

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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NATIONAL SECURITIES & RESEARCH. The SEC has issued an order under the Investment Company Act (Release IC-4356) granting an application of National Securities & Research Corporation, Depositor for National Securities Series, (the "Fund"), a registered management open-end company, for an exemption from certain specified provisions of the Act, particularly with respect to the affiliation of directors, investment advisory and underwriting contracts, changes in directors, and capital structure. The application refers to a stockholders' class action in which it is charged that National acted as depositor, investment adviser and principal underwriter of the Fund in violation of provisions of the Act. National and the Fund propose to settle this suit; and National has applied for the exemption order so as to remove any doubts that it and the Fund may continue to operate in the future in the same manner as in the past 25 years. Various conditions were imposed by the Commission in the granting of the requested exemption.

HARDAN LIQUIDATING RECEIVES EXEMPTION ORDER. The SEC has issued an order under the Securities Exchange Act granting an application of Hardan Liquidating Company (formerly Bloomfield Industries, Inc.), Chicago, Ill., for exemption from the reporting requirements of Section 15(d) of the Act. According to the application, Hardan stockholders approved the transfer of substantially all of the company's assets to Beatrice Foods Co., in exchange for common stock of Beatrice and its assumption of the company's liabilities. The transfer of assets was consummated on December 15, 1964. The company has not conducted any business operations since that date.

TWO UTILITIES RECEIVE ORDER. The SEC has issued an order under the Securities Exchange Act granting an application of two subsidiaries of American Electric Power Corporation Inc., (American) namely, Ohio Power Company (Ohio) and Appalachian Power Company (Appalachian), for exemption from Section 14(c) of the Act with respect to any annual or other meeting of stockholders of the two subsidiaries at which the only actions to be taken are the election of directors and/or such other action as does not affect the interests of the holders of preferred stock of the subsidiaries. American owns all of the outstanding common stock of each of the subsidiaries, representing 94.67% of the total voting power in Ohio and 96.32% in Appalachian. Ohio has outstanding 412,403 shares and Appalachian 348,238 shares of cumulative preferred stocks, none of which is owned by American. At December 31, 1964, there were 5,522 record Holders of Ohio preferred and 5,592 of Appalachian preferred. The boards of directors of both subsidiaries include officers and directors of American and other persons chosen by it. Both subsidiaries file annual reports with the Commission containing financial information and other significant data. Each also mails notice of its annual meetings to preferred holders and accompanies such notice with annual financial statements, but neither solicits proxies from preferred holders unless a class vote is required.

NORTH CENTRAL AIRLINES FILES FOR SECONDARY. North Central Airlines, Inc., 6201 Thirty-Fourth Ave. South, Minneapolis, Minnesota, filed a registration statement (File 2-24026) with the SEC on September 16 seeking registration of 2,500,000 outstanding shares of common stock and 2,500,000 outstanding warrants (exercisable through November 1968) to purchase a like number of additional common shares. The shares are to be offered for public sale. The offering is to be made in units consisting of one common share with a warrant to purchase one additional common share, through underwriters headed by F. Eberstadt & Co., 65 Broadway, New York 10006. The public offering price (\$3.50 per unit maximum*) and underwriting terms are to be supplied by amendment.

The company operates a regional airline providing scheduled service for passengers, mail, and property. It has outstanding 8,732,038 common shares. The prospectus lists four sellers, including A. James Mueller, Richard O. Mueller, and Joseph E. Rapkin, as executors of the estate of Arthur E. A. Mueller, deceased, offering 2,490,130 of 2,954,650 shares held and warrants covering 464,520 shares; and Werner L. Christensen, Anne E. Ehle, A. James Mueller and Richard O. Mueller, as successor trustees of trusts created under the will of Helen L. Mueller, deceased, offering warrants covering 1,704,000. H.N. Carr is board chairman and president.

SOVEREIGN LIFE INSURANCE OF CALIF. PROPOSES RIGHTS OFFERING. Sovereign Life Insurance Company of California, 3600 Wilshire Blvd., Los Angeles, Calif. 90005, filed a registration statement (File 2-24028) with the SEC on September 17 seeking registration of 25,155 shares of capital stock, to be offered for subscription by stockholders at the rate of one new share for each three shares held. Any unsubscribed shares are to be offered for public sale through underwriters headed by McDonnell & Co. Inc., 120 Broadway, New York 10005. The offering price (\$75 per share maximum*), record date, and underwriting terms are to be supplied by amendment.

Organized under California law in 1962, the company is engaged primarily in writing life insurance. Net proceeds from its stock sale will be used in the conduct of its insurance business. The company has outstanding 75,464 capital shares, of which management officials own approximately 9.2% (including 5.7% owned by Victor T. Terry, president and board chairman). The number of outstanding shares reflect a 20-for-1 stock split in 1964 and a 4-for-1 split in 1965.

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DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-7709) granting applications of the New York Stock Exchange to strike from listing and registration the common stock of Reliance Manufacturing Co. and the capital stock of Lee National Corp., both effective at the opening of business on September 22. According to the application, Reliance Manufacturing stockholders adopted a plan of liquidation on October 30, 1964, and approved the sale of various assets to Puritan Fashions Corp. Such sale was consummated on November 18, 1964, and an initial liquidating distribution has been paid. Lee National states that the company sold substantially all of the assets of its subsidiary, Lee Tire Centers, Inc., on July 7, 1965, and that patents and other property relating to the former tire operations of the company have been sold or leased. Its capital stock was recently admitted to the list of the American Stock Exchange.

TRUST INDENTURE FORMS MODIFIED. The SEC announced the revision of its Forms T-1 (Release TI-225) and T-2 (Release TI-226) under the Trust Indenture Act, effective October 20th. T-1 is prescribed for statements of eligibility and qualification of corporations designated to act as trustee under indentures required to be qualified under the Act; and T-2 is prescribed for statements of eligibility and qualification of individuals so designated. The purpose of their revision is to clarify and simplify the forms in certain respects. At the same time, the Commission revised Rule 7a-9 to conform the procedure to that now prevailing with respect to Securities Act registration statements and thus avoid the necessity for successive delaying amendments.

TEN KEYS SEEKS EXEMPTION. Ten Keys, Inc., Providence, R. I., open-end non-diversified company, has applied to the SEC for an exemption order under the Investment Company Act authorizing it to issue its shares at net asset value in exchange for the assets of four other unregistered investment companies, Davenport Investment Fund, Inc., Conanicut Co., Prudent Securities Corp., and Thrift Corp., all Rhode Island corporations. The Commission has issued an order (Release IC-4355) giving interested persons until October 15 to request a hearing thereon. According to the application, the net asset values on August 31, 1965, of Ten Keys and of the said four funds approximated \$297,000 and \$312,000, respectively. The stockholder of each of the four Funds have authorized the transfer of substantially all of the assets of their respective fund, subject to the respective liabilities, in exchange for stock of Ten Keys which will be distributed to the shareholders of each of the four Funds upon their liquidation.

INTERNATIONAL UTILITIES PROPOSES OFFERING. International Utilities Corporation, 200 University Ave., Toronto, Ontario, Canada, filed a registration statement (File 2-24027) with the SEC on September 17 seeking registration of 1,500,000 shares of convertible preferred stock. Of such stock, 1,000,000 shares are to be offered for public sale through United States underwriters headed by Butcher & Sherrerd, 1500 Walnut St., Philadelphia, Pa. 19102. The remaining shares are to be offered through Canadian underwriters. The public offering price (\$36 per share maximum*) and underwriting terms are to be supplied by amendment.

The company's business includes the operation of public utility companies in Western Canada, shipping companies engaged in foreign trade, a trucking company in the United States, bus companies in Western Canada, and industrial companies in the United States and overseas. Of the net proceeds from its stock sale, approximately \$11,946,000 is to be paid to International Utilities Inc., a wholly-owned subsidiary, to purchase outstanding advances in that amount made by such subsidiary to the shipping companies, and some \$1,200,000 of notes payable by the company to International Utilities will be repaid. The balance will be advanced to subsidiaries for use in connection with their expansion program, estimated to cost in excess of \$120 million during 1965 through 1967. The company has outstanding 6,799,610 common shares. Howard Butcher, III, is board chairman and John M. Seabrook is president.

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended September 16, 1965, 19 registration statements were filed, 28 became effective, 1 was withdrawn, and 289 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective September 17: Computer Sciences Corp., 2-23930; Founders Life Assurance Co. of Florida, 2-23891 (Oct 27); Gulf American Land Corp., 2-23933; Rochester Telephone Corp., 2-23937 (Oct 28). Withdrawn September 17: Alliance Investment Corp., 2-23936; Rusco Industries, Inc., 2-23801.

NOTE TO DEALERS: The last date or the period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

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