

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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**EMPLOYERS' GROUP FUND RECEIVES EXEMPTION.** The SEC has issued an order under the Investment Company Act (Release IC-4600) permitting Egret Management Co., Inc., to serve as investment adviser to Employers' Group Fund, Inc., Boston open-end diversified management investment company, until the annual meeting of the Fund's shareholders on December 9, 1966, without a shareholder-approved contract. According to the application, Egret Services Co., Inc., has served as investment adviser to the Fund pursuant to a written contract since November 16, 1964. Because of state tax considerations, Egret Services has organized Egret Management as a wholly-owned subsidiary to act as investment adviser to the Fund. It is stated that there will be no change in management or management policy as a result of Egret Management becoming investment adviser to the Fund since Egret Management would have the same officials as Egret Services and the terms of the contract would remain unchanged.

**INSURED ACCOUNTS FUND RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4601) declaring that Insured Accounts Fund, Inc., Chicago, Ill., has ceased to be an investment company. The application states that, pursuant to stockholder approval, the Fund has been liquidated and its assets have been paid to shareholders on a prorated basis.

**FINANCIAL PROGRAMS RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4602) declaring that The FIF Monthly Accumulation Plan for the Accumulation of Shares of Financial Industrial Fund, Inc. (sponsored by Financial Programs, Inc.), has ceased to be an investment company. Financial Programs states that the Plan has no outstanding securities and has never done, nor does it intend to engage in, business as an investment company.

**UNITED GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15472) authorizing United Gas Corporation, Shreveport, La., subsidiary of Pennzoil Co., to acquire all of the assets of Tyler Gas Service Co., Tyler, Tex., in exchange for 50,000 shares of United common.

**VTR TRADING BAN CONTINUED.** The SEC has issued an order suspending exchange and over-the-counter trading in securities of VTR, Inc., for a further ten-day period, May 17-26, 1966, inclusive.

**ILLINOIS BELL TELEPHONE PROPOSES RIGHTS OFFERING.** Illinois Bell Telephone Company, 212 W. Washington St., Chicago, Ill. 60606, filed a registration statement (File 2-25000) with the SEC on May 13 seeking registration of 4,148,712 shares of common capital stock. The stock is to be offered for subscription by shareholders at the rate of one new share for each eleven shares held on May 27. The subscription price is \$20 per share. American Telephone and Telegraph Co., which owns 99.32% of the company's outstanding stock, is expected to purchase 4,120,510 shares, its pro rata portion of the offering.

The company will apply the net proceeds of this offering to the payment of some \$126,000,000 of advances from AT&T. It expended \$196,000,000 for construction purposes in 1965, and such expenditures in 1966 are expected to be somewhat higher. In addition to indebtedness, the company has outstanding 45,635,840 common shares. James W. Cook is president.

**LAWRY'S FOODS FILES FOR SECONDARY.** Lawry's Foods, Inc., 568 San Fernando Rd., Los Angeles, Calif. 90065, filed a registration statement (File 2-25001) with the SEC on May 13 seeking registration of 135,765 outstanding shares of common stock, to be offered for public sale by the present holder thereof. The offering is to be made through underwriters headed by Dempsey-Tegeler & Co., Inc., 1000 Locust St., St. Louis, Mo. 63101. The public offering price (\$15 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of developing, manufacturing and selling specialty food products. In addition to indebtedness, it has outstanding 1,123,684 common shares, of which management officials own 64.6% (including 24% owned by Richard N. Frank, president). Lawrence L. Frank is board chairman. The selling stockholder is Walter Van de Kamp (director), who owns 159,670 shares.

**BALLARD & CORDELL PROPOSES OFFERING.** The Ballard & Cordell Corporation, 2601 Peachtree Center Towers, Atlanta, Ga. 30303, filed a registration statement (File 2-25002) with the SEC on May 13 seeking registration of \$1,000,000 of interests in its 1966-67 Oil and Gas Exploration Program (plus \$100,000 of maximum assessments for overexpenditures), to be offered for public sale in 100 units at \$10,000 per unit. The offering is to be made by company officials and employees, and may be made through NASD members.

The company will act as operating agent for the program, which proposes to engage in the exploration for oil and gas in Louisiana and ten other states. The company has outstanding 750 common shares, all owned by Wiley P. Ballard, Jr. (president), and J. H. Cordell (vice president).

**AMERICAN ELECTRONIC PROPOSES DEBENTURE OFFERING.** American Electronic Laboratories, Inc., M. R. No. 1, Richardson Rd., Lansdale, Pa. 19446, filed a registration statement (File 2-25003) with the SEC on May 13 seeking registration of \$2,500,000 of 7½% sinking fund subordinated debentures, due 1986, to be offered for public sale at 100% of principal amount (\$500 units). The offering is to be made through underwriters headed by Suplee, Yeatman, Mosely Co., Inc., 1500 Walnut St., Philadelphia, Pa. 19102, which will receive an 8% commission.

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The company is engaged primarily in research, design, development and production of antennas, microwave devices and other communication equipment, electro-medical instruments and electronic test equipment. Of the net proceeds of its debenture sale, approximately \$2,000,000 will be used to reduce a \$2,582,000 bank loan, and the balance will be added to working capital for general corporate purposes. The company may use \$800,000 of the proceeds to finance an addition to its plant near Lansdale, Pa. In addition to indebtedness, it has outstanding 319,283 Class A and 72,121 Class B common shares, of which management officials own 11.17% and 64.75%, respectively. Leon Riebman, president, owns 29.33% of the outstanding Class B common.

**ASGROW SEED PROPOSES OFFERING.** Asgrow Seed Company, Orange, Conn., filed a registration statement (File 2-24996) with the SEC on May 12 seeking registration of 100,000 shares of common stock. The stock is to be offered for public sale through underwriters headed by A. G. Becker & Co. Inc., 60 Broad St., New York 10004. The public offering price (\$14 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company breeds and produces vegetable seed, as well as hybrid seed corn and hybrid sorghum seed. Net proceeds of its stock sale will be used to increase working capital, to expand activities abroad through an acquisition and by making additional foreign investments, and to construct additional facilities in the United States. In addition to indebtedness, the company has outstanding 911,583 common shares, of which management officials own 64% (including 19.9% owned by A. Bryan Clark, president). Members of the Clark family, including trusts of which they are trustees or beneficiaries, own 60.4% of the outstanding stock.

**INTERMOUNTAIN GAS PROPOSES RIGHTS OFFERING.** Intermountain Gas Company, 555 S. Cole Rd., Boise, Idaho 83701, filed a registration statement (File 2-24998) with the SEC on May 12 seeking registration of \$3,312,000 of convertible subordinated debentures (due 1991) and 198,720 shares of common stock. The securities are to be offered for subscription by common stockholders in units consisting of \$50 principal amount of debentures and 3 common shares, at the rate of one unit for each 12 shares held. Any unsubscribed units are to be offered for public sale through underwriters headed by White, Weld & Co. Inc., 20 Broad St., New York 10005. The interest rate on the debentures, record date, offering price (\$105 per unit maximum\*) and underwriting terms are to be supplied by amendment.

The company distributes natural gas in southern Idaho. Net proceeds of this financing will be used to pay \$360,000 of the company's 6% notes (due 1966); \$5,000,000 will be applied to the reduction of \$10,000,000 of outstanding bank loans; and the balance will be added to general funds. The company estimates that its 1966 construction expenditures will approximate \$5,000,000. In addition to indebtedness and preferred stock, it has outstanding 794,879 common shares, of which management officials own 10.7%. Ralph F. Gibson is president and H. G. Lauterbach is board chairman.

**JEROME HOWARD INDICTED.** The SEC Fort Worth Regional Office announced April 28 (LR-3506) the return of an indictment (Shreveport, La.) charging Jerome Basil Howard, doing business as J. B. Howard Investment Co., Inc., with violations of the Securities Act anti-fraud provisions in the sale of various securities.

**COURT ORDER NAMES PERERA CO.** The SEC New York Regional Office announced May 10 (LR-3507) the entry of a Federal court order (USDC, SDNY) requiring Perera Co., Inc., 29 Broadway, New York, to appear before an SEC officer on May 13 and produce certain books and records in obedience to an administrative subpoena. The subpoena was issued in connection with an investigation by the Commission into the sale of short-term notes by Perera Co.

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended May 12, 1966, 37 registration statements were filed, 36 became effective, 2 were withdrawn, and 396 were pending at the week-end.

**SECURITIES ACT REGISTRATIONS.** Effective May 13: International Business Machines Corp., 2-24931; Pepsico, Inc., 2-24885.  
Withdrawn May 13: Midwestern Financial Corporation of Kansas, Inc., 2-23991.

\*As estimated for purposes of computing the registration fee.