

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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FOR RELEASE December 1, 1965

SEC ANNOUNCES EXAMINATION PROCEDURE. The SEC has sent notice to all non-NASD broker-dealer firms advising that arrangements have been made for the National Association of Securities Dealers, Inc. to give the SEC's general securities examination to persons associated with non-members of the NASD at the latter's testing centers throughout the country.

The SEC examination will be given for the first time during January 1966. It will consist of one hundred multiple-choice questions of a general securities nature. A list of examination centers in the United States and Puerto Rico has been sent to each non-member firm, along with an explanation of the procedures for applying for permission to take the examination, preparing for the examination, and taking the examination.

Non-members may obtain request forms for the examination by writing the NASD at its Washington office (888 17th St., N. W., Washington, D. C. 20006, Attention: SECO Examination). The request form is to be completed by the non-member firm and signed by each examinee. Upon receipt of the request form, together with the required \$20 examination fee for each, an Admission Certificate will be mailed to the firm, which must be submitted by the examinee.

A Study Outline is available to help examinees prepare for the examination, copies of which may be obtained by the firm upon request to the SEC's Washington Office. The NASD Training Guide (with a special insert for examinees associated with non-member firms) may be obtained from the NASD at 40¢ per copy. This will be of assistance to examinees in providing them with a summary and explanation of the major areas listed in the Study Outline.

Examinees will be required to attain a minimum grade of "C" for successful completion of the examination, except that associated persons in the capacity of partners, officers, directors, branch managers, supervisory persons, and sole proprietors will be required to attain a minimum grade of "B". An examinee who has attempted to qualify as a partner, officer, director, branch manager, supervisory person or sole proprietor, but who has failed to attain a grade of "B", may nevertheless qualify as an associated person in any other capacity if he has attained a grade of "C"; but such person must retake the examination and attain a minimum grade of "B" before he can qualify as a partner, officer, director, branch manager, supervisory person or sole proprietor.

STATE STREET INVESTMENT SEEKS ORDER. State Street Investment Corporation, Boston, Mass., open-end diversified investment company, has applied to the SEC for an order under the Investment Company Act authorizing it to issue its shares at net asset value for substantially all of the cash and securities of the Overland Corp.; and the Commission has issued an order (Release IC-4423) giving interested persons until December 16 to request a hearing thereon. According to the application, Overland is a Delaware investment company owned by 21 persons. As of October 15, 1965, the net assets of applicant and Overland were approximately \$300,000,000 and \$32,000,000, respectively.

AMERICAN ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15358) authorizing certain transactions by the American Electric Power Co., Inc., New York, and its electric-utility subsidiary, Kentucky Power Co. of Ashland. According to the application, Kentucky proposes to sell at competitive bidding \$32,000,000 of first mortgage bonds (due 1996); and, concurrently with such sale, the parent will make an \$8,000,000 cash capital contribution to Kentucky. The subsidiary will use the proceeds of this financing to pay \$40,000,000 of notes issued to finance construction. Certain amendments are also proposed to Kentucky's mortgage indenture and deed of trust, under which \$10,000,000 principal amount of first mortgage bonds are presently outstanding, to conform it to the relevant standards set forth in the Commission's Statement of Policy with respect to first mortgage bonds.

MENDENALL, BARBRE, OTHERS INDICTED. The SEC Fort Worth Regional Office announced November 24 (LR-3377) the return of a 16-count indictment by the Federal Grand Jury at Springfield, Ill., against Vernon L. Mendenall, Charles E. Barbre, Malcolm P. Rudolph and Glen M. McCowen, all formerly of Mt. Vernon, Ill., and Louis E. McMahan and Jack Mendenall of Mt. Vernon, Ill., charging violations of the Securities Act anti-fraud and registration provisions in the sale of common stock of Southern United Life Insurance Co. and American Commerce Life Insurance Co. of Little Rock, Ark.

BABAT AND CIMINO PLEAD GUILTY. The SEC New York Regional Office announced November 29 (LR-3378) that Norman Babat of New York, N. Y., and Fred Cimino of East Norwich, N. Y. (former employees of Broadwall Securities, Inc.) pleaded guilty (USDC, SDNY) to violating and conspiring to violate the Securities Act anti-fraud provisions in the sale of stock of Bankers Intercontinental Investment Co., Ltd., and Florida Patsand Corp. They also pleaded guilty to conspiring to give false testimony to SEC officers.

UNLISTED TRADING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-7760) granting applications of (1) the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Hertz Corp., and (2) the Cincinnati Stock Exchange for such privileges in the common stocks of Bristol Myers Co. and NuTone, Inc.

OVER

CATV OF ROCKFORD PROPOSES OFFERING. CATV of Rockford, Inc., 304 First National Bank Bldg., Rockford, Ill., filed a registration statement (File 2-24271) with the SEC on November 29 seeking registration of 18,500 of Class A common shares, to be offered for public sale at \$18 per share. The stock will be initially offered to residents of Illinois in maximum amounts of 400 shares each. The offering is not underwritten.

The company was organized in 1964 to operate a community antenna television system in Rockford and Loves Park, Ill., and surrounding urban areas. It proposes to own and operate its own antenna, "head end" equipment designed to amplify and control the strength and quality of signals carried by the system, and microwave relay facilities. It has requested service under the Illinois Bell Telephone Company's tariff applicable to channels for television signal transmission under which the telephone company will carry signals received by the company to the company's subscribers by means of a cable system and individual "house drops" to be constructed and owned by the telephone company. Net proceeds of the company's sale of stock will be applied to the construction of the system and used as working capital for its first three years of operation. The company has outstanding 1,600 Class B common shares. An additional 14,400 Class B shares have been subscribed for at \$12 per share by the company's promoters. Harley E. Swanson is president.

ROHR CORP. FILES STOCK PLAN. Rohr Corporation, Foot of H St., Chula Vista, Calif., filed a registration statement (File 2-24274) with the SEC on November 29 seeking registration of 100,000 shares of common stock, to be offered pursuant to its Qualified Stock Option Plan.

GREAT PLAINS LIFE FILES FOR RIGHTS OFFERING. The Great Plains Life Insurance Company, Great Plains Life Bldg., Casper, Wyo., filed a registration statement (File 2-24275) with the SEC on November 29 seeking registration of 253,949 shares of common stock. Of this stock, 177,749 shares are to be offered for subscription (at \$6 per share) by common stockholders at the rate of one new share for each two shares held on December 1, 1965. Any unsubscribed shares are to be offered for public sale at the subscription price. A 10% commission will be paid on sales by other than company personnel. Of the remaining stock, 60,000 shares are to be offered pursuant to the company's Special Options to Agents and 16,200 shares under its Employee Stock Purchase Plan.

The company is engaged in selling life insurance. Net proceeds of its sale of stock will be used in the conduct of its business. The company has outstanding 355,498 common shares, of which management officials own 9.7%. Cecil S. Wood is board chairman and William C. Armor, Jr., is president.

DIVERSIFIED R.E.I.T. PROPOSES OFFERING. Diversified Real Estate Investment Trust, 1126 Buhl Bldg., Detroit, Mich. 48226, filed a registration statement (File 2-24277) with the SEC on November 30 seeking registration of 250,000 shares of beneficial interest in the Trust. The shares are to be offered for public sale at \$10 per share (settlers of the Trust have been granted options to purchase a total of 2,000 of such shares at \$9 per share). The offering is to be made through employees of the Trust.

Organized under Michigan law in April 1965, the Trust investments are to be concentrated in first mortgages upon multiple dwellings, residences, office buildings and other types of industrial and commercial buildings, located primarily in Detroit. It has entered into an agreement with the D & M Management Company, a Michigan Corporation, to manage the properties of the Trust. Net proceeds of the Trust's shares will be invested in mortgages. The Trust presently has no plans or agreements relating to the acquisition of any real property or interests therein. Louie H. Cheff is the executive trustee.

ASSOCIATED DRY GOODS FILES EXCHANGE PROPOSAL. Associated Dry Goods Corporation, 417 Fifth Ave., New York 10016, filed a registration statement (File 2-24279) with the SEC on November 30 seeking registration of 908,861 shares of common stock. The stock is to be offered in exchange for common stock of Joseph Horne Co. ("Horne"), in the ratio of 1.2 shares of Associated for each of the 708,154 outstanding common shares of Horne. The exchange offer is conditional upon the tender of at least 85% of the outstanding stock of Horne.

The company and Horne (of Pittsburgh, Pa.) conduct department store businesses. In addition to indebtedness, the company has outstanding 7,076,422 common shares. Robert J. McKim is board chairman and Lewis P. Seiler is president.

PINAL COUNTY DEVELOPMENT SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in the 5-7/8% industrial development revenue bonds, due 1989, of Pinal County Development Association for a further ten-day period, December 1-10, 1965, inclusive.

LERNER STORES FILES FOR SECONDARY. Lerner Stores Corporation, 10 Light St., Baltimore, Md., today filed a registration statement (File 2-24283) with the SEC seeking registration of 2,346,127 outstanding shares of common stock. The present holder thereof, McCrory Corporation, is offering such stock for subscription by its common stockholders at the rate of four Lerner shares for each 10 McCrory shares held. Any unsubscribed shares are to be offered for public sale through underwriters headed by Allen & Co., Inc., 30 Broad St., and Bear, Stearns & Co., 1 Wall St., both of New York. The offering price (\$13 per share maximum*), record date, and underwriting terms are to be supplied by amendment.

The company operates a chain of retail stores, specializing in the sale of women's and children's wearing apparel, under the trade name "Lerner Shops." In addition to indebtedness and preferred stock, it has outstanding 5,110,912 common shares, of which McCrory owns 99%. Stanley H. Kunsberg is board chairman of company and Harold M. Lane, Jr., is president.

TWIN PINES FARM DAIRY SEEKS EXEMPTION. Twin Pines Farm Dairy, Inc., of Detroit, Mich., has filed an application with the SEC for exemption from the registration requirements of Section 12(g) of the Securities Exchange Act of 1934. The Commission has issued an order giving interested persons until December 15, 1965, to request a hearing thereon.

According to its application, the company engages in home deliveries of milk and related products in the metropolitan Detroit area through distributors who own their own routes. The company offers and sells its capital stock (\$1 par value) only to its employees and distributors who are required to purchase certain quotas, subject to a maximum limitation. All such sales are made at the par value; and operations are conducted on a cooperative basis, thereby limiting net profits to the amount necessary to pay stated dividends on the capital stock and maintaining a constant book value at the par value (except for minor adjustments). The company retains a right of first refusal to repurchase its capital stock at its par value, and it has never failed to exercise such right. Accordingly, the company's capital stock is not traded over-the-counter.

The company is managed by a board of 46 directors allocated among its employees and distributors. Detailed operating information is disseminated and posted monthly, and financial statements certified by an independent accounting firm are distributed annually.

Granting of the exemption application would also provide an exemption from the Commission's proxy and insider trading rules.

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.

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| Alco Chemical Corp. (7) | 0-107-2 | Kennesaw Life & Accident Insurance Co. (1) | 0-710-2 |
| Louis Lesser Enterprises Inc. (7,8) | 1-4783-2 | The Marley Co. (7,10) | 0-166-2 |
| New Britain Machine Co. (7) | 0-521-2 | Maryland Shipbuilding & Drydock Co. (8) | 0-344-2 |
| Kaiser Cement & Gypsum Corp. (11,13) | 1-4598-2 | Lamson & Sessions Co. (7,13) | 1-313-2 |
| W. A. Krueger Co. (7,13) | 0-1872-2 | Natomas Co. (7) | 1-51-2 |
| Levine's, Inc. (12) | 1-4609-2 | Old Ben Coal Corp. (2,7) | 0-364-2 |
| Louisville & Nashville Railroad Co. (4) | 1-1116-2 | Lerner Stores, Corp. (2,7,11,13) | 2-7052-2 |
| Manpower, Inc. (11,13) | 0-1888-2 | Northern Indiana Public Service Co. (13) | 1-4125-2 |
| Great Northern Paper Co. (2,4,7,8,10,13) | 1-3763-2 | Ohio Edison Co. (3) | 1-2578-2 |
| Nautec Corp. (3) | 1-2326-2 | ICCA Life Insurance Co. (1,13,3) | 0-1701-2 |
| Northwest Nitro-Chemicals Ltd. (11) | 2-11817-2 | Lear Jet Corp. (1,2,3,13) | 0-1693-2 |
| Outboard Marine Co. (3) | 1-2883-2 | Macco Realty Co. (1) | 0-1011-2 |
| Leeds Shoes, Inc. (2,7,8,13) | 2-23528-2 | Ore-Ida Food, Inc. (12,13) | 0-195-2 |
| Mercantile Financial Corp. (7,13) | 0-909-2 | J. Weingarten, Inc. (11) | 2-14375-2 |
| | | General Cable Corp. (3) | 1-1094-2 |
| | | General Motors Corp. (8) | 1-143-2 |

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| The Greater Nebraska Corp. (12) | 0-537-2 | Retail Centers of the Americas, Inc. (2) | 1-4569-2 |
| Inland Western Loan & Finance Corp. (7) | 2-10371-2 | Sawyer s Inc. (7) | 0-1647-2 |
| Iowa Public Service Co (3,8) | 1-5131-2 | Scope Industries (2,8) | 1-3552-2 |
| Keller Industries, Inc. (7,13) | 1-4234-2 | Trans-Canada Pipe Lines Ltd. (7,8) | 2-12927-2 |
| Walter Kidde & Co Inc. (7,10) | 1-3226-2 | United States Banknote Corp. (1,7,9,11,13) | 0-1630-2 |
| Levitt & Sons Inc. (7) | 1-4770-2 | The Educator & Executive Co. (13) | 0-1161-2 |
| Nalco Chemical Co. (12) | 1-4957-2 | First Mississippi Corp. (2,11,12,13) | 0-1866-2 |
| Rek-O-Kut Co., Inc. (1,7,9,10,11,13) | 2-15650-2 | Midwestern Financial Corp (11,13) | 1-4572-2 |
| Fidelity National Corp. (7,12) | 2-22676-2 | Mississippi Chemical Corp. (11,12,13) | 0-1940-2 |
| General Telephone Co of Illinois (7,10,13) | 0-1048-2 | Pfandler Permutit Inc. (11) | 1-4388-2 |
| Investment Corp of Florida (11,13) | 0-1796-2 | Ritter Corp. (11) | 1-282-2 |
| McCulloch Oil Corp. of Calif. (7) | 1-3924-2 | Southern Industries, Corp. (9) | 0-1251-2 |
| Natural Gas Pipeline Co of America (7,8,12) | 2-14243-2 | Standard International Corp. (11,13) | 0-1885-2 |
| Professional Discount Corp. (10,11) | 0-1373-2 | James Talcott, Inc. (7,13) | 1-2592-2 |
| Sola Basic Industries, Inc. (11,13) | 1-343-2 | Lukens Steel Co. (13) | 1-3258-2 |
| Standard Kollsman Industries, Inc. (12,15) | 1-3600-2 | May Dept. Stores Co. (13) | 1-79-2 |
| Warr Dixie Stores Inc. (11,13) | 1-3657-2 | West Chemical Products Inc (7) | 1-4191-2 |
| Iowa Beef Packers, Inc. (2,7,10,13) | 0-144-2 | Westab Inc. (7) | 0-440-2 |
| Iowa Southern Utilities Co. (13) | 0-849-2 | Bristol-Myers Co (3,8,13) | 1-1136-2 |
| Lefebure, Inc. (11,12) | 0-1529-2 | Ecomics Lab. Inc. (11) | 0-1903-2 |
| Joseph Magnin Co Inc. (11,13) | 2-16323-2 | Julius Garfinckel & Co., Inc. (7,8,13) | 1-3112-2 |
| National Industries, Inc. (3) | 0-790-2 | Globe Wernicke Ind., Inc. (3,7,12) | 1-4172-2 |
| Norfolk and Western Ry. Co. (3) | 1-546-2 | Pennsylvania Electric Co. (3) | 1-3522-2 |
| Nuclear Corp. of America (2) | 1-4119-2 | Wayne Mfg. Co. (2,13) | 0-1233-2 |
| Quebec Natural Gas Corp. (11) | 0-1919-2 | Caldor Inc. (7,8) | 1-4324-2 |

SECURITIES ACT REGISTRATIONS. Effective November 30: General Telephone Company of California, 2-244
 Liberty Loan Corp., 2-23963.
Effective December 1: Kentucky Power Co., 2-24125.
Withdrawn November 30: LMC Data, Inc., 2-23657.

*As estimated for purposes of computing the registration fee.

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