

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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FOR RELEASE May 25, 1966

HYPOTHECATION RULES AMENDED. The SEC today announced the adoption of an amendment to its "hypothecation" rules under the Securities Exchange Act (Release 34-7896). The rules prohibit the hypothecation of customers' securities by broker-dealers under circumstances which permit the pledging of one customer's securities (1) with those of any other customer, unless each customer's prior consent has been obtained; and (2) with those of other than a bona fide customer. The amendments add a new clause (g) to Rules 8c-1 and 15c-2 to provide an exemption from the commingling prohibitions of these rules where an exchange member, broker or dealer participating in a system of a national securities exchange or national securities association for the central handling of securities hypothecates securities in accordance with such system. For the exemption to be applicable the system must contain specified provisions and follow specified procedures which have been deemed adequate by the Commission for the protection of investors.

The amendment provides that the hypothecation of customers' securities held by a clearing corporation or other subsidiary organization of a national securities exchange or national securities association or by a custodian bank pursuant to a central system in which the customers' securities are commingled with others will not of itself constitute a commingling prohibited by the rule. For the exemption to be applicable, the custodian must, in general, agree to deliver the securities that it holds as directed by the system and not assert any claim, right or lien against the securities; the system must have safeguards for the handling, transfer and delivery of the securities; the system must provide for fidelity bond coverage of employees and agents of the clearing corporation or other subsidiary organization; and the system must contain provisions for periodic examination by independent public accountants. The exemption will be applicable only after the Commission has deemed the above provisions, and any amendments of them, to be adequate for the protection of investors. The Commission finds that the form of custody agreement and the other safeguards provided for in the New York Stock Exchange's Central Certificate Service meet these standards.

TRADING IN VTR, INCORPORATED COMMON STOCK TO RESUME. The SEC announced on May 24 that it has issued an order suspending trading in securities of VTR, Incorporated for an additional four-day period, May 27 to 30, 1966, inclusive. Accordingly, trading in such securities on the American Stock Exchange and in the over-the-counter market may be resumed at the opening of business May 31, 1966.

Trading in VTR common stock was initially suspended by the Commission on August 30, 1965, pending clarification of the financial condition of VTR. The suspension was ordered simultaneously with the announcement of the filing of an injunctive action against VTR and its management, the "Leitman Group," charging, among other things, the misappropriation of corporate funds and the filing of false and misleading financial statements with the Commission and the American Stock Exchange. On September 8, 1965, VTR and the "Leitman Group" consented to the entry of a permanent injunction, which, among other things, enjoined further violations of the annual reporting and proxy solicitation rules, ordered restitution and the amendment of certain VTR financial reports. Pursuant to the court order, the "Leitman Group" has made restitution to VTR in the amount of \$1,226,000. On May 5, 1966, VTR filed with the Commission its annual report for the calendar year 1965, containing financial statements and amendments to its financial statements for 1962, 1963, and 1964. Proxy statements for the VTR annual meeting scheduled for May 25, 1966 and annual reports containing financial statements for calendar 1965 have been mailed to shareholders.

For further details see Litigation Releases Nos. 3306, 3311, 3314, 3335, 3356 and 3370.

INDUSTRIES EXCHANGE FUND FILES PROPOSAL. Industries Exchange Fund, Inc., 717 Travis St., Houston, Tex. 77002, filed a registration statement (File 2-25034) with the SEC on May 23 seeking registration of 1,000,000 shares of common stock. The shares are to be offered in exchange for securities of other issuers listed in the prospectus, on the basis of one Fund share for each \$20 market value of securities accepted for deposit, after deducting a maximum sales charge of 4%. The dealer manager is Rotan, Mosle-Dallas Union, Inc., 2200 Bank of the Southwest Bldg., Houston, Tex. 77002.

Organized under Texas law in May 1966, the Fund is an open-end diversified investment company whose investment objective is "to achieve maximum capital appreciation consistent with sensible risks." Texas Fund Management Company is its investment adviser. The Fund has outstanding 5,000 common shares, which were purchased at \$20 per share. Clive Runnells is president.

BRISTOL-MYERS SHARES IN REGISTRATION. Bristol-Myers Company, 630 Fifth Ave., New York 10020, filed a registration statement (File 2-25035) with the SEC on May 20 seeking registration of 130,435 shares of common stock. The stock is to be issued upon conversion of \$15,000,000 of 4½% guaranteed debentures (due 1980) of the company's subsidiary, Bristol-Myers International Finance Company. The initial conversion price is \$115 per share. The debentures were sold to investors outside the United States.

The company produces and distributes toiletries, hair care products, and prescription medicines. In addition to indebtedness, it has outstanding 12,604,360 common shares, of which management officials own 323,992 shares. Frederic N. Schwartz is board chairman and Gavin K. MacBain is president.

OVER

EXECUTIVE DATA PROPOSES OFFERING. Executive Data Systems, Inc., 830 Higley Bldg., Cedar Rapids, Iowa, filed a registration statement (File 2-25037) with the SEC on May 23 seeking registration of 170,000 shares of common stock. The stock is to be offered for public sale at \$5 per share by company officials and through sales agents who will receive a .50¢-per-share selling commission.

Organized under Iowa law in 1966, the company proposes to engage in the data processing business. Net proceeds of its stock sale will be applied to the purchase of a Univac 418 Real Time Computer System and the balance will be used for general working capital. The company has outstanding 19,800 common shares, all purchased for \$5 per share. Management officials own 41.4% of the outstanding stock. Melvin D. Rittger is president.

MEDICENTERS OF AMERICA PROPOSES OFFERING. Medicenters of America, Inc., 1331 Union Ave., Memphis, Tenn. 38104, filed a registration statement (File 2-25038) with the SEC on May 23 seeking registration of 150,000 shares of common stock. The stock is to be offered for public sale through Equitable Securities Corp., 322 Union St., Nashville, Tenn. 37201. The public offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was organized under Tennessee law in 1965 to own and operate Medicenters and to license others to do so. It is designed to provide inpatient convalescent care. The first company-owned Medicenter, designed for 270 beds, is to be constructed in Memphis. Four licensed Medicenters, with a total of 346 beds, are presently in operation at Houston, Tex., Santa Cruz, Calif., and Wilmington and Winston-Salem, N. C. Net proceeds of the company's stock sale (together with proceeds of the sale of an additional 12,000 shares at \$10 per share) will be applied to the financing of the construction of four company-owned Medicenters (estimated at \$5,250,000) and for working capital. In addition to indebtedness, the company has outstanding 305,000 common shares, of which management officials own 50.6%. The outstanding stock was issued in exchange for stock of five corporations which are now company subsidiaries and for cancellation of certain indebtedness of the company. Wallace E. Johnson is board chairman and Kemmons Wilson is president.

CONTINENTAL TELEPHONE FILES FOR SECONDARY. Continental Telephone Corporation, 130 S. Bemiston, St. Louis, Mo. 63105, filed a registration statement (File 2-25039) with the SEC on May 20 seeking registration of 11,457 outstanding shares of common stock. The present holder thereof, Davis & Rock, proposes to sell the shares from time to time on the American Stock Exchange, at current market prices at the time of sale (\$26 per share maximum*). The selling stockholder acquired such stock in connection with the recent merger of Telephones, Inc., into the company.

The company is a telephone holding company. In addition to indebtedness and preferred stock, it has outstanding 7,759,656 common shares. Phillip J. Lucier is president and Charles Wohlstetter is board chairman.

GREEN GIANT PROPOSES OFFERING. Green Giant Company, Le Sueur, Minn. 56058, filed a registration statement (File 2-25042) with the SEC on May 24 seeking registration of 375,000 shares of common stock. The stock is to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 25 Broad St., New York 10004. The public offering price (\$35 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the business of growing, processing and marketing canned and frozen vegetables. Net proceeds of its stock sale will be applied to the reduction of short-term bank loans incurred to finance two recent corporate acquisitions (Clark Foods Limited and Dulany Foods Inc. for \$9,700,000), product inventories and increased capital expenditures. In addition to indebtedness and preferred stock, the company has outstanding 2,387,676 common shares, of which management officials own 7.1%. L. E. Felton is board chairman and Robert C. Cosgrove is president.

MacDERMID FILES FOR SECONDARY. MacDermid, Incorporated, 526 Huntingdon Ave., Waterbury, Conn. 06720, filed a registration statement (File 2-25043) with the SEC on May 24 seeking registration of 185,256 outstanding shares of common stock, to be offered for public sale by the present holders thereof. Smith, Barney & Co. Inc., 20 Broad St., New York, is the principal underwriter. The public offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

The company produces and markets specialty chemical products for use in industrial metal finishing. It has outstanding 1,020,912 common shares, of which management officials own 36.4%. According to the prospectus, the 80 selling stockholders own 86% of the company's outstanding stock. The Colonial Bank and Trust Co., trustee f/b/o Harold Leever (president), is offering 20,430 of 87,880 shares held, and Thomas A. and Mae C. Downie are jointly offering 19,700 of 98,498 shares.

FOUR STOCK PLANS FILED. Form S-8 registration statements have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

Vanadium Corporation of America, 200 Park Ave., New York 10017 (File 2-25028) (55,114 shares)
 Holly Sugar Corporation, Holly Sugar Bldg., Colorado Springs, Colo. 80902 (File 2-25031) (9,000 shares)
 Sealectro Corporation, 225 Hoyt St., Mamaroneck, N. Y. 10544 (File 2-25032) (71,050 shares)
 John's Bargain Stores Corp., 1200 Zerega Ave., New York (File 2-25040) (30,000 shares)

COLUMBIA GAS SEEKS ORDER. The Columbia Gas System, Inc., New York holding company, and its gas utility subsidiary, Columbia Gas of Ohio, Inc., have applied to the SEC for an order under the Holding Company Act authorizing the subsidiary to acquire the business of The Delaware Gas Co., a non-associate gas-utility company, in exchange for 55,000 shares of common stock of the parent. To enable the subsidiary to make the proposed acquisition, it will issue to the parent company its common stock (par value \$25 per share) in an aggregate par amount equal to the book value of the net assets of Delaware. The Commission has issued an order (Release 35-15486) giving interested persons until June 13 to request a hearing thereon.

CORRECTION RE FEE RULES. The statutory basis for the increase in Securities Act registration fees referred to in the News Digest of May 24 was Public Law 89,289 (1965), not the Securities Acts Amendments of 1964.

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. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the May 4 News Digest.

Regal Inc Jan 66(8) 2-20003-2
Reynolds Metals Co Apr 66(11,13) 1-1430-2
Helena Rubinstein Inc Apr 66(7,11) 1-1411-2

Park Drop Forge Co Apr 66(11) 2-15269-2
Royal American Industries Inc
Mar 66(4,11,13) 1-4109-2

Gateway Industries Inc
Apr 66(11,13) 0-347-2
Gateway Sporting Goods Co
Apr 66(3) 1-4766-2
Trans-Beacon Corp Apr 66(12) 1-2342-2

Getty Oil Co Apr 66(11) 1-771-2
Mission Development Co
Apr 66(11) 1-3504-2

General Development Corp
Apr 66(3,8) 1-4080-2
Puget Sound Power & Light Co
Apr 66(4,7,12,13) 1-4393-2
Revlon Inc Apr 66(11) 1-4020-2

Georgia-Pacific Corp Apr 66(11) 1-3506-2

Genl Tel Co of Calif Apr 66(7) 0-765-2
General Tel & Electronics Corp
Apr 66(11,12) 1-2755-2
McGraw-Hill Inc Apr 66(11) 1-1023-2
Mississippi River Corp
Apr 66(3) 1-3599-2
Tootsie Roll Industries Inc
Apr 66(7,10) 1-1361-2

Orange & Rockland Utilities Inc
Apr 66(11,13) 1-4315-2
Rhodes Western Apr 66(11) 1-2920-2

Overnite Transportation Co
Apr 66(11,13) 1-4747-2

Rollins Inc Apr 66(7) 1-4422-2
Standard of America Life Ins
Apr 66(11,12,13) 2-21240-2
Trailer Train Co Apr 66(11) 2-20540-2
208 South LaSalle St Corp
Apr 66(11) 1-2726-2

Rexach Construction Co Inc
Apr 63 & 64 (11), May, June
& Dec 64(7), May, Oct 65(7)
7 Jan 66(7) 0-889-2
Thatcher Glass Mfg Co Inc
Apr 66(11) 1-899-2

Gem Electronic Distributors Inc
Apr 66(11) 2-18757-2
General Signal Corp
Apr 66(11,13) 1-996-2
Gulf Power Co Apr 66(11,13) 2-4833-2
McGregor-Doniger Inc
Apr 66(11,13) 1-4010-2

Fike Corp of America
Mar 66(11,12,13) 1-5203-2
A H Robins Co Inc Apr 66(11,13) 1-5047-2
Tokheim Corp Apr 66(11) 0-238-2

Robert Reis & Co
Amend #1 for Sept 65(13) 1-1419-2

Grumman Aircraft Engineering Corp
Amend #1 for Sept 65(7) 1-3024-2
Rexach Construction Co Inc
Amend #1 for Aug 63(7) 0-889-2

Acme Missiles & Constr. Corp
March 1966 (2,7,9,13) 1-4297-2

Amer. Tel & Tel Co
April 1966 (7,11,13) 1-1105-2

Automatic Retailers of Amer.
April 1966 (7) 1-4762-2

Beatrice Foods Co
April 1966 (13) 1-831-2

Beneficial Finance Co
April 1966 (11) 1-1177-2

Hallicrafters Co
April 1966 (2,13) 1-4533-2

Old Natl. Insur. Co
April 1966 (11) 2-12395-2

Frank Paxton Co
April 1966 (11) 2-17814-2

Penna. Glass Sand Corp
April 1966 (11) 1-2622-2

Chas. Pfizer & Co
April 1966 (3) 1-3619-2

Phillipine Long Distance Tel. Co
April 1966 (11,13) 1-3006-2

Poor & Co
April 1966 (11,13) 1-500-2

Potter Co
April 1966 (11) 1-1672-2

Riegel Paper Corp
April 1966 (12,13) 1-3959-2

Rochester Tel. Corp
April 1966 (11) 1-4166-2

Rockower Bros., Inc
April 1966 (11,13) 1-5202-2

A C F Ind., Inc
April 1966 (11,13) 1-1333-2

Aeroquip Corp
April 1966 (4,7,8,13) 1-3775-2

Agway, Inc
April 1966 (7) 0-2011-2

Aluminum Co of America
April 1966 (11,13) 1-3610-2

American Factors Ltd
April 1966 (11,13) 0-544-2

Amphenol Corp
April 1966 (11,13) 1-4158-2

Appalachian Power Co
April 1966 (11) 1-3457-2

Audio Devices, Inc
April 1966 (11,13) 1-3981-2

Bates Mfg. Co., Inc		A C Gilbert Co	
April 1966 (12,13)	1-3188-2	April 1966 (7,8,12,13)	1-254-2
Boston Edison Co		Great Northern Paper Co	
April 1966 (12)	1-2301-2	April 1966 (4,7)	1-3763-2
Brunswig Drug Co		Greater Iowa Corp	
April 1966 (7,11,13)	0-1009-2	April 1966 (7)	0-1403-2
Buehler Corp		Pacific Petroleum Ltd	
April 1966 (11)	0-1108-2	April 1966 (11,13)	1-3577-2
Gains Guaranty Corp		Phila. Trans. Co	
April 1966 (7,12,13)	0-938-2	April 1966 (11,13)	1-3565-2
General Elec. Co		Publication Corp	
April 1966 (11)	1-35-2	April 1966 (11,13)	0-825-2
Gyrodyne Co of America, Inc		Rio Grande Valley Gas Co	
April 1966 (8)	0-1684-2	April 1966 (11)	1-3318-2
Hawaiian Elec. Co		Roto American Corp	
April 1966 (11,13)	1-4955-2	April 1966 (2,7,12)	1-5215-2
Hawaiian Tel. Co		Seaburg Corp	
April 1966 (7,11,13)	1-4729-2	April 1966 (3)	1-4631-2
Hotel Corp of America		Servo Corp of America	
April 1966 (8)	1-3466-2	March 1966 (7,8,9)	1-3925-2
Outlet Co			
March 1966 (12,13)	1-1209-2	Alaska Airlines, Inc	
Oxford Paper Co		April 1966 (2,3,12)	1-3314-2
April 1966 (11,12,13)	1-3841-2	Bradford Speed Packaging & Devel. Corp	
Pargas, Inc		April 1966 (11)	1-4859-2
April 1966 (7,13)	0-1259-2	Richard D. Brew & Co Inc	
Peoples Tel. Corp		April 1966 (11)	2-15258-2
April 1966 (11,13)	0-426-2	Diamond Intl. Corp	
Proctor & Gamble Co		April 1966 (11)	1-378-2
April 1966 (8)	1-434-2	W. T. Grant Co	
Putnam Mgt. Co Inc		April 1966 (11,12,13)	1-3000-2
April 1966 (11,13)	2-20664-2	Haven Life Insur. Co	
Revco D.S. Inc		April 1966 (10,13)	2-23192-2
April 1966 (3)	1-5025-2	Hotel Taft Assoc.	
Standard Fruit & Steamship Co		May 1966 (7,11,12,13)	0-769-2
April 1966 (8,11,13)	0-868-2	Howard Johnson Co	
		April 1966 (11,13)	1-4594-2
American Safety Equipment Corp		Philip Morris Inc	
April 1966 (2,3,11,13)	1-4829-2	April 1966 (4,7,11,13)	1-194-2
Amer. Sugar Co		Publicker Ind., Inc	
April 1966 (11,13)	1-4741-2	April 1966 (11)	1-3315-2
Astrex, Inc		Rayonier Inc	
April 1966 (13)	1-4530-2	April 1966 (11,13)	1-2994-2
A. S. Beck Shoe Corp		Rogers Corp	
April 1966 (11)	1-3267-2	April 1966 (11,13)	1-4347-2
General Dynamics Corp		Southern Calif. Gas Co	
April 1966 (8,9,11,12)	1-3671-2	April 1966 (11)	1-1402-2
General Time Corp		Southern Nitrogen Co Inc	
May 1966 (11,13)	1-2591-2	April 1966 (11)	1-5089-2

SECURITIES ACT REGISTRATIONS. Effective May 23: The Carborundum Co., 2-24961; The Cincinnati and Suburban Bell Telephone Co., 2-24950; Washington Natural Gas Co., 2-24985.

Effective May 24: Apache Corp., 2-24728 (90 days); Buell Industries, Inc., 2-24803; Metromedia, Inc., 2-24936; Minnesota Mining and Manufacturing Co., 2-24973 (40 days).

Effective May 25: American Mayflower Life Insurance Co. of N.Y., 2-23779 (90 days); The Bali Co., Inc. 2-24763 (Aug 24); Calvert Exploration Co., 2-24265 (90 days).

Withdrawn May 23: General Foam Corp., 2-24975.

Withdrawn May 24: St. Louis Shipbuilding-Federal Barge, Inc., 2-24839.

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.

*As estimated for purposes of computing the registration fee.