

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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FOR RELEASE October 8, 1965

MULTI-PLANNING REGISTRATION WITHDRAWN. The SEC today announced a decision under the Securities Exchange Act (Release 34-7720) permitting Multi-Planning Corporation, of Syosset, N. Y., to withdraw its broker-dealer registration. Proceedings on the question whether Multi-Planning's registration should be revoked for failure to file financial reports for 1963 and 1964 were discontinued. The firm consented to a finding that such reports had not been filed, but requested withdrawal from registration, stipulating that it is no longer engaged in the securities business and owes no money or securities to customers.

LERNER & CO. SUSPENDED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7721) suspending the broker-dealer registration of Lerner & Co., Inc., of 10 Post Office Square, Boston, for the five-day period October 11-15, 1965, inclusive; suspending the firm from the American Stock Exchange for the same period; and suspending its president, Louis C. Lerner, from being associated with any broker-dealer during that period. Both respondents consented to the suspensions.

The proceedings were based upon charges that Lerner & Co. and Lerner in June 1964 bought stock of Maxson Electronics Corp. (of which Lerner was a director) after Lerner learned that Maxson was negotiating for and had been awarded a substantial defense contract; and that, at a time when public disclosure of such material information had not been made, and Lerner & Co., without disclosing the information to the sellers, solicited and executed purchases of Maxson shares, the majority of which were for the accounts of relatives of Lerner.

BAR ORDER PROPOSED AGAINST SCHOENECKE. SEC Hearing Examiner William W. Swift has filed an initial decision involving Charles A. Schoenecke, former salesman for the defunct firm of Copley and Company, of Colorado Springs, Colo. The Examiner ruled that Schoenecke had violated the anti-fraud provisions of the Federal securities laws in his dealings with customers of the Copley firm and that he should be barred from further association with any broker-dealer firm. The ruling may be appealed to the Commission not later than November 5, 1965.

OLD DOMINION FUND SEEKS ORDER. Old Dominion Growth Stock Fund, Inc., Suffolk, Va., 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-4368) giving interested persons until October 29 to request a hearing thereon. According to the application, the Fund was liquidated pursuant to shareholder approval in 1961; all its assets have been distributed to shareholders; and it has no remaining liabilities or shareholders.

TWO FUNDS EXEMPTED. The SEC has issued an order under the Investment Company Act (Release IC-4371) declaring that International Resources Fund, Inc., of Los Angeles, has ceased to be an investment company. The Fund has been liquidated following the transfer of its assets to The Investment Company of America in exchange for 1,363,308 shares of ICA stock, which stock was distributed to the Fund's shareholders. The SEC has also issued an order (Release IC-4372) declaring that Development Securities, Inc., of Muscatine, Iowa, has ceased to be an investment company, within the meaning of the Act. The company has only 24 shareholders and does not propose to make a public offering of its shares.

NUVEEN TAX-EXEMPT BOND FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4373) exempting the Nuveen Tax-Exempt Bond Fund, Series 10, of Chicago, from the \$100,000 minimum capital requirements of Section 14(a) of the Act.

HAMILTON FUNDS SEEKS ORDER. Hamilton Funds, Inc., 777 Grant St., Denver mutual fund, has joined with International Telephone and Telegraph Corporation, of New York, in the filing of an application under the Investment Company Act; and the Commission has issued an order (Release IC-4374) giving interested persons until October 28 to request a hearing thereon. According to the application, in March 1965 a subsidiary of a subsidiary of ITT acquired control of Hamilton Management Corporation ("Hamilton") by purchasing some 94% of its outstanding voting securities. This transfer of a controlling block of Hamilton stock constituted an assignment of the then existing advisory agreement between Hamilton and the Fund, and resulted in termination of the agreement. Concurrently therewith, the Fund shareholders approved a new advisory agreement with Hamilton. Hamilton now proposes to sell substantially all its assets to another subsidiary of ITT (or a subsidiary of that subsidiary), in exchange for 303,077 shares of ITT common stock. Such shares will be distributed to Hamilton shareholders upon its liquidation. Such sale will result in termination of the present agreement; and a new advisory agreement is to be entered into between the Fund and Hamilton's successor, substantially identical to the present agreement. The pending application seeks an order permitting the new subsidiary to serve as investment adviser until the next annual meeting of Fund shareholders (in June 1966).

VTR TRADING SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of VTR, Inc., for a further ten-day period, October 9-18, 1965, inclusive.

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BELOCK INSTRUMENT TRADING BAN CONTINUED. The SEC issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Belock Instrument Corporation for a further ten-day period, October 10-19, 1965, inclusive.

UNITED MEXICAN STATES PROPOSES BOND OFFERING. The United Mexican States filed a registration statement (File 2-24108) with the SEC on October 7 seeking registration of \$20,000,000 of 6-1/2% external sinking fund bonds (due 1980), to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., and Kuhn, Loeb & Co. Inc., 40 Wall St., both of New York 10005. The public offering price and underwriting terms are to be supplied by amendment. Net proceeds from the bond sale will be applied by the Federal Electricity Commission (a public agency) and the electric power corporations owned by the Mexican Government to the repayment of maturing external indebtedness and to foreign exchange expenditures required for the purchase of capital equipment in connection with electric power generation and distribution projects.

UNLISTED TRADING SOUGHT. The SEC has issued an order under the Securities Exchange Act (Release 34-7722) giving interested persons until October 14 to request a hearing upon applications of (1) the Boston Stock Exchange for unlisted trading privileges in the common stock of Magnavox Co. and (2) the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the common stock of Northwest Airlines Inc.

UNITED MERCHANTS PROPOSES DEBENTURE OFFERING. United Merchants and Manufacturers, Inc., 1407 Broadway, New York 10018, filed a registration statement (File 2-24109) with the SEC seeking registration of \$40,000,000 of convertible subordinated debentures (due 1990), to be offered for public sale through underwriters headed by Lehman Brothers, One William St., New York 10004. The interest rate, public offering price and underwriting terms are to be supplied by amendment. (*Filed on Oct 7)

The company is a textile manufacturer. Net proceeds from its stock sale will be added to general funds and initially will be used to reduce the company's short-term borrowings, largely incurred to finance its growing commercial factoring and finance business. Thereafter, the proceeds will be used to finance the expansion of its business, including capital expenditures. In addition to indebtedness, the company has outstanding 5,920,739 common shares, of which management officials own 2.6%. J. W. Schwab is board chairman and Merwin R. Haskel is president.

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "***"):

File No.	Registrant	Location
1769	American Duralite Corp	Loudon, Tenn.
1770	First Illinois Trust	Springfield, Ill.
1768	Guidance Technology, Inc.**	Santa Monica, Cal.
1772	Interstate United Corp **	Lincolnwood, Ill.
1773	Pacific Vegetable Oil Corp.**	San Francisco, Cal.
1766	State Acceptance Corp.	Bismarck, N.D.
1767	Twin Disc Clutch Co.**	Racine, Wisc.
1771	Universal Acceptance Corp.	Fargo, N. D.

ORAL ARGUMENT, COMING WEEK. October 12 - 2:30 P.M. - R. Baruch & Company, et al.

SECURITIES ACT REGISTRATIONS. Effective October 7: Graybar Electric Company, Inc., 2-23941 & 2-23942; Reeves Broadcasting Co., 2-23744 (Nov 14); Washington Gas Light Co., 2-23781 (40 days).

NOTE TO DEALERS. 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.

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