

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 April 22, 1963

Statistical Release No. 1897. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended April 19, 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	
	4/19/63	4/12/63		High	Low
Composite	141.2*	140.3	+ .6	141.2	130.6
Manufacturing	132.7*	131.7	+ .8	132.7	121.1
Durable Goods	127.6*	126.4	+ .9	127.6	116.2
Non-Durable Goods	137.5*	136.8	+ .5	137.5	125.8
Transportation	117.2*	114.8	+2.1	117.2	106.4
Utility	179.0*	178.2	+ .4	179.0	170.3
Trade, Finance & Service	164.6	165.1	- .3	165.1	153.5
Mining	122.8*	119.3	+2.9	122.8	104.2
	*New High				

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended April 18, 1963, 22 registration statements were filed, 22 became effective, 4 were withdrawn, and 405 were pending at the week-end.

COMMUNITY HEALTH ASSOCIATION FILES FOR OFFERING AND SECONDARY. Community Health Association, Inc., 4000 Aurora Ave., Seattle, Wash., filed a registration statement (File 2-21329) with the SEC on April 12 seeking registration of 150,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 50,000 shares, being outstanding stock, by Harry E. Wilson, president. The offering will be made at \$15 per share by licensed representatives of the company and the selling stockholder working under the supervision of Wilson. A \$2.25 per share selling commission is payable to such persons.

The company sells to the public contracts providing a form of insurance protection as to hospital, surgical and medical expense resulting from sickness or accidental injury. The company's health care service contracts are also "participating" contracts, entitled to a share of its profits, as determined and allocated by the board of directors. Of the \$1,260,000 estimated net proceeds from the company's sale of additional stock, \$843,320 will be invested in securities and investments as selected by the board as a general reserve for strengthening the company's financial position, improving the acceptability of its contracts and protecting against future contingencies; \$212,280 will be used for the conduct of extensive experimental advertising to develop an effective format and procedure for the sale of health care service contracts by mail in Washington, Oregon and other states; \$100,000 will be added to paid-in stock account; and the balance will be used in the long-range building of a sales organization and for actuarial services and preparation of new health care service contract forms for offering by the company. The company has outstanding 100,000 shares of common stock, of which Wilson, president (together with his wife) owns 87,900 shares and proposes to sell the 50,000 shares. All stock issued by the company pursuant to subscriptions was paid for in cash at \$1 per share.

BELL & HOWELL FILES STOCK PLANS. Bell & Howell Company, 7100 McCormick Road, Chicago, filed a registration statement (File 2-21340) with the SEC on April 19 seeking registration of 420,026 shares of common stock and 900 shares of 4 $\frac{1}{2}$ % cumulative convertible preferred stock (\$50 par), to be offered pursuant to its Restricted Stock Option Plans.

UNITED SERVOMATION FILES FOR SECONDARY. United Servomation Corp., 410 Park Ave., New York, filed a registration statement (File 2-21341) with the SEC on April 19 seeking registration of 215,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Hemphill, Noyes & Co., 8 Hanover St., New York. The public offering price (maximum \$22 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the distribution and sale of various food and tobacco products and hot and cold beverages through automatic vending machines and, to a lesser extent, in catering, food concession and restaurant operation and management as well as the sale of products at wholesale to non-affiliated vending machine companies. In addition to certain indebtedness, the company has outstanding 3,431,780 shares of common stock, of which management officials as a group own 33%. Joseph E. McDowell is president. The prospectus lists 60 selling stockholders owning an aggregate of 1,717,451 shares of common stock, including Wallace T. Collett and Francis H. Disbrow, directors, who own 161,561 and 134,032 shares, respectively, and propose to sell 5,000 shares each. Others propose to sell amounts ranging from 200 to 20,000 shares (the latter by Gibbs Macdaniel).

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IT&T FILES STOCK PLANS. International Telephone and Telegraph Corporation, 320 Park Avenue, New York, filed a registration statement (File 2-21342) with the SEC on April 19 seeking registration of 402,200 shares of capital stock and 5,022 shares of 4% cumulative preferred stock convertible series C, to be offered pursuant to its Stock Option Incentive Plan (1961) and Substituted Stock Options.

ADELPHIA CAPITAL INVESTMENT EXEMPTED. The SEC has issued an order under the Investment Company Act (Release IC-3674) declaring that Adelpia Capital Investment Corporation, a Philadelphia company, has ceased to be an investment company.

DE VEGH INVESTING RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-3675) exempting De Vegh Management Company, Inc., investment adviser to De Vegh Investing Company, Inc., New York open-end investment company, from the stockholder approval requirements of the Act during the period from April 1, 1963 until the date of a stockholder's meeting of De Vegh to be held not later than May 31, 1963.

TENN-TEX LAND AND CATTLE ENJOINED. The SEC Fort Worth Regional Office announced April 16 (LR-2591) the entry of a Federal court order (USDC, ND, Texas) preliminarily enjoining Tenn-Tex Land and Cattle Co., Inc., Leighton G. Dotson, Kethryn Dotson, J. Robert Keegan and Ray Ellis, all of Dallas, from further violations of the Securities Act registration provisions in connection with their sales of participations in profit-sharing agreements and investment contracts in an enterprise operated by Tenn-Tex.

THOMAS G. FORSYTHE AND PAUL PREHN SENTENCED. The SEC Chicago Regional Office announced April 16 (LR-2592) that Thomas G. Forsythe was sentenced (USDC, ED, Ill.) to three years' probation and was fined \$5,000 (plus costs) following his plea of guilty to charges of violating the Securities Act anti-fraud provisions in the offer and sale of fractional undivided interests in oil and gas leases and conspiracy to violate the Securities Act registration and anti-fraud provisions. In addition, Paul Prehn was placed on probation for three years and fined \$3,000 (plus costs) following his plea of guilty to charges of violating the Securities Act anti-fraud provisions.

COURT ORDER RESTRAINS SECURITIES RESEARCH CORP. The SEC San Francisco Regional Office announced April 17 (LR-2593) the entry of a Federal court order (USDC, LA) temporarily restraining Securities Research Corporation, a Los Angeles broker-dealer, D. Loren Lake, its president, and Robert T. Russell, its controlling stockholder, from violations of the Commission's net capital rule. A hearing on the Commission's motion for preliminary injunction and appointment of a receiver is scheduled for April 30, 1963.

GRADSKY BROTHERS FOUND GUILTY. The SEC Atlanta Regional Office announced today (LR-2594) that a jury in Miami, Florida found Norman Gradsky, of Melbourne, Fla., and Leon Gradsky, of Miami, guilty of violations of the Securities Act anti-fraud provisions in the offer and sale of 12% and 15% promissory notes of Inter-City Finance Corporation, a Miami small loan company. Sentencing was deferred pending the completion of a pre-sentence investigation.

AT&T PROPOSES DEBENTURE OFFERING. American Telephone and Telegraph Company, 195 Broadway, New York, today filed a registration statement (File 2-21344) with the SEC seeking registration of \$250,000,000 of debentures due 1999, to be offered for public sale at competitive bidding. The net proceeds from the debenture sale will be added to general corporate funds to be used for general corporate purposes, including advances to subsidiary and associated companies; the purchase of stock offered for subscription by such companies; extensions, additions and improvements to the company's own telephone plant; and other corporate purposes. The company intends to call for redemption in June 1963 \$250,000,000 of 5% debentures due 1983 (at 106.461%), and the redemption payment will be made from general corporate funds. Construction expenditures by the company and its principal telephone subsidiaries were about \$2,976,000,000 for 1962, and it is anticipated that such expenditures for 1963 will be somewhat higher.

SECURITIES ACT REGISTRATIONS. Effective April 19: Chrysler Corp. (File Nos. 2-21160 and 2-21293); United States Life Insurance Co. (File 2-21197). Effective April 22: Automatic Retailers of America, Inc. (File 2-21220); Tennessee Gas Transmission Co. (File 2-21256); Tyson's Foods, Inc. (File 2-20965). Withdrawn April 18: International Systems Research Corp. (File 2-20164). Withdrawn April 19: Diamond Mills Corp. (File 2-19662); Raymond Oil Company, Inc. (File 2-20948); Remitco, Inc. (File 2-20898); Seaboard Land Co. (File 2-20593).

*As estimated for purposes of computing the registration fee.

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