

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. 67-57)

FOR RELEASE March 27, 1967

AERON CORP. OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to an offering of securities by Aeron Corporation, Trenton, N. J. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration for the public offering of securities in an amount not exceeding \$300,000. In May 1966 the company commenced a public offering of 25,000 shares of common stock at the price of \$12 a share (an aggregate of \$300,000), pursuant to a notification and offering circular filed with the Commission in July 1965. The suspension order asserts that there was a failure to comply with various terms and conditions of Regulation A; that the company's offering circular is false and misleading in respect of certain material facts and fails to disclose certain other material facts, including the proposed redesign of its test airship and the costs involved; and that the offering exceeded the \$300,000 limitation when computed in accordance with provisions of Rule 254 of Regulation A.

NUVEEN TAX-EXEMPT FUND SEEKS ORDER. Nuveen Tax-Exempt Bond Fund, Series 14, Chicago unit investment trust, has applied to the SEC for an exemption order under the Investment Company Act with respect to the \$100,000 minimum net capital provisions of the Act; and the Commission has issued an order (Release IC-4897) giving interested persons until April 11 to request a hearing thereon. Applicant is one of a series of fourteen similar funds, named "Nuveen Tax-Exempt Bond Fund," organized pursuant to a Trust Indenture and Agreement between John Nuveen & Co., as Sponsor and United States Trust Company of New York as Trustee. Under the Trust Agreement the Sponsor will deposit with the Trustee a minimum of \$7,500,000 principal amount of municipal bonds and will receive in exchange therefor certificates for 75,000 units of undivided interest in the trust. It is proposed to offer such units for sale to the public and for this purpose a registration statement under the Securities Act has been filed (see SEC News Digest of March 15).

NEW STAFF ASSIGNMENTS ANNOUNCED. SEC Chairman Manuel F. Cohen today announced a realignment of certain functions and staff in the Commission's New York Regional Office designed to strengthen its enforcement and regulatory programs and activities. Joseph C. Daley has been designated as Assistant Regional Administrator. He and Assistant Regional Administrator Arthur Goldman will share responsibility for directing the Commission's enforcement activities in the New York Office; each will be in charge of two Branches of Enforcement and one Branch of Broker-Dealer Inspection. The third Assistant Regional Administrator, Richard V. Bandler, will continue in charge of the Branches of Corporate Reorganization and Investment Company and Investment Adviser Inspections; and he also has been assigned the added responsibility of directing the work of the Branches of Small Issues and Interpretations.

CENTRAL SECURITY LIFE PROPOSES OFFERING. Central Security Life Insurance Company, 5215 W. Irving Park Rd., Chicago, Ill. 60641, filed a registration statement (File 2-26173) with the SEC on March 23 seeking registration of 425,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made through company officials and employees, the expenses of which may not exceed 15%.

Organized under Illinois law in August 1966, the company proposes to engage in the life insurance business. Net proceeds of its stock sale will be used in the conduct of such business. Certain promoters of the company, including management officials, have subscribed for 75,000 shares at \$3 per share. Joseph Gunderson is board chairman and Frank D. Nicodem is president.

INDIANA BELL PROPOSES DEBENTURE OFFERING. Indiana Bell Telephone Company, Incorporated, 240 N. Maridian St., Indianapolis, Ind. 46209, filed a registration statement (File 2-26176) with the SEC on March 24 seeking registration of \$40,000,000 of debentures, due 2007, to be offered for public sale at competitive bidding. A subsidiary of American Telephone and Telegraph Company, the company will use the net proceeds of its debenture sale to repay some \$24,000,000 of advances from the parent and for general corporate purposes. It is anticipated that the company's construction expenditures for 1967 will be about the same as for 1966 which amounted to \$65,700,000.

LEECE-NEVILLE PROPOSES DEBENTURE OFFERING. The Leece-Neville Company, 1374 E. 51st St., Cleveland, Ohio 44103, filed a registration statement (File 2-26177) with the SEC on March 24 seeking registration of \$5,000,000 of convertible subordinated debentures, due 1982. The debentures are to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Pl., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is a manufacturer and supplier of alternators, cranking motors, D. C. and A. C. fractional horsepower motors and related electrical and mechanical systems and equipment. Of the net proceeds of its debenture sale, approximately \$1,800,000 will be used to repay all of its outstanding short-term bank notes incurred to meet working capital requirements; about \$422,500 will be used in connection with the purchase of the company's plant in Detroit; and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 931,067 common shares, of which management officials own 14.6%. P. H. Neville is president.

OVER

EQUITY FUNDING OF AMERICA PROPOSES OFFERING. Equity Funding Corporation of America, 9601 Wilshire Blvd., Beverly Hills, Calif. 90210, filed a registration statement (File 2-26180) with the SEC on March 24 seeking registration of \$17,000,000 of programs for the acquisition of mutual fund shares and individual life insurance and \$3,000,000 of programs for the acquisition of mutual fund shares and fire and casualty insurance. The programs contemplate that a participant will pay the premiums on insurance policies with the proceeds of loans from the company secured by the pledge of mutual fund shares purchased by the participant for cash. An objective of the programs is to enable the participant to utilize the appreciation, if any, in value of the mutual fund shares and any dividends or capital gain distributions thereon to aid in offsetting the principal and accumulated interest on the loans and the related charges and fees. The mutual fund shares and insurance policies offered in the programs are sold at the same prices and are subject to the same sales charge and commissions, as if they were purchased independently. Because the programs involve insurance premium financing and certain administrative services, participants also will incur interest charges and custodian fees, in addition to the usual charges and commissions involved in the separate purchase of mutual funds and insurance. The maximum sales charge on the purchase of mutual funds in a program is 8.75% of the offering price of the shares.

The company is chiefly engaged in the sale (separately or in the programs) of life insurance and mutual fund shares. Management officials own 338,463 shares (38%) of its outstanding stock. Stanley Goldblum is president.

OHIO VALLEY ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15694) releasing jurisdiction with respect to fees and expenses incurred in connection with certain transactions by Ohio Valley Electric Corporation, subsidiary of American Electric Power Company, Inc., Ohio Edison Co., and Allegheny Power System, Inc. By prior orders the Commission has authorized the subsidiary to retire certain debt securities, to modify its Mortgage and Deed of Trust dated July 1, 1953, and to solicit consents in connection therewith.

CONNECTICUT L&P RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15695) authorizing The Connecticut Light and Power Company, Berlin, Conn., to sell an additional \$6,000,000 of notes to banks by June 30, 1967. By order of September 31, 1966, the Commission authorized the sale by the company to banks of up to \$12,000,000 of notes maturing on or before June 30, 1967. The notes were to be issued, among other things, for construction purposes and, together with notes which it might issue pursuant to the 5% exemptive provision of Section 6(b) of the Act, were not to exceed \$32,000,000 outstanding at any one time. The proposed increase in note sales is necessitated by the company's revised construction estimates which indicate the need during May 1967 for outstanding bank loans of about \$38,000,000.

SHOPPERS CHARGE PLAN, OTHERS RESTRAINED. The SEC Denver Regional Office announced March 22 (LR-3673) the issuance of a Federal court order (USDC, ND) permanently restraining Shoppers Charge Plan, Inc., SCP Credit Corp., Debt Adjustment Co., North Dakota corporations, and Emil J. Dombowsky (president of the three companies) from further violations of the anti-fraud and registration provisions of the Federal securities laws in the sale of securities of Shoppers Charge Plan and SCP Credit Card Corp. The defendants consented to the entry of the permanent injunction. A preliminary injunction was entered against A. R. "Bobby" Henderson restraining him from said violations.

JOHN GALBRAITH, OTHERS GUILTY. The SEC Denver Regional Office announced March 22 (LR-3674) that a jury returned verdicts of guilty of violating the Securities Act anti-fraud provisions in the sale of 8% notes of Insurance Investment Security, Inc., against John K. Galbraith, Richard M. Sherman and Richard Coons (USDC, Colo.). The jury acquitted John Gregg and Gordon Marquette; charges were dismissed against Robert Fain. Prior to the trial, Donald Borden and Lawrence Kindlin, a/k/a L. P. Kindlin, Jr., entered pleas of guilty to violating the Securities Act anti-fraud provisions in the sale of said securities.

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended March 23, 1967, 54 registration statements were filed, 30 became effective, 1 was withdrawn, and 396 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective March 23: Frontier Airlines, Inc., 2-26039 (90 days). Withdrawn March 24: Coffeyville Packing Co., Inc., 2-24908; CTF, Inc., 2-24560.

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.