

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington 25, D.C.

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

Issue No. 64-3-4)

FOR RELEASE March 5, 1964

SEC RULES OF PRACTICE AMENDED. The SEC today announced an amendment to its Rules of Practice concerning the entry and service of Commission orders and the maintenance of a docket (Release 33-4763). The judicial review provisions of the various statutes administered by the Commission provide that a petition to review a Commission order shall be filed in the appropriate court of appeals within sixty days after the "entry" of the order sought to be reviewed. The recent decision of the Court of Appeals for the Ninth Circuit in the case of Lile v. Securities and Exchange Commission, 324 F.2d 772 (1963), has caused uncertainty as to the meaning of the term "entry" and the running of the sixty-day period. The court appears to have construed Rule 22(b) of the Commission's Rules of Practice, which provides that "a docket of all proceedings shall be maintained," as referring to a docket similar to that in which the orders of a court was entered by the clerk of the court. To avoid the present uncertainty, the Commission has deleted from its Rules of Practice the requirement that a docket be maintained and has adopted a definition of the term "entry." The rules changes also include a clarifying amendment relating to the service of Commission orders, a provision concerning the inspection of orders by interested persons and by the public, and several technical amendments.

Another amendment of the Rules of Practice (Release 33-4764) relates to "interlocutory rulings" of the Commission's Hearing Examiners. This amendment authorizes hearing officers to consider and rule upon pre-hearing motions as well as those made during the course of a hearing, and also gives greater effect to interlocutory rulings of hearing officers by prescribing more restrictive conditions for appeals from such rulings. At the same time the Commission amended Subpart A of its Statement of Organization, Conduct and Ethics, and Information Practices, to provide for delegation by the Commission to the Director of the Office of Opinion Writing of the functions of denying an application for review of an interlocutory ruling which a hearing examiner has refused to certify, and of affirming an interlocutory ruling which a hearing examiner has certified. As in the case of other delegations, the Director may submit to the Commission any delegated matter which he believes appropriate. Moreover, Rule 27(a) of the Rules of Practice is also amended to refer to the delegation with respect to interlocutory rulings, so as to make applicable thereto the provision of Rule 27(d) that the Commission may on its own initiative order review by it of any determination at a delegated level.

GROVER MacCURDY & HOFFACKER FILE. Grover, MacCurdy and Hoffacker, 1010 Midland Savings Building, Midland, Tex., filed a registration statement (File 2-22116) with the SEC on March 2 seeking registration of \$200 units (\$1,000,000) in its 1964 Exploration Fund, to be offered for public sale at \$5,000 per unit. The units are to be offered for sale on a best efforts basis by the partners of Grover, MacCurdy and Hoffacker, a partnership. The purpose of the financing is the acquisition, testing, development and operation of oil and gas leaseholds, or interests therein, within the continental limits of the United States. As compensation for its services to the program, the partnership will receive an amount equal to 10% of each unit, an undivided 1/4 interest in the oil and gas leasehold interests acquired, and a monthly overhead sum beginning January 1965 equal to \$25 per producing well multiplied by participant's interest in the operating rights therein. The partners are Arden R. Grover, Malcolm R. MacCurdy, and Benjamin F. Hoffacker, Jr.

61 JANE STREET PROPOSES OFFERING. 61 Jane Street Company, a partnership, of 630 Fifth Avenue, N. Y., filed a registration statement (File 2-22119) with the SEC on March 4 seeking registration of \$795,000 of limited partnership interests - 159 units to be offered for public sale at \$5,000 per unit. The partnership was recently formed by IFC Syndicate Corporation, a New York corporation, as general partner, and Raphael M. Dansker as limited partner. The partnership proposes to acquire, from Investors Funding Corporation, a New York corporation, a second mortgage securing an indebtedness of \$800,000 covering the fee title to certain premises consisting of an area of some 16,680 square feet and known as 61 Jane Street, in New York, which property is owned by 61 Jane Street Corporation, a subsidiary of Investors Funding Corporation. The said owner has entered into a long term net lease of the property with Hyman R. Shapiro and Irving J. Shapiro, as lessees; the lessees have undertaken to erect an eighteen-story apartment building on the property (at Hudson Street and Horatio Street, New York), which is nearing 80% completion.

The partnership will own the 10% consolidated second mortgage in the amount of \$800,000 on the fee title to the premises; and the assignment of \$795,000 of limited partnership interests are to be offered for sale. The original partners have acquired one \$5,000 partnership interest. IFC Securities Corporation of the Fifth Avenue address will make the offering. It will receive, from Investors Funding Corporation, a commission of \$400 for each \$5,000 unit sold. The general partner, IFC Syndicate Corporation, was recently organized for the primary purpose of becoming the general partner of 61 Jane Street Company. Jerome Dansker and Norman Dansker are president and vice-president, respectively.

OVER

PANHANDLE EASTERN PIPE LINE PROPOSES OFFERING. Panhandle Eastern Pipe Line Company, One Chase Manhattan Plaza, New York, filed a registration statement (File 2-22120) with the SEC on March 4 seeking registration of \$40,000,000 of debentures due 1984, to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Place, Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine Street (both of New York) and Halsey, Stuart & Co., Inc., 123 South LaSalle St., Chicago. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the production, transmission and sale of natural gas. Net proceeds of this financing will be used to reimburse the company's treasury in part for construction expenditures since November 1962. Out of treasury funds the company intends to retire its short-term bank loans which amounted to \$39,500,000 at February 29, 1964, of which latter amount \$27,000,000 represents capital expenditures in 1963. The balance represents the remaining portion of loans incurred in connection with refunds to customers in 1963. The prospectus lists William G. Maguire as president and board chairman.

LIFE ASSURANCE OF PENNA. PROPOSES RIGHTS OFFERING. Life Assurance Company of Pennsylvania, 2204 Walnut St., Philadelphia, filed a registration statement (File 2-22121) with the SEC on March 4 seeking registration of 75,246 shares of capital stock. It is proposed to offer these shares for subscription by holders of outstanding stock at the rate of one new share for each three shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. Auchincloss, Parker & Redpath, Two Penn Center Plaza, Philadelphia, and Arthurs, Lestrangle & Co., 2 Gateway Center, Pittsburgh, are listed as the principal underwriters.

The company engages in the business of writing all types of life insurance and annuities, and accident and health insurance, principally in Pennsylvania but also in eighteen other states. Applications have been filed for qualification in fifteen other states. The company was organized in 1957; and, according to the prospectus, it sustained operating losses during the first three years of operation and had an accumulated deficit of \$226,953 at December 31, 1963. Net proceeds of this financing will be used as needed to absorb the cost of writing new insurance and to enable the company to expand its operations. The company now has outstanding 225,740 shares of stock, of which management officials owned some 17%. David J. Dean is board chairman and Sherman J. Edelman president.

SEC COMPLAINT NAMES LEO LUEBBEHUSEN. The SEC Fort Worth Regional announced February 28 (LR-2855) the filing of a complaint (USDC, Fort Worth) seeking to enjoin Leo A. Luebbehusen, dba as Leo Luebbehusen and Associates, from violating the anti-fraud provisions of the Securities Exchange Act and the net capital and bookkeeping rules thereunder. Temporary restraining order issued by court, which scheduled a hearing for March 9 on motion for preliminary injunction.

SECURITIES ACT REGISTRATIONS. Effective March 5: Keystone Discount Stores, Inc. (File 2-22057).

---ooo0ooo---