's sale of un-exchanged preferred shares will be used to replenish funds required to carry out the redemption of the old preferred shares. In addition to certain indebtedness and preferred stock, the company has outstanding 7,403,825 shares of common stock. Francis F. Randolph is board chairman and Fred E. Brown is president.

GENERAL TELEPHONE & ELECTRONICS PROPOSES DEBENTURE OFFERING. General Telephone & Electronics Corporation, 730 Third Avenue, New York, filed a registration statement (File 2-21123) with the SEC on March 1 seeking registration of \$50,000,000 of sinking fund debentures due 1988, to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 25 Broad St., New York, and two other firms. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Of the net proceeds from the debenture sale, \$30,400,000 will be invested during 1963 in common stocks of the company's telephone subsidiaries to finance, in part, their construction programs (estimated at an aggregate of \$260,000,000 for 1963), and the balance will be used for general corporate purposes, including advances to subsidiaries. In addition to certain indebtedness and preferred stock, the company has outstanding 75,136,058 shares of common stock. Donald C. Power is board chairman and Leslie H. Warner is president.

COMPLAINT CITES FIRST MORTGAGE CORP. OF STUART. The SEC Atlanta Regional Office announced February 28 (LR-2521) the filing of a court action (USDC, SD, Fla.) seeking to enjoin First Mortgage Corporation of Stuart and R. C. Fernon, from further violations of the Securities Act registration and anti-fraud provisions in the offer and sale of common shares of Financial Distributors Corporation, a Miami broker-dealer.

SESSLER & CO. ENJOINED. The SEC New York Regional Office announced February 28 (LR-2522) the entry of a Federal court order (USDC, SDNY) permanently enjoining Fred F. Sessler & Co., Inc., and its president, Fred F. Sessler, of 1175 York Ave., New York, from further violations of the Exchange Act anti-fraud, book-keeping and net capital provisions. The defendants consented to the order. The appointment of Gideon Cashman, of New York, as receiver of the firm's assets was continued by the Court.

SECURITIES ACT REGISTRATIONS. Effective March 1: Campbell Chibougamau Mines, Ltd. (File 2-20513); Great Basins Petroleum Co. (File 2-20966). Effective March 2: Northwestern Bell Telephone Co. (File 2-21069). Effective March 4: Dixilyn Corp. (File 2-21015). Withdrawn March 1: De Troy Bergen, Inc. (File 2-20959); Industry Capital Corp. (File 2-19524); Regulators Inc. (File 2-19717).