

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

FOR RELEASE December 23, 1964

(Issue No. 64-12-17)

GOLD SEAL INTERNATIONAL OFFERING SUSPENDED. The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of stock by Gold Seal International A & C, Inc., of 5446 South Washington Street, Tacoma, Washington. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offering of securities not exceeding \$300,000 in amount. In a notification filed November 5, 1964, the said company ("International") proposed the public offering of 150,000 common shares at \$2 per share. The Commission asserts in its suspension order that it has "reasonable cause to believe," among other things, (1) that International failed to make proper disclosure of the sale of securities by an affiliate, Gold Seal Chinchilla Association, Inc. ("Association") and of all material interests of its officers and directors; and (2) that International's offering circular is false and misleading in respect of various material facts and that the use of said circular in the proposed offering would violate the anti-fraud provisions of the Act. The alleged misrepresentations relate particularly to various risk factors inherent in the breeding and raising of chinchillas by another affiliate, Gold Seal Chinchillas, Inc., the promissory notes of whose customers are proposed to be acquired by International with the proceeds of its stock sales.

PROSPECTUS RULE ADOPTED. The SEC today announced the adoption of Rules 425A and 174 under the Securities Act (Release 33-4749) with respect to the delivery of a prospectus by underwriters and dealers in transactions in securities as to which a registration statement has become effective. The rules are effective January 25, 1964.

Rule 425A requires a statement on the cover of a prospectus stating the date on which the period for the required delivery of a prospectus will expire (40 days after the registration statement becomes effective, except that if the issuer has not made a previous offering under an effective Securities Act registration statement, the 40-day period is extended to 90 days; but the obligation continues during the entire period of a distribution, no matter how much time is involved, for any firm with an unsold allotment which is continuing to participate in the distribution). The statement may be set forth on the outside front or back cover page or the inside front cover page of the prospectus.

Rule 174 shortens or eliminates the 40 or 90 day statutory prospectus delivery period: (a) no dealer is required to deliver a prospectus with respect to a security registered on Form S-8 (relating to certain offerings to employees), Form S-9 (relating to certain non-convertible fixed interest debt securities), Form S-12 (relating to American Depositary Receipts), and Form F-1 (relating to voting trust certificates); except that, in the case of registration on Form S-12 or F-1, the exemption does not apply if the deposited securities are also required to be registered; and (b) the maximum period during which dealers must deliver a prospectus will expire in 40 days if the issuer has a class of securities listed and registered on a national securities exchange.

SEC CITES THREE FIRMS. The Securities and Exchange Commission has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the following broker-dealer firms and the named individuals:

- 1) Christopher & Co., Inc., 1 Wall Street, New York City, N. Y.
Joseph Cannistraci
Peter Lobkovic, a/k/a Leblovic
Alfred Miller
Theodore Sotell
William V. Simone
Irving Sherer
Bernard Freimark
Salvatore J. Ambrosino
Thomas Souran
- 2) Harris Clare & Co., Inc., 82 Beaver Street, New York City, N. Y.
Harris Clare & Co., 82 Beaver Street, New York City, N. Y.
Towne Harris & Co., Inc., 50 Broadway, New York City, N. Y.
Bruce Shapiro
Martin Clare
Melvin Winslow
Robert Summers
Harris Freedman

OVER

EXQUISITE FORM INDUSTRIES FILES FOR SECONDARY. Exquisite Form Industries, Inc., 14 Pelham Parkway, Pelham Manor, N. Y., filed a registration statement (File 2-23034) with the SEC on December 22 seeking registration of 580,000 outstanding shares of Class A capital stock. According to the prospectus, the present holders of 230,000 of the shares may offer such stock from time to time through facilities of the American Stock Exchange, at prices current at the time of sale (\$4 per share maximum*); and Garson Reiner, president and chairman of the company, expects to pledge 300,000 of the shares owned by him as collateral security for personal loans.

The company is engaged in the business of designing, manufacturing and distributing ladies' foundation garments. In addition to indebtedness, it has outstanding 8,694,522 Class A and 244,000 Class B shares, of which management officials own 7,184,445 Class A and 173,000 Class B shares; Reiner owns 7,151,737 Class A and 161,000 Class B shares. The selling stockholders are listed as Milton Ritzenberg and Samuel Feldman, who are offering their entire Class A stock holdings of 201,000 and 29,000 shares, respectively.

CAROLINA TELEPHONE SHARES IN REGISTRATION. Carolina Telephone and Telegraph Company, 122 E. St. James St., Tarboro, N. C., filed a registration statement (File 2-23033) with the SEC on December 22 seeking registration of 216,256 shares of common capital stock, to be offered to its stockholders at \$20 per share at the rate of one new share for each ten shares held. The record date is to be supplied by amendment. In conjunction with the rights offering, Southern Bell Telephone and Telegraph Company proposes to offer, at competitive bidding, 399,009 rights (constituting its total subscription rights) to subscribe to a portion of the Carolina Telephone shares being registered.

The company furnishes communication services in eastern North Carolina. Net proceeds from its stock sale will be applied to the reduction of short-term bank notes, aggregating \$9,345,000. Such loans were incurred for general corporate purposes, including property additions and improvements. The company's 1965 construction expenditures are estimated at \$18,300,000. In addition to indebtedness and 5 outstanding preferred shares, the company has outstanding 2,162,559 common shares, of which management officials own 1.8%. L. W. Hill is board chairman and H. Dail Holderness is president. As indicated, Southern Bell, which owns 399,009 (18.5%) of the outstanding common shares of the company, will receive 399,009 rights to subscribe to the new shares (on the basis of one new share for each ten rights), which rights it will offer for sale at competitive bidding.

CONTROL DATA FILES STOCK PLAN. Control Data Corporation, 8100 34th Ave., South, Minneapolis, Minn., filed a registration statement (File 2-23036) with the SEC on December 22 seeking registration of 300,000 shares of common stock, to be offered under its Qualified Stock Option Plan.

AMP INC. FILES FOR SECONDARY. AMP Incorporated, Harrisburg, Pa., filed a registration statement (File 2-23024) with the SEC on December 21 seeking registration of 350,000 outstanding shares of its common stock. Each certificate for AMP stock bears an endorsement evidencing that it also represents a proportionate interest in the stock of Pamcor; and 1,121 shares of Pamcor stock (of 20,000 outstanding) also are included in the registration statement. Holders of the 350,000 shares of AMP stock propose to offer such shares for public sale through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Pl., and Blyth & Co., Inc., 14 Wall St., both of New York. The public offering price (\$28.75 per share maximum*) and underwriting terms are to be supplied by amendment.

AMP is engaged in designing and producing solderless electrical terminals, splices, connectors and application tooling to pressure-crimp these devices to electric wires. It also manufactures programming systems, capacitor products and other electronic components. In addition to indebtedness, AMP has outstanding 6,240,000 common shares. The selling stockholders are Margaret H. Hansen, offering 30,000 of 52,000 shares held, and U. A. Whitaker (board chairman), 49,808 of 571,705. Midland Investment Co. is offering 270,192 of its holdings of 1,307,592 shares. G. A. Ingalls is president of the company.

DIVIDEND SHARES SEEKS ORDER. Dividend Shares, Inc., One Wall St., New York, has applied to the SEC for an exemption order under the Investment Company Act with respect to the proposed issuance of its shares at net asset value for substantially all of the cash and securities of Kling Bros. Engineering Works; and the Commission has issued an order (Release IC-4114) giving interested persons until January 4, 1965 to request a hearing thereon. According to the application, Kling is an Illinois corporation engaged in investing and reinvesting its funds. Pursuant to an agreement between Dividend Shares and Kling, substantially all of the cash and securities of Kling, with an approximate value of \$1,150,000 on November 17, 1964, will be transferred to Dividend Shares in exchange for stock of Dividend Shares, which will be distributed to Kling's four shareholders.

BALDWIN SECURITIES RECEIVES ORDER. The SEC has issued a supplemental order under the Investment Company Act (Release IC-4108) extending to April 30, 1965 the period during which the ownership by Baldwin Securities Corporation, 15 Broad St., New York, of its stock interest in, and relationship with, General Industrial Enterprises, Inc., shall be exempt from prohibitions of Section 12(d)(1) of the said Act.

AMERICAN FOREIGN POWER EXEMPTION EXTENDED. The SEC has issued an order under the Investment Company Act (Release IC-4109) extending the temporary exemption of American & Foreign Power Company Inc., 100 Church St., New York, from provisions of said Act until such time as the Commission shall issue its order in pending proceedings on an application of said company for exemption from said Act.

BLUE BELL FILES FOR OFFERING AND SECONDARY: Blue Bell, Inc., 335 Church St., Greensboro, N. C., filed a registration statement (File 2-23030) with the SEC on December 22 seeking registration of 300,000 shares of common stock. Of this stock, 50,000 shares are to be offered for public sale by the company and 250,000 shares (being outstanding stock) by the present holders thereof. The First Boston Corp., 20 Exchange Pl., and Hornblower & Weeks, 1 Chase Manhattan Plaza, both of New York, are listed as the principal underwriters. The public offering price (\$35 per share maximum*) and underwriting terms are to be supplied by amendment.

The company designs, manufactures and distributes items of work clothing, western wear and sportswear. On December 21, 1964, Red Kap, Inc., which manufactures and distributes industrial uniforms to industrial rental laundries, was merged into the company. Net proceeds from the company's sale of additional stock will be added to general funds and are expected to be used in the first instance to reduce short-term borrowings incurred to finance inventories and receivables, and ultimately to finance future expansion. In addition to indebtedness, the company has outstanding 1,269,820 common shares, of which management officials as a group own 12.36%. The prospectus lists 45 selling stockholders, including W. Frank Evans, offering 15,200 of 32,000 shares held; T. C. Harlin, 8,280 of 16,280; W. W. Harlin, Jr., 9,611 of 20,451; J. M. Hayes, 12,000 of 19,200; Hillsboro Enterprises, Inc., 11,056 of 22,245; W. H. Wyatt (vice president), 57,548 of 62,548; Morgan Guaranty Trust Co. of New York and Penelope S. Baker, as co-trustees under agreement for the benefit of widow and issue of Robert W. Baker, deceased, 13,575 of 48,000; and Wachovia Bank and Trust Company, as trustee under various agreements for the benefit of the widow and issue of Robert W. Baker, deceased, 36,853 of 135,946. The remaining selling stockholders are offering shares ranging in amount from 80 to 7,554 shares. Jared C. Fox is board chairman of the company and Edwin A. Morris is president.

AMICO PROPERTIES SHARES IN REGISTRATION. Amico Properties, 1054 Wilshire Blvd., Los Angeles, filed a registration statement (File 2-23031) with the SEC on December 22 seeking registration of 100,000 shares of beneficial interest, to be offered for public sale through underwriters headed by Rutner, Jackson & Gray, Inc., 811 W. Seventh St., Los Angeles. The public offering price (\$6 per share maximum*) and underwriting terms are to be supplied by amendment. In December Ralph E. Loesch, president, granted to the Rutner firm options to purchase from him an aggregate of 46,879 shares at \$7.50 per share.

The trust was organized under Massachusetts law in May 1963 for the purpose of acquiring all the assets of Amico, Inc., a Delaware corporation. Its objective is to "achieve for its shareholders through the acquisition of a diversified portfolio of selected investments in real estate both long-term growth of capital and current income subject to the present advantageous federal income tax treatment." Of the net proceeds from its sale of additional shares, approximately \$206,617 will be used by the Trust to purchase 41,323 of its presently outstanding shares of beneficial interest from the Seventh Elect Church in Israel, and the balance will be used to reduce the liabilities of the Trust or to purchase additional investment properties. In addition to indebtedness, the Trust has outstanding 900,409 shares, of which management officials own 324,577-2/3 shares (including 170,431 shares owned by Loesch).

GENERAL DYNAMICS FILES STOCK PLAN. General Dynamics Corporation, One Rockefeller Plaza, New York, filed a registration statement (File 2-23032) with the SEC on December 22 seeking registration of 475,000 shares of common stock, to be offered under its Qualified Stock Option Plan.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the December 1 News Digest.

Beneficial Finance Co. (7,11)
E. L. Bruce Co., Inc. Oct. 1964 (11,13)
Carrier Corp. (3)
Dresser Industries, Inc. (2,13)
Gordon Jewelry Corp. (4,11,13)

Astrex, Inc. (8,13)
J. I. Case Co. (2,12)
Nat'l. Video Corp-Rico Electronics, Inc.
(4,7,13) Oct. 1964

Kaiser Industries Corp. (8)

The Perkin Elmer Corp. (11,12,13)
Daifiance Industries, Inc. (7,13)

SECURITIES ACT REGISTRATIONS. Effective December 22: Bankers Financial Corp. (File 2-22842); Republic Financial (File 2-22969); The Borden Co. (File 2-22981); The Consumers Cooperative Assoc. (File 2-22908). Effective December 23: Fashion Tress, Inc. (File 2-22932); First American Title Insurance & Trust Co. (File 2-22892); Nuveen Tax-Exempt Bond Fund, Series 8 (File 2-22947); Second Empire Fund, Inc. (File 2-22923); Volkswagen Insurance Co. (File 2-22931).

* As estimated for purposes of computing the registration fee.