

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. 65-6-14)

FOR RELEASE June 18, 1965

SEC ORDER CITES NINE FIRMS. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving 9 broker-dealer firms, as follows:

J. Angel & Co., Inc.
214 W. 28th St.
New York, N. Y.

Edward A. Gallagher, d/b/a
Investors Planning Co. *
Whippleville Rd., Box 507
Malone, N. Y.

Ernest Apfelbaum, d/b/a
Frankfurt-Zurich Securities Co.
150 Broadway
New York, N. Y.

Hanover Financial Corp.
60 E. 56th St.
New York, N. Y.

John J. Daly & Co., Inc. *
10 Dahlia Drive West
East Patchogue, N. Y.

Lillian Lowenthal, d/b/a
Kent Securities Co.
102-10-66th Rd.
Forest Hills, N. Y.

Eldon Associates Corp. *
176 Broadway
New York, N. Y.

Multi-Planning Corp.
15 Village Rd.
Syosset, N. Y.

John P. Fox *
127 Crary Ave.
Mt. Vernon, N. Y.

* NASD Members

The proceedings are based upon staff charges that the respondents failed to file the required reports of financial condition for 1964. Hearings will be held, at times and places to be announced, to take evidence on the staff charges and afford the respondents an opportunity to establish any defenses thereto, for the purpose of determining whether the alleged violations occurred and, if so, whether any administrative action of a remedial nature is appropriate in the public interest.

CORPORATE WORKING CAPITAL UP. The SEC announces (For June 21st newspapers) that the net working capital of U. S. corporations, excluding banks and insurance companies, rose \$2.4 billion in the first quarter of 1965 and at the end of March totaled \$163.5 billion. The rise in working capital in the first three months of this year was approximately the same as the average quarterly gain in 1964, but less than the \$3.5 billion advance in the opening quarter of 1964. In contrast to a year ago when the increase in working capital stemmed primarily from a reduction in current liabilities, the 1965 gain reflected an increase in current assets of \$5.4 billion which more than offset a \$3 billion rise in current liabilities.

BOSTON SAFE DEPOSIT AND FONTANA UNION WATER GRANTED EXEMPTIONS. The SEC has issued orders under the Securities Exchange Act granting applications of the Boston Safe Deposit and Trust Co., Boston, Mass. and Fontana Union Water Co., Fontana, Calif., for exemption from the registration provisions of Section 12(g) of the Act. According to the application of Boston Safe Deposit, it had approximately \$90 million total assets and 960 holders of its capital stock on December 31, 1964. Pursuant to an exchange offer, commenced on March 15, 1965, The Boston Company, Inc., had acquired as of April 21, 1965, over 97 percent of the company's outstanding shares. As of the latter date the company had only 44 stockholders of record, including The Boston Company, which has undertaken to register its Class A and B common stock under Section 12(g). Fontana's application states that all but 2 percent of its outstanding stock is held by persons who receive water service from the company and that there is no market for its stock.

ALCOA RECEIVES SUPPLEMENTAL ORDER. The SEC has issued a supplemental order under the Holding Company Act (Release 35-15262) extending its May 1964 exemption of Aluminum Company of America and subsidiaries from provisions of said Act to include a newly-formed subsidiary, Colockum Transmission Company. Colockum has acquired and now owns and operates the electric utility assets previously owned directly by Alcoa. They consist of an electric transmission line extending from Alcoa's smelting plant at Wanatchee, Wash., to the Valhalla substation of the Bonneville Power Administration.

LAZARD FRERES & CO. SEEKS ORDER. Lazard Freres & Co., 44 Wall St., New York, has applied to the SEC for an exemption order under the Investment Company Act permitting it to participate as one of a group of underwriters in a standby commitment with respect to the unsubscribed portion of some 300,000 shares of common stock of National Steel Corporation to be offered for sale by The M. A. Hanna Co. (a registered closed-end investment company), to its stockholders in a rights offering. The Commission has issued an order (Release IC-4279) giving interested persons until June 28 to request a hearing thereon. According to the application, a partner of Lazard Freres & Co. is a director of General Reinsurance Corporation, which is more than 5% owned by Hanna.

OVER

SUSPENSION OF OREGON KING CONSOLIDATED MINES MADE PERMANENT. The SEC today made permanent its September 1964 order temporarily suspending a Regulation A exemption from Securities Act registration with respect to two public offerings of securities of Oregon King Consolidated Mines, Inc., Portland, Ore. One involved the sale in 1963 of 100,000 shares of common stock at \$1 per share, and the other involved the proposed offering in 1964 of \$100,000 of 6% debentures. The company consented to the permanent suspension. (Release 33-4786)

The Commission found that with respect to the stock offering the company had continued the public offering (through the resale of 26,000 shares that had been issued to management officials in consideration of their personal notes) after the expiration of the nine-month period within which the offering circular filed on March 22, 1963, could be lawfully used. It also failed to furnish offering circulars to the purchasers of such stock; and the company received the proceeds and credited same against the notes. The offering circular was found to be "materially deficient" in not disclosing this method of distribution, and the sales report filed in April 1964 erroneously stated that the public offering had been terminated and all the shares had been sold within the allotted time. The company also gave incorrect information in its notification regarding previous stock sales by company officers; and it mailed certain sales literature to stockholders without first filing copies thereof with the Commission. Its sales report also misstated the amount of stock held by company officers.

With respect to the proposed debenture offering, the Commission found that the company made materially misleading statements in its offering circular by disclaiming any affiliation of its officers with Fairweather Placers, Inc., to which its Alaskan properties were sold for \$175,000, when they in fact had organized Fairweather and served as its officials until the day the company's Alaskan properties were sold to Fairweather. There was also a failure to disclose that Fairweather had no assets other than the unproductive properties that the company sold to it, and that there was no reason to believe that Fairweather would be able to pay its \$175,000 indebtedness to the company for the purchase price of the properties.

TEXAS GAS TRANSMISSION FILES FOR SECONDARY. Texas Gas Transmission Corporation, 3800 Frederica St., Owensboro, Ky., 42301, filed a registration statement (File 2-23714) with the SEC on June 17 seeking registration of 404,500 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by Dillon, Read & Co. Inc., 46 William St., New York. The public offering price (\$52 per share maximum*) and underwriting terms are to be supplied by amendment.

The company owns and operates an interstate pipeline system for the transportation and sale of natural gas. In addition to indebtedness and preferred stock, the company has outstanding 3,665,589 common shares, of which management officials own less than 1%. Hillman Land Company and its subsidiary, J. H. Hillman & Sons Co., corporations which are controlled by Henry L. Hillman (company board chairman) and other members of the Hillman family, and The Hillman Foundation, a charitable corporation, own approximately 10.8% of the company's outstanding stock. The selling stockholders are listed as Margery Hillman Wright, offering 134,962 of 141,962 shares held; Patricia Hillman Miller, 134,673 of 141,673; John H. Hillman, III, 127,243 of 133,243; and Anne S. Hillman, 2,201 of 2,401. Certain of the selling stockholders are also offering stock in the capacity of custodians. W. M. Elmer is president of the company.

MARQUARDT CORP. FILES STOCK PLAN. The Marquardt Corporation, 16555 Saticoy St., Van Nuys, Calif. 91409 filed a registration statement (File 2-23715) with the SEC on June 17 seeking registration of 33,496 shares of capital stock, to be offered pursuant to the Incentive Stock Option Plans for Former Officers and Key Employees of General Applied Science Laboratories, Inc.

U. S. NATURAL GAS SHARES IN REGISTRATION. U. S. Natural Gas Corporation, 9601 Wilshire Blvd., Beverly Hills, Calif., filed a registration statement (File 2-23716) with the SEC on June 17 seeking registration of 35,300 shares of common stock. Of this stock, 30,000 shares (being outstanding stock) may be offered for public sale by the present holder thereof, Donald C. Frankel (president), from time to time at the market prices prevailing at the time of such sales (\$30 per share maximum*). The remaining 5,300 common shares are to be issued upon exercise of outstanding stock purchase warrants issued in 1962. Such warrants are exercisable at \$5.50 per share until April 27, 1966, and at \$5.75 per share thereafter.

The company is engaged in the business of prospecting for, developing, producing and selling crude oil and gas. According to the prospectus, it operated at a loss during the last three years and the first three months of 1965. Such losses resulted mainly from increased operating costs, attributable to the company's accelerated activities. As of March 31, 1965, the company had an operating deficit of \$920,654. Net proceeds derived from the exercise of outstanding purchase warrants will be added to the company's general fund and used for working capital purposes. In addition to indebtedness, the company has outstanding 1,099,557 common shares. Concurrently with the 1962 sale of 6% convertible subordinated debentures, the company sold to Bregman, Cummings & Co. for an aggregate cash purchase price of \$2,500 transferable 5-year warrants to purchase an aggregate of 25,000 common shares. Such warrants were sold by Bergman, Cummings in 1964 and warrants covering the 5,300 common shares included in this registration statement are still outstanding. Donald C. Frankel, the selling stockholder, owns 30,400 of the company's outstanding stock, and management officials as a group own 94,603 shares. Bregman, Cummings owns approximately 25% of the company's outstanding stock. Frank Frankel is board chairman of the company.

GENERAL ACCEPTANCE FILES FOR SECONDARY. General Acceptance Corporation, 1105 Hamilton St., Allentown, Pa., filed a registration statement (File 2-23717) with the SEC on June 17 seeking registration of 40,000 outstanding shares of common stock, to be offered for public sale by the present holder thereof. Salomon Brothers & Hutzler, 60 Wall St., New York, and Bache & Co., Inc., 36 Wall St., New York, are listed as the principal underwriters. The public offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company's business consists primarily of making instalment loans; financing retail purchases; wholesale financing of dealers; rediscounting receivables of other finance companies; and general commercial financing. In addition to indebtedness and preferred stock, the company has outstanding 2,158,612 common shares. The selling stockholder is F. R. Wills, board chairman, who presently owns 101,966 common shares. After giving effect to the sale of stock by Wills, management officials will own 10.40% of the company's outstanding stock. S. Hayward Wills is president.

GIBRALTAR LIFE OF N. Y. PROPOSES OFFERING. Gibraltar Life Insurance Company of New York, 100 E. 42nd St., New York 10017, filed a registration statement (File 2-23718) with the SEC on June 16 seeking registration of 600,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made through company officials and employees.

Organized under New York law in November 1964, the company proposes to engage in writing life insurance, annuities and accident and health insurance. Net proceeds from its stock sale will be used in the conduct of such business. Jack R. Robinson is president.

FALK CORP. FILES FOR OFFERING AND SECONDARY. The Falk Corporation, 3001 W. Canal St., Milwaukee, Wisc. 53201, filed a registration statement (File 2-23720) with the SEC on June 17 seeking registration of 147,688 shares of common stock. Of this stock, 50,000 shares are to be offered for public sale by the company and 97,688 shares (being outstanding stock) by the present holders thereof. The offering is to be made through underwriters headed by Lehman Brothers, One William St., New York 10004; Robert W. Baird & Co., Inc., 731 N. Water St., Milwaukee, Wisc. 53202; and Loewl & Co. Inc., 225 E. Mason St., Milwaukee, Wisc. 53202. The public offering price (\$35 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of gears, gear drives, shaft couplings, steel castings and weldments. Net proceeds from its sale of additional stock will be used as working capital to finance increased sales volume and initially will be used to retire short-term bank loans which were incurred for working capital purposes. In addition to indebtedness, the company has outstanding 729,132 common shares, of which management officials own 12.25%. The prospectus lists seven selling stockholders, including Matthew A. Carpenter (director) and Harold F. Falk (board chairman and president), trustees of testamentary trusts under the will of Herman W. Falk, deceased, offering 35,804 of 235,748 shares held; and First Wisconsin Trust Co., William D. Vogel and Wayne J. Roper (director), trustees of voluntary trusts created for the benefit of children of Elisabeth Falk Eberbach and their descendants, 40,000 of 80,000 shares. The remaining selling stockholders are offering shares ranging in amounts from 2,000 to 8,000.

THE KENDALL CO. FILES STOCK PLANS. The Kendall Company, 140 Federal St., Boston, Mass. 02110, filed a registration statement (File 2-23721) with the SEC on June 17 seeking registration of 162,300 shares of common stock, to be offered pursuant to its 1954 Restricted Stock Option Plan and 1962 Stock Option Plan.

NATIONAL CHEMSEARCH FILES FOR SECONDARY. National Chemsearch Corporation, P. O. Box 217, Irving, Tex. 75061, filed a registration statement (File 2-23712) with the SEC on June 17 seeking registration of 309,832 outstanding shares of common stock, to be offered for public sale by the present holders thereof. Francis I. duPont, A. C. Allyn, Inc., One Wall St., and Kidder, Peabody & Co. Inc., 20 Exchange Pl., both of New York, are listed as the principal underwriters. The public offering price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in producing and selling cleaning chemicals; sanitation and turf management chemicals, coatings; and miscellaneous chemical specialties. In addition to indebtedness, the company has outstanding 340,804 common shares and 1,067,510 Class B common shares, of which management officials own 78.67% and 76.89%, respectively. The prospectus lists 11 selling stockholders, including Lester A. Levy (board chairman), offering 59,870 shares; Irvin L. Levy (president), 64,000; Milton P. Levy, Jr. (chairman of the executive committee), 63,998; and Republic National Bank of Dallas and Lester A. Levy, Milton P. Levy, Jr., and Irvin L. Levy, trustees for the benefit of the issue of Ruth W. Levy, 47,625. The remaining selling stockholders are offering stock ranging in amounts from 4,127 to 28,344 shares. The Class B common stock, which is convertible into common, is owned entirely by members of the Levy family. After the proposed stock sale, none of the selling stockholders will own any common stock.

NEW ENGLAND T&T PROPOSES DEBENTURE OFFERING. New England Telephone and Telegraph Company, 185 Franklin St., Boston, Mass. 02107, today filed a registration statement (File 2-23723) with the SEC seeking registration of 40-year debentures, due 2005, to be offered for public sale at competitive bidding. The company, which is 69.33%-owned by American Telephone and Telegraph Company, will apply the net proceeds from its debenture sale toward repayment of some \$123,000,000 advances from AT&T. Construction expenditures for 1964 were approximately \$156,000,000, and it is anticipated that such expenditures for 1965 will be somewhat higher than for 1964. Allen G. Barry is president. * \$60,000,000.

NEW ENGLAND PROPOSES BOND OFFERING. The Government of New Zealand today filed a registration statement (File 2-23724) with the SEC seeking registration of \$20,000,000 of 20-year 5-3/4% bonds due 1985, to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Place, New York, and Baring Brothers & Co., Ltd. The public offering price and underwriting terms are to be supplied by amendment. New Zealand, a member of the British Commonwealth, will use the net proceeds from its bond sale in its program of capital works for 1965/66 and subsequent fiscal years.

B. G. HARRIS & CO. CANCELLED. The SEC announced the issuance of an order under the Securities Exchange Act of 1934 cancelling the broker-dealer registration of B. G. Harris & Co., Inc., c/o Goldenberg, 1410 Wood Rd., New York, by reason of the fact that it is no longer engaged in the securities business. In October 1963, the NASD had expelled the firm from membership for violation of the Commission's net capital rule and record-keeping requirements and the NASD's markup policy. Stephen Harris, the firm's president, was found to be a cause of such expulsion and his registration as a registered representative was revoked.

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
1292	American Furniture Co. Inc.	Martinsville, Va.
1385	Baifield Industries, Inc. **	L. A., Cal.
1295	C. R. Bard, Inc. **	Murray Hill, N.J.
1423	Black, Sivals & Bryson Inc. **	Kansas City, Mo.
1379	Clear Creek Corp. **	N. Y., N.Y.
1296	Doughboy Industries, Inc. **	New Richmond, Wisc.
1381	First Mortgage Investors **	Boston, Mass.
1386	General Waterworks Corp. **	Claymont, Del.
1380	Halle Bros. Co. **	Cleveland, Ohio
1383	Hyster Co. **	Portland, Ore.
1384	Imperial '400' National, Inc. **	Englewood Cliffs, N. J.
1370	Longview Fibre Co.	Longview, Wash.
1298	Lunn Laminates, Inc.	Wyandanch, N.Y.
1371	Monarch Electronics Internat'l, Inc.	N. Hollywood, Cal.
1382	Playskool Mfg. Co. **	Chicago, Ill.
1297	Southdown, Inc.	New Orleans, La.
1300	Thalhimer Bros. Inc. **	Richmond, Va.
1285	Travelodge Corp.	El Cajon, Cal.
1284	United Cities Gas Co.	Nashville, Tenn.
1286	West Coast Airlines, Inc.	Seattle, Wash.
1376	Yunker Bros., Inc. **	Des Moines, Iowa

NORTHERN STATES POWER PROPOSES RIGHTS OFFERING. Northern States Power Company, 15 South Fifth St., Minneapolis, Minn. 55402, today filed a registration statement (File 2-23726) with the SEC seeking registration of 772,008 shares of common stock, to be offered for subscription by stockholders at the rate of one new share for each 20 shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. Unsubscribed shares will be offered for public sale pursuant to competitive bidding. Net proceeds of the stock sale will be added to the general funds of the company and used to retire some \$25,000,000 of bank loans and to provide funds for construction expenditures (estimated at \$52,000,000 for 1965). In addition to indebtedness and preferred stock, the company now has outstanding 15,440,164 common shares. Allen S. King is board chairman and K. N. Dayton president.

SECURITIES ACT REGISTRATIONS. Effective June 17: Laurentide Financial Corporation Ltd., 2-23596; Kentucky Central Life Insurance Co., 2-23441 (40 days) and 2-23442; Zayre Corp., 2-23691. Effective June 18: Georgia International Life Insurance Co., 2-23578 (July 29); Hitco, 2-23647; R. H. Macy & Co., Inc., 2-23629 (July 28).

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.

ORAL ARGUMENT, COMING WEEK. June 24, 2:30 P.M. - American & Foreign Power-Bond & Share

*As estimated for purposes of computing the registration fee.

---0000000---