

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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Statistical Release No. 1941. The SEC Index of Stock Prices, based on the closing prices of 300 common stocks for the week ended December 6, 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	
	12/6/63	11/29/63		High	Low
Composite	150.7*	149.1	1.1	150.7	130.6
Manufacturing	140.8	139.3	1.1	141.9	121.1
Durable Goods	137.8	137.8	0.0	141.4	116.2
Non-Durable Goods	143.8	140.8	1.1	144.3	125.8
Transportation	133.7*	132.7	0.8	133.7	106.4
Utility	191.9*	190.3	0.8	191.9	170.3
Trade, Finance & Service	177.0	176.0	0.6	180.9	153.8
Mining	136.4*	132.3	3.1	136.4	104.2

*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended December 5, 1963, 13 registration statements were filed, 13 became effective, 3 were withdrawn, and 268 were pending at the week-end.

STOP ORDER SUSPENDS ATLANTIC RESEARCH REGISTRATION. The SEC announced December 6 (Release 33-4657) the issuance of a stop order (and accompanying decision) suspending a registration statement filed by Atlantic Research Corporation, of Alexandria, Va. because of materially incomplete, inaccurate and misleading disclosures therein. The Commission stated: "The disclosures required and not made cause the registration statement as filed to be a mockery of the truth and completely unreliable as a presentation of registrant's operating history for the period to which it relates." It also ruled, among other things, that under the Securities Act, Texas Capital Investment, Inc., a "straw" company utilized by the company, was and should have been treated as a subsidiary and that the financial statements of TCI should have been consolidated with those of Atlantic Research. Other significant findings relate to, and describe the transactions out of which certain major contingent liabilities arose. The existence and nature of these liabilities were disclosed in reports of the registrant which have been a matter of public record for many months. In a separate statement (Release 33-4657A), the Commission observed that, while financial statements published by Atlantic Research for 1962 do not treat TCI as a subsidiary, the record contains tentative uncertified financial statements for TCI for 1962 only. In accompanying financial statements, the Commission sought to abstract from the record the information pertaining to TCI, and to present it in such a manner as to permit a reasonable approximation of the effect, upon the already publicly available financial statements of Atlantic Research, as of December 31, 1962, of treating TCI as a subsidiary in accordance with the Commission's findings.

PLANT EXPENDITURES UP. The SEC and the Department of Commerce announce (for December 10th newspapers) that business investment in new plant and equipment rose to a record seasonally adjusted annual rate of \$40 billion in the third quarter of 1963. Reports by businessmen indicate that the rate and spending will rise further to \$40 3/4 billion in the fourth quarter of 1963 and stay about the same in the first quarter of 1964. This is to be compared with \$36.95 billion in the first and \$38.05 billion in the second quarter of 1963. (For details, see Stat. Release 1942).

TAMAR ELECTRONICS INDUSTRIES SHARES IN REGISTRATION. Tamar Electronics Industries, Inc., First Bank and Trust Bldg., Richardson, Texas, filed a registration statement (File 2-21925) with the SEC on December 6 seeking registration of 571,982 shares of common stock. Of this stock, 63,000 shares are for issuance upon the exercise of options granted to company officers and employees. The remaining 508,982 shares comprise the following: 276,394 shares issued to a group of investors upon the acquisition in July 1961 of the outstanding stock of Econolite Corporation from a group of 28 stockholders (an aggregate of 300,000 shares were so issued); 178,129 of 225,000 shares sold by Mr. and Mrs. Jerome J. Holt in 1961 (which they acquired when Pres-to-Line Corp. of America was acquired by the company in April 1961); 7,400 of 30,000 shares sold by Electro-Science Investors, Inc., in December 1961 (received by Electro-Science when Tamar acquired Pres-to-Line); 4,500 shares sold by ESI in March 1962; 7,250 of the shares which James J. Ling, then chairman and largest stockholder of ESI, sold in August 1961 of shares which he received from the ESI distribution; 16,667 of 20,000 shares issued by Tamar in March 1963 for the outstanding shares of Kar-Trol Signal Co., Inc.; and 18,642 additional shares included because of the possible affiliation of the sellers with the company.

According to the prospectus, these 508,982 shares of Tamar stock are being registered because the holders thereof have advised the company that they are not now in a position to represent that they are holding the shares for investment and that they intend to sell such shares from time to time at prices current at the time of offering (\$10 per share maximum*). Tamar's present business is the result of several acquisitions of existing businesses, the major ones being its Econolite Division, which manufactures and markets principally

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traffic control equipment; its American Gyro Division, which manufactures gyroscopes and ground checkout equipment and devices for missiles; its Wiancko Engineering Division, which manufactures high-accuracy pressure transducers and related devices for many of the space vehicle and ballistic missile programs; and Stoddart Aircraft Radio Co., Inc., which manufactures radio frequency interference measuring instruments. In addition to indebtedness, the company has outstanding 829,996 shares of common stock, of which Electro-Science Investors, Inc., of Richardson, owns 12.3% and R. J. Thomas & Co., of Dallas holds (of record only) 16.3%. Management officials own nearly 1%. Donald C. McMillan is president.

WEST COAST TELEPHONE FILES STOCK PLAN. West Coast Telephone Company, 300 Montgomery St., San Francisco, filed a registration statement (File 2-21927) with the SEC on December 5 seeking registration of 100,000 shares of its common stock, to be offered under its Stock Option Plan for Executives and Key Employees.

PYROFAX GAS FILES STOCK PLAN. Pyrofax Gas Corporation, 295 Madison Ave., New York,^{1/} filed a registration statement (File 2-21928) with the SEC seeking registration of \$2,000,000 of interests in its Thrift Plan for employees of Pyrofax Gas and subsidiaries, together with 100,000 shares of common stock of Texas Eastern Transmission Corporation which may be purchased pursuant thereto. Pyrofax Gas is a wholly-owned subsidiary of Texas Eastern Transmission. (1/ Filed on December 6)

UNDERWRITERS NATIONAL ASSURANCE PROPOSES RIGHTS OFFERING. Underwriters National Assurance Company, 1935 North Meridian St., Indianapolis, filed a registration statement (File 2-21929) with the SEC on December 6 seeking registration of 235,722 shares of capital stock. The stock is to be offered for subscription by stockholders at the rate of two new shares for each share held. The record date, subscription price (maximum \$14 per share*) and underwriting terms are to be supplied by amendment. The offering is to be underwritten by a group headed by Paul D. Sheeline & Co., which has agreed to purchase 176,792 shares on an all or none basis (less such number as may be purchased by shareholders) and have an option to purchase the balance of the shares.

Organized in 1960 under Indiana law to conduct both a health and life insurance business, the company has engaged only in the business of health insurance and is not authorized to do business in any state other than Indiana. It has operated at a loss each year since its inception. Net proceeds of this offering will be added to the company's general funds, to be used for general corporate purposes, including expansion of business into other states and the establishment or acquisition of several direct agencies. The company now has outstanding 117,861 shares, of which management officials own 23.5%. Organizers of the company acquired 17,260 shares at \$6.25 per share. W. Harold Peterson is listed as president.

LIVINGSTON OIL FILES FOR OFFERING AND SECONDARY. Livingston Oil Company, Mid-Continent Bldg., Tulsa, Okla., filed a registration statement (File 2-21930) with the SEC on December 6 seeking registration of 950,000 shares of common stock. Of this stock, 750,000 shares are to be offered for public sale by the company and 200,000 shares, being outstanding stock, by the present holders thereof. Hayden, Stone & Co., Inc., of 25 Broad St., and Shearson, Hammill & Co., of 14 Wall St., New York, head the list of underwriters. The public offering price (maximum \$16.75 per share*) and underwriting terms are to be supplied by amendment.

The company has been principally engaged since its inception in the exploration, drilling and development of oil and gas properties and in the production and sale of crude oil and natural gas. Recently the company has broadened its operations to include a crude oil gathering system and a substantially completed gas processing plant and related gathering system. On November 6, 1963, the company entered into a contract to acquire oil and gas leasehold interests, mineral interests and certain other properties of Crescent Oil and Gas Corporation, a subsidiary of Crescent Petroleum Corporation. Net proceeds of its sale of additional stock, together with \$3,800,000 of expected borrowings from an institutional investor, will be added to general funds and used as follows: (\$7,675,000 as repayment of short-term loans incurred in the acquisition of Crescent properties (after \$3,500,000 retained production payment); \$2,500,000 for prepayment of accounts payable incurred under deferred payment agreements relating to drilling and equipping properties; \$1,150,000 for payment of balance due on construction of a gas processing plant; \$481,250 as prepayment of bank notes; and the balance for working capital. In addition to indebtedness, the company now has outstanding 2,443,292 common shares, of which 19.7% is owned by management officials (13% by Julius Livingston, president). Livingston proposes to sell 150,000 of his holdings of 316,446 shares, and Irving H. Mages, another officer, 50,000 of his holdings of 131,624 shares.

GREAT WESTERN PRODUCERS TO EXCHANGE TAYLOR WINE SHARES. The Taylor Wine Company, Inc., Hammondsport, N. Y., filed a registration statement (File 2-21931) with the SEC on December 6 seeking registration of 102,943 shares of its common stock. These shares of Taylor common are part of 300,000 shares issued in December 1961 to Great Western Producers, Inc., in connection with the acquisition by Taylor of the assets and winery of the Pleasant Valley Wine Division of Great Western. Great Western proposes to offer the 102,943 shares of Taylor common for shares of Great Western's \$30 par value Series A, 6% Cumulative Preferred Stock at the rate of 1.8 shares of Taylor common for each share of Great Western preferred.

Taylor Wine is a producer of fine still wines and champagnes distributed nationally. The Taylor family owns 61% of its outstanding stock. In December 1961 Taylor Wine acquired the Pleasant Valley Wine Division (a licensed bonded winery in New York State) for 300,000 common shares and \$172,794 in cash. Great Western (a Maryland corporation) conducts a banana import business through Ecuadorian Fruit Import Corp. Taylor Wine now has outstanding 1,330,312 common shares, of which management officials own some 45%. Fred C. Taylor is president and board chairman.

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DIANA STORES SHARES IN REGISTRATION. Diana Stores Corporation, 450 West 41st St., New York, filed a registration statement (File 2-21932) with the SEC on December 6 seeking registration of 76,983 outstanding shares of common stock. These shares are a part of 322,500 shares issued in January 1962 (plus \$130,000 in cash) for all or most of the outstanding stock and \$861,000 of debentures of Great Eastern Mills, Inc., and 9 affiliated companies which then operated three large discount stores under the name Great Eastern (at Paramus and Little Falls, N. J., and Elmost, L. I., N.Y.), and all the stock and \$650,000 of debentures of Tex-Mart Industries Corp. and subsidiaries which then operated two large discount department stores under the name Gulf-Mart at San Antonio and Austin, Texas. Sellers of the 76,983 shares included 19 former shareholders of Tex-Mart and 12 former shareholders of Great Eastern. Diana has outstanding 1,272,447 shares, of which management officials own 14%. Samuel D. May is president.

NARRAGANSETT ELECTRIC FINANCING. The SEC has issued an order under the Holding Company Act (Release 35-14979) giving interested persons until December 26 to request a hearing regarding the proposed issuance and sale by The Narragansett Electric Company, 441 Stuart St., Boston, of \$5,000,000 principal amount of First Mortgage Bonds at competitive bidding and also the proposed issuance and sale of 100,000 shares of common stock to its parent, New England Electric System. As previously reported (SEC News Digest of November 27th), proceeds from the sale of the bonds and common stock are to be applied as part payment of Narragansett's outstanding short-term bank notes which, as of November 22, 1963, aggregated \$11,100,000.

A.V.C. CORPORATION SEEKS ORDER. A.V.C. Corporation, 1617 Pennsylvania Blvd., Philadelphia, Pa., has filed an application with the SEC with respect to a proposed exchange offer, and the Commission has issued an order (Release IC-3847) giving interested persons until December 23 to request a hearing thereon. On August 5, 1963 A.V.C. (formerly American Viscose Corp.) sold all of its operating assets to FMC Corporation. It now owns (among other things) 3,756,676 shares (13% of the common stock of Monsanto Chemical Company (including 73,660 shares to be received as a stock dividend). A.V.C. proposes to offer its stockholders the right to exchange their shares of the company's common stock for (a) cash equal to the per share equivalent of the cash and marketable securities of A.V.C. (other than shares of stock of Monsanto), (b) 0.79 of a share of common stock of Monsanto which is the per share equivalent of A.V.C.'s holdings of such stock, and (c) a Participation Certificate representing 1/4,755,286 interest in the other assets, including any tax refunds, existing as of November 26, 1963, subject to any liabilities existing on such date. The purpose of this exchange offer is to enable those shareholders of the company who wish to do so to liquidate their interest in the company promptly, without incurring the expense and risk of selling their shares in the open market. The present application seeks an exemption with respect to any acceptances of this offer by affiliates of A.V.C. (officers and directors of A.V.C. own .87% of its outstanding stock, and are deemed to be affiliates).

UNITED FUEL GAS PROPOSES SALE. The Columbia Gas System, Inc., 120 East 41st Street, New York City, and its subsidiary, United Fuel Gas Company, 1700 MacCorkle Ave., S.E., Charleston, West Virginia, have filed a proposal with the SEC for sale of certain utility assets by United; and the Commission has issued an order under the Holding Company Act (Release 35-14978) giving interested persons until December 23 to request a hearing thereon. According to the application, United proposes to sell certain utility assets, consisting of gas distribution facilities and related assets, to Consumers Gas Utility Company, a non-affiliate, for a cash consideration equal to the book value of such assets over the liabilities applicable thereto. United also has applied to Federal Power Commission for authority to abandon a 16-inch pipeline, and it proposes to convey a 5.6-mile portion thereof to Consumers for no consideration.

AMERICAN RESEARCH AND DEVELOPMENT RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-3848) permitting American Research and Development Corporation, 200 Berkeley St., Boston, Mass., to convert the \$146,200 principal amount of 6% ten-year convertible debentures held by it into 21,117 shares of common stock of Giannini Controls Corporation, which debentures were issued to American Research and Development by Cramer Controls Corporation and later assumed by Giannini in connection with its acquisition of substantially all of the assets of Cramer.

HORACE MANN INVESTMENT PLAN SEEKS ORDER. Horace Mann Investment Plan, 216 East Monroe St., Springfield, Ill., has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-3846) giving interested persons until December 23 to request a hearing thereon. According to the application, organization of the Plan will not be completed; no periodic payment plan certificates will be offered for sale or issued; and the initial assets of \$100,000 are being returned to the respective depositors.

OHIO-VALLEY GAS-PORTSMOUTH GAS MERGER PROPOSED. The SEC has issued an order under the Holding Company Act (Release 35-14977) giving interested persons until December 23 to request a hearing in connection with the proposed acquisition by Ohio Valley Gas Company, 99 North Front St., Columbus, Ohio, (subsidiary of The Columbia Gas System, Inc.), of the outstanding securities of Portsmouth Gas Company, the merger of Portsmouth into Ohio Valley, and related transactions. Ohio Valley proposes, for a cash consideration of \$2,900,000, to acquire the common stock and bonds of Portsmouth Gas Company owned by Theta Enterprises, Inc., and to assume the liabilities of Portsmouth. The common stock and bonds of Portsmouth will be cancelled upon its merger with Ohio Valley. Columbia Gas will finance the acquisition of Portsmouth Gas through purchase of common stock and 25-year notes of Ohio Gas in the ratio of 45% and 55%, respectively.

SECURITIES ACT REGISTRATIONS. Effective December 6: Charles Town Racing Association, Inc. (File 2-21564); Charles Town Racing Association, Inc. Voting Trust (File 2-21567); Israel Investors Corp. (File 2-21735); Nekoosa-Edwards Paper Co. (File 2-21858). Effective December 9: National Council of Salesmen's Organizations, Inc. (File 2-21845); Sentinel Petroleum Corp. (File 2-21670).

*As estimated for purposes of computing the registration fee.

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