

# 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. 63-10-15)

FOR RELEASE October 22, 1963

**ICI FINANCIAL SEEKS EXEMPTION.** ICI Financial Corporation, subsidiary of Imperial Chemical Industries Limited (of England), has applied to the SEC for exemption from the Investment Company Act; and the Commission has issued an order (Release IC-3797) giving interested persons until 12:30 P.M. November 4th to request a hearing thereon. Imperial Chemical Industries engages, directly and through subsidiaries in the manufacture and sale of various chemicals and chemical products. It also has interests in a number of associated companies including a 38.5% interest in the Courtaults Limited, a manufacturer of rayon and other synthetic fibers in the United Kingdom. ICI financial is to serve as a vehicle through which Imperial Chemical Industries and its subsidiary and associated companies may obtain capital funds in the United States. It presently intends to borrow \$25,000,000 for use by the parent for capital investment in non-sterling areas; and to this end it proposes to issue and sell \$25,000,000 of notes to institutional investors and transfer the proceeds to the parent in return for its demand note in an equal amount. Six institutional investors are said to have expressed their willingness to purchase the notes.

**P.S.I. INDUSTRIES SEEKS ORDER.** P.S.I. Industries, Inc., of Chicago, Ill., has applied to the SEC for an order under the Securities Exchange Act of 1934 exempting it from the requirement to file annual and other periodic reports; and the Commission has issued an order giving interested persons until November 21, 1963, to request a hearing upon the application.

The company has filed reports pursuant to an undertaking contained in a 1946 registration statement under the Securities Act of 1933. According to the present application, all but 1,630 of the 400,000 outstanding shares of common stock are held by Wallace A. Erickson & Co., which is 100% owned by Wallace A. Erickson and his wife; and Erickson & Co., expects to acquire the remaining 1,630 shares from the 30 holders thereof.

**MASS. ELECTRIC FINANCING.** The SEC has issued an order under the Holding Company Act (Release 35-14959) giving interested persons until November 15th to request a hearing upon the bond and preferred stock financing proposal of Massachusetts Electric Company referred to in the SEC News Digest of October 21st.

**PEERLESS INSURANCE FILES FOR RIGHTS OFFERING.** Peerless Insurance Company, 62 Maple Ave., Keene, N. H., filed a registration statement (File 2-21815) with the SEC on October 18 seeking registration of 565,218 shares of capital stock. The company proposes to offer these shares for subscription at \$8 per share by holders of outstanding stock at the rate of one new share for each share held of record October 3, 1963. No underwriting is involved. However, before the subscription warrants are mailed to holders of the outstanding stock, certain member companies of the Mutual Fire Insurance Association of New England (member companies) will have contracted to purchase at \$8.00 per share, all shares of stock remaining unsubscribed.

According to the prospectus, Peerless owns 1,130,436 shares (91.75%) of the 1,232,000 shares of the outstanding capital stock of United Life and Accident Insurance Company. Peerless' stockholders have authorized the Board of Directors, and the Board of Directors has voted, subject to the condition hereafter stated, to distribute two shares of capital stock of United Life for each share of outstanding stock of the company to stockholders of record of the company as of October 28, 1963. The shares of United Life capital stock will be distributed only if the additional Peerless stock shall be issued and the member companies shall acquire the unsubscribed stock pursuant to the obligations or options to do so contained in the agreements to purchase unsubscribed stock. Purchasers of the additional stock offered herein will not share in the said distribution of the United Life stock.

The proceeds of the sale of additional stock by Peerless will be added to its general funds and be invested in securities that will qualify as legal investments for insurance companies under New Hampshire law.

**SEC STATEMENT ON GRAYSON-ROBINSON CASE.** The Commission has been advised by the Solicitor General that he has decided not to file a petition with the United States Supreme Court for a writ of certiorari to review the decision of the Court of Appeals for the Second Circuit in Grayson-Robinson Stores, Inc. v. Securities and Exchange Commission, 320 F. 2d 940 (1963). This decision affirmed the District Court's denial of the Commission's motion under Section 328 of Chapter XI of the Bankruptcy Act to dismiss the Grayson-Robinson Chapter XI proceeding on the ground that the proceeding should have been brought under Chapter X. The Solicitor General does not believe that the case presents a proper question for consideration by the Supreme Court at this time.

The decision not to seek Supreme Court review in this case, however, should not be construed as acquiescence by the Commission in the decision of the Court of Appeals or concurrence with the views expressed in the opinion.

OVER

**SEC FILES MOTION IN TASTEE FREEZ CASE.** The SEC today announced that it had filed motions in the Federal Court in Chicago to dismiss the arrangement proceedings under Chapter XI of the Bankruptcy Act with respect to Tastee Freez Industries, Inc., Carrols, Inc., and 14 of their subsidiaries on the grounds that the proceedings should have been brought under the corporate reorganization provisions of Chapter X of the Act.

Tastee Freez is engaged in the business of selling a soft ice cream product and related food items through franchise holders. Carrols holds a franchise from Tastee Freez and sells similar products. Tastee Freez' common stock is held by more than 2,600 investors and is listed on the American Stock Exchange. Trading in Tastee Freez' common stock has been suspended on the Exchange and over-the-counter since September 16, 1963. (Release 34-7143). Carrols issued common stock to the public in 1962, and more than 1,500 individuals are listed as investors. The schedules filed in the Chapter XI proceedings and financial statements filed with the Commission show that Tastee Freez and its subsidiaries have assets of approximately \$14 million and liabilities of approximately \$9 million. Carrols and its subsidiaries list assets of approximately \$14 million and liabilities of approximately \$9.7 million. The public investors have contributed capital to the Debtors in excess of \$6 million through the purchase of securities of Tastee Freez and Carrols.

**CORRECTION RE MID-CONTINENT TELEPHONE.** In the SEC News Digest of October 18th, which referred to a proposed stock offering by Mid-Continent Telephone Corporation, Elyria, Ohio, reference was made to the 131,747 outstanding shares of common stock. The correct figure is 1,448,035 shares.

**SECURITIES ACT REGISTRATIONS.** Effective October 21: Brockton Edison Co. (File 2-21718); Virginia Commonwealth Corp. (File 2-21654).  
Effective October 22: Chicago Musical Instrument Co. (File 2-21738); Household Finance Corp. (File 2-21774); Pacific Gas and Electric Co. (File 2-21782); Texas Eastern Transmission Corp. (File 2-21772).  
Withdrawn October 17: Warwick Fund (File 2-21493).

---oooOooo---