

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D.C. 20549

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

(Issue No. 65-10-1)

FOR RELEASE October 1, 1965

FIRST CHURCH FINANCING OF AMERICA PROPOSES OFFERING. First Church Financing Corporation of America, 215 North Main St., West Bend, Wisc., filed a registration statement (File 2-24065) with the SEC on September 28 seeking registration of \$4,085,000 of Series B Collateral Trust Bonds. The bonds are to be offered for public sale, at 100% of the principal amount, through B. C. Ziegler and Co., West Bend, Wisc., which will receive a 1-1/2% commission.

Organized under Delaware law in 1964, the company is engaged in financing loans to churches, hospitals, private schools, and other charitable, religious, eleemosynary, and non-profit corporations. Of the net proceeds from its bond sale, \$3,938,335.86 will be used to purchase from the underwriter the first mortgage bonds forming the collateral for the bonds being registered, and the balance (together with other funds of the company) will be used to establish a 2% reserve fund for interest payments in the amount of \$81,700, which is additional security for the bonds. According to the prospectus, the underwriter obtained the collateral by making loans to and purchasing \$4,085,000 principal amount of first mortgage bonds from nine different obligors (six churches, a nursing home and home for the aged, a Catholic religious order and private school) for \$3,923,775. In addition to indebtedness, the company has outstanding 50,000 common shares, all owned by The Security Co. Delbert J. Kenny is board chairman and Thomas J. Kenny is president of the company. All of the company's directors are directors of The Security Co. and, with one exception, of the underwriter.

CALVERT - MID-AMERICA PROPOSES OFFERING. Calvert - Mid-America, Inc., 1120 Liberty Bank Bldg., Oklahoma City, Okla. 73120, filed a registration statement (File 2-24083) with the SEC on September 30 seeking registration of 200 participating units in its program for exploration and development of oil and gas, to be known as the Calvert - Mid-America, Inc. 1966 Fund. The units are to be offered for public sale at \$10,000 per unit (subject to a \$2,000 maximum assessment for completion of wells), the offering to be made by the company and through Midamco, Inc., a wholly-owned subsidiary, as underwriter, on a best-efforts basis.

Organized under Oklahoma law in 1963, the company is engaged generally in oil and gas exploration and development. All of its outstanding capital stock is owned by Calvert Exploration Company of Tulsa, Okla. Jno. W. Nichols is president of the company.

BVD CO. FILES STOCK PLANS. The B. V. D. Company, Inc., 404 Fifth Ave., New York 10018, filed a registration statement (File 2-24082) with the SEC on September 30 seeking registration of 330,235 shares of common stock, to be offered pursuant to its Restricted Stock Option Plan and Qualified Stock Option Plan.

HARRIS-INTERTYPE FILES STOCK PLAN. Harris-Intertype Corporation, 55 Public Sq., Cleveland, Ohio 44113, filed a registration statement (File 2-24084) with the SEC on September 30 seeking registration of 25,000 shares of common stock, to be offered under the company's Employee Stock Purchase Plan.

CONTINENTAL VENDING SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation for a further ten-day period, October 4-13, 1965, inclusive.

BLUE STAR PRODUCTIONS PERMANENTLY SUSPENDED. In an order under the Securities Act announced today (Release 33-4803), the SEC made permanent its July 8, 1965, order temporarily suspending a Regulation A exemption from Securities Act registration with respect to a public offering of 100,000 shares of common stock of Blue Star Productions, Inc., of Miami, Fla. The Commission found, among other things, that the company's offering circular failed to disclose that shares covered by the notification were offered for sale before an effective date for the Regulation A offering, was misleading with respect to the company's properties, material transactions relating to the acquisition thereof, its proposed activities, the nature of its competition in the field in which it proposed to operate, the business experience in that field of its officers, and the use of the proceeds of the offering for the benefit of its insiders.

COPLEY & CO. WITHDRAWS REGISTRATION. The SEC has issued an order under the Securities Exchange Act (Release 34-7712) granting a request of the trustee in bankruptcy for Copley and Company, of Colorado Springs, Colo., for withdrawal of that firm's broker-dealer registration. Proceedings were discontinued on the question whether the firm's registration should be revoked for alleged violations of the anti-fraud provisions of the Federal securities laws in the offer and sale of securities. Previously, the Commission issued orders against three individual respondents and dismissing as to another; and the proceedings are still pending with respect to a fifth.

INSIDER TRADING RULE AMENDED. The SEC today announced the adoption of an amendment to its Rule 16b-6 under the Securities Exchange Act (Release 34-7717). Section 16(b) of the Act provides that profits on short-term trading (transactions within a six-month period) by any person owning more than 10% of any class

OVER

of equity security registered under Section 12, or by any officer or director of the issuer, shall inure to and be recoverable by or on behalf of the issuer. Rule 16b-6 provides certain exemptions from the recovery provisions; and one situation in which the rule provides an exemption from Section 16(b) is where a person subject to that section purchases a security through the exercise of an option or similar right and within six months after such exercise disposes of the security in an exchange of securities made pursuant to a plan or agreement for the acquisition of the issuer's assets by another issuer, where the terms of such plan or agreement are binding upon all stockholders, subject to stockholders' rights of appraisal. The rule has now been amended to provide that the exemption shall also be available where the security acquired through the exercise of the option or right is disposed of in a transaction involving the transfer of the issuer's assets to a third person which is controlled by the issuer of the securities to be received in the exchange.

TWO FIRMS EXEMPTED FROM CAPITAL RULE. The SEC has exempted Investors Diversified Services, Inc., of Minneapolis, and Laidlaw & Co., of New York City, from its "net capital rule" (Rule 15c3-1) under the Securities Exchange Act.

The rule generally requires each broker-dealer to have net capital in such amount that its aggregate indebtedness to all other persons shall not exceed 2,000 per centum of its net capital, and to have and maintain net capital of not less than \$5,000 (\$2,500 for certain mutual fund dealers). However, a broker-dealer may be exempted from the rule if it has a substantial net worth and if, because of the special nature of its business, safeguards are provided for the protection of customers' funds and securities.

IDS is registered as an investment company under the Investment Company Act. According to its application, IDS also acts as the distributor of face-amount certificates of its subsidiary, Investors Syndicate of America, Inc., and the shares of five open-end investment companies. As such distributor, it does not act as principal but rather takes applications from customers for the securities and transmits them to the respective issuers along with any funds received. It does not otherwise hold customers' funds or securities. At December 31, 1964, IDS had assets of \$184,691,749 and a net worth of \$112,859,958. The application also indicates that IDS has established detailed procedures against commingling of customers' funds and against any delay on the part of IDS representatives in transmitting customers' funds to the issuers; and it has provided various other safeguards for the protection of investors. Among these is a blanket fidelity bond in the amount of \$10,000,000 covering all officers and employees and a \$2,000,000 bond for all sales representatives.

Laidlaw's application indicates that it is a private banker subject to the jurisdiction of the Superintendent of Banks of the State of New York. It is examined annually by the Superintendent and is required to file at least three reports of financial condition each year. Under the New York banking law, Laidlaw is required to maintain reserves of 10% of its demand deposits and 3% of its time deposits. At March 31, 1965, it had total assets of \$66 million and a net worth of \$7.7 million. Although Laidlaw as a member of the New York Stock Exchange is exempt from the NYSE net capital rule, it is subject to Exchange rules relating to hypothecation and segregation of customers securities, margin requirements, filing of periodic financial questionnaires and annual surprise audits.

TWO O/C COMPANIES SEEK EXEMPTION. Applications for exemption from the registration requirements of Section 12(g) of the Securities Exchange Act of 1934 have been filed with the SEC by the following:

- (a) Certified Grocers of Illinois, Inc., Chicago, Ill.
- (b) Escondido Mutual Water Company, Escondido, Calif.

Exemption from registration under Section 12(g) would also operate to exempt the two companies from the reporting and proxy provisions of Sections 13 and 14 of the Act; and their "insiders" would be exempt from Section 16 of the Act.

According to its application, Certified Grocers was organized in 1940 under the Cooperative Act of Illinois and is engaged in the wholesale grocery business in Illinois and several nearby states. Its activities consists of buying products to be sold at retail by its members; and all its outstanding stock is owned by members who are retail grocers and who purchase their grocery requirements from Certified Grocers. Commencing August 30, 1965, 100% of net profits (formerly 90%) will be distributed to members of record. The company's by-laws provide that no person may subscribe for, own, or control more or less than five shares and that Certified Grocers has the right of first refusal in the event of any resale of shares. If a member desires to transfer his shares to a purchaser of his retail grocery business, the approval of Certified Grocers' directors is sought by the member and the prospective buyer.

The Water Company was organized in 1905 under California law as a non-profit mutual water company to distribute water to its shareholders. As of April 30, 1965, it had total assets in excess of \$2,600,000 and 424,047 outstanding shares (held by 2,640 shareholders). Over 99% of the company's shares are held by persons who presently or formerly purchased water from the company. There is no established market for the shares, which are purchased and sold primarily in conjunction with the purchase and sale of land within the company's service area.

CANADA DRY PROPOSES DEBENTURE OFFERING. Canada Dry Corporation, 100 Park Ave., New York 10017, today filed a registration statement (File 2-24088) with the SEC seeking registration of \$20,000,000 of sinking fund debentures, due 1990. The debentures are to be offered for public sale through underwriters headed by Lazard Freres & Co., 44 Wall St., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company manufactures and distributes carbonated beverages and syrups. Of the net proceeds from its debenture sale, \$2,000,000 will be used to pay outstanding short-term bank loans incurred to finance

increases in accounts receivable, and the balance will be available for additional working capital. In addition to indebtedness and preferred stock, the company has outstanding 2,357,050 common shares, of which management officials own approximately 2% and Hunt Foods and Industries, Inc., owns 24.6%. Roy W. Moore, Jr., is president.

UNION ELECTRIC PROPOSES RIGHTS OFFERING. Union Electric Company, 315 N. Twelfth Blvd., St. Louis, Mo. 63166, today filed a registration statement (File 2-24089) with the SEC seeking registration of 1,158,027 shares of common stock. The stock is to be offered for subscription by common stockholders at the rate of one new share for each 20 shares held on October 28, 1965. Any unsubscribed shares are to be offered for public sale through underwriters headed by Lehman Brothers, One William St.; Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St.; and Blyth & Co., Inc., 14 Wall St., all of New York. The offering price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment.

Net proceeds from the company's stock sale will initially be used to reimburse its treasury for capital expenditures heretofore made. Such funds will be used (a) to retire some \$23,000,000 of short-term bank loans for construction purposes, (b) to finance the remainder of the construction program, and (c) for other corporate purposes. Approximately \$81,400,000 of construction expenditures are budgeted by the company for 1965. In addition to indebtedness and preferred stock, the company has outstanding 22,837,345 common shares. J. W. McAfee is president, and A. H. Schettler is chairman of the executive committee

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 in parentheses. The captions of the items are as follows:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Legal Proceedings.
- Item 4. Changes in Securities.
- Item 5. Changes in Security for Registered Securities.
- Item 6. Defaults upon Senior Securities.
- Item 7. Increase in Amount of Securities Outstanding.
- Item 8. Decrease in Amount of Securities Outstanding.
- Item 9. Options to Purchase Securities.
- Item 10. Revaluation of Assets or Restatement of Capital Share Account.
- Item 11. Submission of Matters to a Vote of Security Holders.
- Item 12. Other Materially Important Events.
- Item 13. Financial Statements and Exhibits.

Copies of the reports may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with requested material when mailed.

Will Ross Inc August 1965 (7,13)	1-1578-2	Stelma, Inc August 1965 (11)	1-4449-2
Canadianwide Properties Ltd. July 1965 (2,13)	1-4205-2	Universal Drilling Co Inc August 1965 (2,7,11,12,13)	0-221-2
The Rowan Controller Company August 1965 (13)	2-19216-2	The Educator & Executive Co August 1965 (13)	0-1161-2
Tucson Gas & Electric Co August 1965 (8)	0-269-2	John Fluke Mfg. Co Inc Jan. 1965 (11)	0-125-2
United Control Corp August 1965 (12)	0-33-2		
Americana Life Insurance Co June 1965 (2,7,12,13)	2-23154-2	Will Ross Inc August 1965 (7,13)	1-1578-2
Hi-Shear Corporation July 1965 (11)	2-18622-2	Canadianwide Properties Ltd. July 1965 (2,13)	1-4205-2
August 1965 (7)	2-18622-2	The Rowan Controller Company August 1965 (13)	2-19216-2
Advance Mortgage Corp May 1964 (13)	0-1626-2	Tucson Gas & Electric Co August 1965 (8)	0-269-2
Earle M. Jorgenson Co August 1965 (2,13)	1-4313-2	United Control Corp August 1965 (12)	0-33-2
Kalvar Corporation August 1965 (2)	2-22314-2	Americana Life Insurance Co June 1965 (2,7,12,13)	2-23154-2
Speed-O-Print Business Machines Corp April 1965 (11,13)	1-4504-2	Hi-Shear Corporation July 1965 (11)	2-18622-2
		August 1965 (7)	2-18622-2
Dart Drug Corporation July 1965 (8)	2-16400-2	Advance Mortgage Corp May 1964 (13)	0-1626-2
Lakey Foundry Corp August 1965 (12,13)	1-2319-2	Earle M. Jorgenson Co August 1965 (2,13)	1-4313-2
Schlumberger N.V. May 1965 (13)	1-4601-2		

Monroe Chemical Co March 1965 (11)	1-199-2	Consolidated Electronics Industries Corp May 1965 (11,13)	1-4271-2
Taylor International Corp August 1965 (3,4,7,13)	1-1069-2	Fairmont Foods Co (Del) August 1965 (9,13)	1-4100-2
Hycon Mfg. Co June 1965 (13)	1-4375-2	Jessop Steel Company August 1965 (13)	0-467-2
National Life Insurance Co of Florida August 1965 3,13)	2-23196-2	Palmetto Pulp & Paper Corporation June 1965 (3,12,13)	0-179-2
Plastic Wire & Cable Corp August 1965 (2,13)	0-59-2	Philips Electronics & Pharmaceutical Industries Corp April 1964 (7,13)	1-4272-2
Star Industries, Inc August 1965 (3)	1-4578-2	Wichita River Oil Corporation August 1965 (11)	1-1647-2
Fleming Co, Inc August 1965 (2,7,13)	0-444-2	E. J. Korvette, Inc August 1965 (7)	1-4037-2
Life Insurance Co of Florida August 1965 (2,13)	2-15655-2	Riker Delaware Corp July 1965 (7,9)	2-20085-2
American Alloys Corp July 1965 (6)	2-12296-2	Seagrave Corp (Del) August 1965 (2,8,13)	1-5091-2
Bobbie Brooks, Inc August 1965 (11,13)	1-4168-2	T. F. Company August 1965 (2,10,11,12,13)	2-18496-2
International Crown Corp August 1965 (67,11,13)	2-23254-2	Tower Credit Corp August 1965 (3)	1-4066-2
Venus Drug Distributors, Inc August 1965 (11)	2-19802-2	White Consolidated Industries Inc August 1965 (13)	1-826-2
Western Equities, Inc July 1965 (7)	1-4371-2	L. E. Carpenter & Co Sept. 1965 (7,13)	1-4943-2
Lake Ontario Cement Ltd Amend #2 to 8K for June 1963 (13)	2-12579-2	Parvin-Dohrmann Company July 1965 (12)	1-2762-2
E. J. Korvette, Inc Amend #1 to 8K for Jan. 1965 (7)	1-4037-2	Ramo, Inc August 1965 (7,8,11,13)	2-8278-2
Pacific Industries, Inc Amend #1 to 8K for July 1965 (2)	1-1360-2	Transwestern Life Insurance Company August 1965 (12)	2-22805-2
General Development Corp Amend #1 to 8K for May 1965 (11)	1-4080-2	Television Industries, Inc August 1965 (12)	1-2342-2
International Utilities Corp Amend #1 to 8K for Aug. 1965 (12,13)	1-116-2	Houston Oil Field Material Co, Inc August 1965 (7)	0-1427-2
Allegheny Airlines, Inc Amend #1 to 8K for June 1965 (4)	1-3631-2	Pacific Southwest Airlines August 1965 (2,7,13)	1-5080-2
U.S. Financial Amend #1 to 8K for April 1965 (13)	2-22482-2	Quik-Chek Electronics & Photo Corp August 1965 (12)	2-19024-2
Kalvar Corporation August 1965 (2)	2-22314-2	Speed-O-Print Business Machines Corp April 1965 (11,13)	1-4504-2
		Dart Drug Corporation July 1965 (8)	2-16400-2

SECURITIES ACT REGISTRATIONS. Effective October 1: Federal-Mogul Corp., 2-23970; Hawaiian Electric Co., Inc., 2-23986 (Nov 23); Wisconsin Natural Gas Co., 2-24012.

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

*As estimated for purposes of computing the registration fee.

---ooo0ooo---