

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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**NORTHEASTERN FINANCIAL RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-4476) with respect to certain transactions under an agreement between The Trustee for Northeastern Financial Corporation and Atlantis International Corporation. Under the agreement, which is subject to court approval, Atlantis will undertake the payment or assumption of certain of Northeastern's indebtedness; and, among other things, Northeastern will transfer 55,000 shares of Atlantis stock owned by it to Atlantis and will release claims for rescission of its purchase of 110,000 Atlantis shares or for recovery of \$25,200 paid under a contract to purchase certain property. Atlantis will have an option until April 15, 1966, to purchase Northeastern's remaining 95,000 shares of Atlantis stock for \$142,500.

**FINANCE CO. OF PA. SEEKS ORDER.** The Finance Company of Pennsylvania, Philadelphia mutual fund, has applied to the SEC for an exemption order under the Investment Company Act permitting Drexel Harriman Ripley, Inc., to perform investment advisory services for Finance Company until a new investment advisory contract can be submitted for shareholder approval at the next annual meeting of the latter's shareholders on April 19, 1966; and the Commission has issued an order (Release IC-4478) giving interested persons until January 28 to request a hearing thereon. According to the application, Drexel & Co. now serves as investment adviser to Finance Company. On or about February 1, its assets are to be transferred to Drexel Harriman Ripley, a newly-organized company, in exchange for stock of the latter; and at the same time the outstanding stock of Harriman Ripley & Co., Inc., also will be transferred by its stockholders to the new company in exchange for its stock. This will result in the ownership by Drexel Harriman Ripley, directly or indirectly, of the businesses of Drexel & Co. and Harriman Ripley & Co., Inc. The latter has been active in the business of underwriting securities but has not performed any substantial investment advisory services, while Drexel & Co. has engaged in the underwriting and brokerage businesses and also performed investment advisory services. It is expected that the personnel of Drexel & Co. will continue to furnish investment advisory services to the Finance Company, in accordance with the same policies, when they become employees and officers of Drexel Harriman Ripley. Under the Investment Company Act, assignment of the existing investment advisory contract incident to the transactions recited above will result in the automatic termination of the contract; and the companies seek permission to enter into and operate under a new advisory contract substantially identical to the present advisory contract until the stockholders' meeting.

**DREXEL EQUITY FUND SEEKS ORDER.** Drexel Equity Fund, Inc., Philadelphia mutual fund, has applied to the SEC for an exemption order under the Investment Company Act permitting Drexel Harriman Ripley, Inc., to perform investment advisory services for the Fund until a new investment advisory contract can be submitted for shareholder approval at the March 24 meeting of the Fund's shareholders; and the Commission has issued an order (Release IC-4479) giving interested persons until January 28 to request a hearing thereon. The facts giving rise to these applications are the same as those recited above with respect to The Finance Company of Pennsylvania.

**MIDDLE SOUTH UTILITIES SEEKS ORDER.** Middle South Utilities, Inc., New York holding company, has applied to the SEC for an order under the Holding Company Act authorizing its purchase of Crossett Electric Co.; and the Commission has issued an order (Release 35-15378) giving interested persons until February 2 to request a hearing thereunder. Crossett is engaged in the electric utility business in Crossett, Ashley County, Ark. Middle South proposes to acquire, from the present 24 holders thereof, all of Crossett's 250,000 shares of outstanding common stock in exchange for 30,000 shares of Middle South common, subject to adjustment at closing. Thereupon, Crossett will lease its properties to Arkansas Power & Light Company, a Middle South subsidiary.

**N. J. POWER SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15379) authorizing New Jersey Power & Light Company (Morristown) to sell 4,400 electric distribution wood poles and pertinent anchor plates and rods to New Jersey Bell Telephone Company for a cash consideration estimated at \$9,316.

**COURT ENJOINS MEEHAN SECURITIES OF PHOENIX.** The SEC San Francisco Regional Office announced January 10 (R-3401) the entry of a Federal court order (USDC, Phoenix) permanently enjoining the net capital, record keeping and other provisions of the Securities Exchange Act by W. J. Meehan Securities Corp., doing business as W. J. Meehan & Co., and Gale Berry, its president.

**SKAGIT VALLEY 'PHONE HEARING POSTPONED.** At the request of counsel for Skagit Valley Telephone Company, Vernon, Wash., and for Telephones, Inc., the hearing in proceedings on the application of Skagit Valley Telephone for exemption from the registration requirements of Section 12(g) of the Securities Exchange Act has been postponed to February 7, 1966.

OVER

**DUQUESNE LIGHT FILES FOR OFFERING.** Duquesne Light Company, 435 Sixth Ave., Pittsburgh, Pa. 15219, filed a registration statement (File 2-24412) with the SEC on January 12 seeking registration of \$25,000,000 of first mortgage bonds, due 1996, to be offered for public sale at competitive bidding. Net proceeds of the bond sale, together with other available funds, will be applied to the company's construction program, and to the payment of Federal tax deficiencies for the years 1942-50 (during which period consolidated tax returns were filed by the company's former parent companies), amounting to approximately \$9,000,000 (compared with approximately \$10,000,000 of reserves established therefor), and amounting with interest thereon, net of related tax benefit and assigned claims, to about \$15,000,000. The company's construction program is estimated at \$40,000,000 in 1966 and \$30,000,000 in 1967.

**COMPONENTS INC. FILES FOR OFFERING.** Components, Inc., Smith Street, Biddeford, Maine, filed a registration statement (File 2-24413) with the SEC on January 13 seeking registration of \$601,300 of convertible subordinated debentures due 1981. The debentures are to be offered for subscription by stockholders at 100% of principal amount, and at the rate of \$100 principal amount of debentures for each 60 common shares held. The interest rate and record date are to be supplied by amendment. The offering is to be underwritten by Thomas & Company, of 305 Porter Building, Pittsburgh, which will receive for its commitment and for its services a commission of 3% of the principal amount of the debentures.

The company's principal business is the manufacture, distribution and sale of components for use in electronic and electrical circuits. Net proceeds of the debenture sale will be used for the prepayment of \$550,000 of subordinated bank loans, due 1971; and the remainder, if any, will be added to the general funds of the company. Herman Schneider and two other officers have guaranteed the payment of this loan by April 1, 1966, and have pledged 118,000 common shares in support of this guarantee. In addition to indebtedness, the company has outstanding 360,750 common shares, of which Schneider and the other two officers own an aggregate of 171,000 shares.

**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.0-	Registrant	Location
1995	Atlanta Motor Lodges**	Atlanta, Ga
1996	Clinton Engines Corp**	Maquota, Iowa
1992	Hancock Mfg. Co**	Amarillo, Texas
1993	Rudd-Melikian, Inc**	Warminster, Pa.

**SECURITIES ACT REGISTRATIONS. Effective January 12:** Colt Industries Inc., 2-24301 (40 days); Government of Jamaica, 2-24284 (Feb 21); Virginia Commonwealth Corporation, 2-24229 (40 days). **Effective January 13:** Dorr-Oliver Inc., 2-24320; Management Assistance Inc., 2-24329 (Feb 23); The Rowan Controller Co., 2-23923 (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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