

# 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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(Issue No. 64-4-1)

FOR RELEASE April 1, 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. 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.

\*Filings covering these items only will not necessarily be announced in the News Digest

Copies of the reports may be ordered from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with photocopy material when mailed.

Allied Artists Pictures Corp Dec. 1963  
(Its 7,8,13)  
Goddard Ind, Inc Dec. 1963 (Its 2,6,  
11,13)  
Insurance Co Of North America March 1964  
(Its 11,13)  
American Enka Corp March 1964 (It 11)  
Cooperative Gr. Leag. Fed. Exch. Inc  
Feb 1964 (Its 4,11)  
Minn. Enterprises, Inc Mar. 1964 (It 11)  
Oil Shale Corp Feb 1964 (Its 7,9,11)  
Cardinal Pet. Co Feb. 1964 (It 11)  
Shattuck Denn Mining Corp Dec. 1963 (It 12)  
Feb. 1964 (It 12)  
Black & Decker Mfg Co Feb. 1964 (Its 7,13)  
Southern Nitrogen Co Inc Feb. 1964  
(Its 4,7,11,13)  
Alberto-Culver Co Mar. 1964 (Its 7,11,13)  
Marrud, Inc Feb. 1964 (Its 7,11,12)  
Meyercord Co Dec. 1956 (It 9)  
July 1959 (It 9)  
Dec. 1961 (It 12)  
June 1963 (Its 8,11)  
South Puerto Rico Sugar Co Aug. 1963  
(It 7)  
Talon Inc Mar. 1964 (It 11)  
Diversa Inc Feb. 1964 (Its 2,7,12,13)  
First Colony Life Insur. Co Oct. 1963  
(Its 7,9,13)  
Transcon. Invstg. Corp Feb. 1964 (It 7)  
U. S. Markets, Inc Feb. 1964 (Its 2,11)  
Big "C" Stores, Inc Feb. 1964 (Its 2,13)  
Industrial Instr. Inc Feb. 1964 (It 11)  
Claware Ind, Inc Feb. 1964 (Its 1,9)  
Kansas City Terminal Ry Co Mar. 1964 (It 11)  
Sears Roebuck & Co Feb. 1964 (Its 12,13)  
American Shopping Centers, Inc Feb 1964  
(Its 11,13)  
Canadian Homestead Oils Ltd Feb. 1964  
(Its 2,11,12,13)

Southeastern Pub. Ser. Co Feb. 1964  
(It 11)  
B.T. Babbitt Inc Feb. 1964 (Its 1,13)  
Consolidated Mtg. & Invst. Corp  
Feb. 1964 (Its 2,8,12,13)  
Courtesy Fin. Corp Oct. 1963 (Its 1,11,13)  
Crestmont Consol. Corp Dec. 1963 (Its  
8,11)  
Benson-Lehner Corp April 1962 (Its 4,7,13)  
Buffums' April 1963 (It 11)  
Moviela, Inc Mar. 1962 (Its 4,7,13)  
Jan. 1963 (Its 4,7,13)  
Popular Library Inc Feb. 1962 (Its 4,7,13)  
Wayne Mfg. Co Apr. 1962 (It 11)  
April 1963 (It 11)  
Cary Chemicals Inc Feb. 1964 (Its 2,7)  
Koehring Co Feb. 1964 (Its 2,7,13)  
Nalley's Inc Amend #1 to 8K for Sept. 1963  
(It 13)  
Flato Realty Invst. Amend #1 to 8K for Feb  
1964 (It 13)  
International Stretch Prod. Inc Amend #1 to  
8K for Dec. 1963 (It 13)  
Bloomfield Bldg. Ind, Inc Amend #1 to  
8K for Dec. 1963 (It 12)  
Amend #1 to 8K for Jan. 1964 (It 12)  
Amend #1 to 8K for Nov. 1963 (It 12)  
Pocket Books Inc Amend #1 to 8K for Feb.  
1964 (Its 12,13)  
West Chem. Prod. Inc Amend #1 to 8K for  
Feb. 1963 (It 7)  
Globe Rubber Prod. Corp Amend #1 to 8K  
for April 1963 (It 2)  
Hoerner Boxes Inc Amend #1 to 8K for  
Nov. 1962 (Its 7,8,13)  
Eastern Mass. St. Ry. Co Mar. 1964 (It 6)  
Service Life Insur. Co Mar. 1963 (Its 11,13)  
Mar. 1964 (Its 11,13)

OVER

**CONESTOGA TELEPHONE PROPOSES OFFERING.** The Conestoga Telephone and Telegraph Company, 202 East First St., Birdsboro, Pa., filed a registration statement (File 2-22236) with the SEC on March 30 seeking registration of 50,000 shares of common stock. It is proposed to offer the shares to stockholders of record at the close of business March 2, 1964 at the rate of one new share for each three shares held and at a subscription price of \$12 per share. No underwriting is involved.

The company is an independent telephone company, enfranchised to furnish service to four counties in Pennsylvania. \$575,000 of the net proceeds of this sale will be used to refund short-term notes and the balance will be used toward the cost of providing new facilities consisting of an addition to the company's main business and central office building. In addition to indebtedness and preferred stock, the company has outstanding 150,000 shares of common stock, of which management officials as a group own 25.3%. Amos Hartz is president and Alvin C. Glick is vice president.

**PERPETUAL SECURITY LIFE PROPOSES OFFERING.** Perpetual Security Life Insurance Company, 2309 Mountain View Dr., Boise, Idaho, filed a registration statement (File 2-22239) with the SEC on March 30 seeking registration of 323,195 shares of capital stock. The shares are to be offered for subscription by stockholders at \$5.40 per share, and on the basis of .47753 shares for each share owned. Any shares remaining 30 days after offering to stockholders will be offered to the public at \$6 per share, on which a 10% commission will be allowed broker-dealer firms who may participate in such public offering.

The company was organized in the State of Idaho in 1958 for the purpose of writing all types of life insurance and annuities. At this date, however, it writes only life insurance. In addition to Idaho, where more than 91% of its insurance is in force, the company is licensed to do business in Montana, Oregon, Washington, Nevada, and Oklahoma. Net proceeds from the sale of this stock will be used to purchase additional in-force life insurance. The balance will be invested in income-producing securities and mortgages and applied to the working capital. In addition to indebtedness and preferred stock, the company has outstanding 676,805 common shares, of which management officials own 3.7%. (All shares sold to date have been for the offered price of \$2.50 per share, excluding any sums paid for options). The prospectus lists Wyman X. Zachary as president.

**PALABORA MINING SHARES IN OFFERING PROPOSAL.** Palabora Mining Company Limited, 40 Commissioner St., Johannesburg, Republic of South Africa, filed a registration statement (File 2-22241) with the SEC on March 30 seeking registration of 1,227,500 outstanding Class A Ordinary Shares. Newmont Mining Corporation and American Metal Climax, holders of the said A shares, propose to offer holders of the American Shares and Ordinary Shares of O'okiep Copper Company Limited (other than the two selling stockholders) rights to subscribe for American Depositary Shares representing the 1,227,500 A shares of Palabora Mining -- at the rate of 5.27 A shares for each American or Ordinary Share of O'okiep held of record May 1, 1964. The subscription price (\$1.50 per share maximum\*) is to be supplied by amendment.

The company was organized in 1956; and it is engaged or intends to engage in the exploration, development and exploitation of copper deposits in the North Eastern Transvaal, Republic of South Africa and through its subsidiary Transvaal Ore Company Limited, in the production of vermiculite, a mineral used in the manufacture of insulating materials. The company has not commenced commercial production of copper.

According to the prospectus, Palabora Mining's capital structure includes (in addition to indebtedness) 8,712,509 subscribed A Class Ordinary Shares and 19,583,991 subscribed B Class Ordinary Shares. Palabora Holdings Limited owns 56.2% of the A and 75% of the B shares. The voting securities of Palabora Holdings were held as follows: R.T.Z. Holdings (South Africa) Limited, 51.3%; Newmont Mining Corporation, 37.5%; and American Metal Climax, Inc., 11.2%. The voting securities of R.T.Z. Holdings are held through various subsidiaries by The Rio Tinto-Zinc Corporation Limited, a United Kingdom company; and, in addition, the latter owns (through subsidiaries other than Palabora Holdings) 250,000 A and 750,000 B shares of Palabora Mining.

Newmont Mining and American Metal Climax own 1,004,721 and 552,816 A shares, respectively; and they propose to offer 792,756 and 434,744 A shares, respectively, to the holders of American Shares and Ordinary Shares of O'okiep. In addition, Newmont Mining and American Metal Climax own 583,714 and 319,861 B shares, respectively, and are indirectly interested in Palabora Mining through Palabora Holdings.

**PALABORA MINING ADR'S IN REGISTRATION.** Bankers Trust Company, 485 Lexington Avenue, New York, N. Y., filed a registration statement (File 2-22240) with the SEC on March 30 seeking registration of 1,227,500 American Depositary Receipts for A Class Ordinary Shares of Palabora Mining Company Limited, of Johannesburg, Republic of South Africa.

**CAPITAL INVESTORS OF MONTANA FILES FOR OFFERING.** Capital Investors Corporation of Montana, 1130 West Broadway, Missoula, Montana, filed a registration statement (File 2-22246) with the SEC on March 30 seeking registration of 20,000 shares of common stock. The company proposes to make a public offering of these shares only at its home office in Missoula, at \$12.50 per share, and no sales commissions are to be paid.

Organized in 1962, the company is registered and operates as a closed-end, non-diversified, management investment company. It also is a licensee under the Small Business Investment Act of 1948 and operates as a small business investment company. Net proceeds from the sale of this stock will be added to the company's general funds and will be used in the continuance and expansion of the business of providing equity capital and long-term loans to small businesses and for other purposes. The company has outstanding 22,000 common shares, which are distributed among the 15 original stockholders (including 14 management officials). Management officials as a group own 95.24% of the outstanding shares. Alan Bradley (president) owns 9.52% and Charles P. Brooke (vice president) owns 4.76%.

**CONTINENTAL VENDING, TASTEE FREEZ TRADING BAN CONTINUED.** The SEC has issued orders under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation and Tastee Freez Industries, Inc., for a further ten-day period April 2-11, 1964, inclusive.

**DELEGATION RULES MODIFIED.** The SEC has amended Article 30-3(b)(4) of Subpart A of its Statement of Organization, Conduct and Ethics, and Information Practices, to delegate authority to the Director of its Division of Trading and Markets to approve applications for continuance of firms in National Association of Securities Dealers, Inc. membership where bars to such membership otherwise exist. The authority applies to membership applications where bars to membership exist under Section 15A(b)(3) of the Securities Exchange Act. That section permits the NASD to restrict membership by rule under certain conditions; and the Director is delegated authority to approve membership of a firm which would otherwise be disqualified where the NASD has recommended approval. The Director previously was delegated similar approval authority where the disqualification stems from some disciplinary action, such as suspension or expulsion or a finding of cause of a suspension or expulsion order. (Release 33-4682)

**RULES OF PRACTICE AMENDED.** The SEC today announced an amendment of its Rules of Practice (Release 33-4683) which requires that communications required to be served upon participants in an administrative proceeding shall also be served upon the attorney for the participant.

**WELLINGTON FUND SEEKS ORDER.** Wellington Fund, Inc., Windsor Fund, Inc., and Wellington Company, Inc., 1630 Locust St., Philadelphia, have filed an application with the SEC under the Investment Company Act for an order approving a proposed exchange offer by Wellington Fund and the Windsor Fund; and the Commission has issued an order (Release IC-3948) giving interested persons until April 14th to request a hearing thereon. Wellington and Windsor Funds are registered open-end, diversified, management investment companies. Wellington Company, Inc., is a broker-dealer which acts as principal underwriter and national distributor of the shares of the two Funds. Under the proposal, the said distributor proposes to permit stockholders of Wellington Fund to redeem their shares at the "redemption price" and acquire with the net proceeds thereof shares of Windsor Fund at the "price to the underwriter" then in effect; and a similar privilege will be made available to shareholders of Windsor Fund to redeem their shares and acquire shares of Wellington Fund. A service charge currently calculated at \$5 for bookkeeping and administrative costs incident to the transaction will be paid by the stockholder. According to the application, the offer of exchange by the two Funds is proposed to permit greater flexibility of investments desired by numerous stockholders and to comply with the terms of a pending settlement of certain litigation.

**LANG & CO. SEEKS ORDER.** Lang & Co., 1000 Fourth Avenue South, Seattle, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-3949) giving interested persons until April 20th to request a hearing thereon. According to the application, Lang's securities are owned by less than 100 persons and it is not making and does not presently propose to make a public offering of its securities.

**DOHENY LEASING GRANTED EXEMPTION.** The SEC has issued an order (Release IC-3950) granting an application of Doheny Leasing Company, Inc., 776 East Washington Blvd., Los Angeles, Calif., for an exemption order under the Investment Company Act with respect to certain proposed transactions with Westland Capital Corporation, including the redemption by Doheny of its \$100,000 7% Subordinated Debentures held by Westland, surrender by Westland to Doheny for cancellation of 3,366-2/3 of the 4,166-2/3 shares of Doheny's stock owned by Westland, cancellation and termination of a stock purchase warrant issued by Doheny to Westland, and cancellation of a loan agreement and consultation arrangement between Doheny and Westland.

**COLUMBIA GAS PROPOSES DEBENTURE OFFERING.** The Columbia Gas System, Inc., 120 E. 41st St., New York, N. Y., has filed a proposal with the SEC, under the Holding Company Act, for the issuance and sale at competitive bidding of \$50,000,000 of sinking fund debentures due May 1989; and the Commission has issued an order (Release 35-15043) giving interested persons until April 27 to request a hearing thereon. As reported in the SEC News Digest of March 24, the net proceeds from the debenture sale will be added to the general funds of the company and will be available for financing, in part, its 1964 construction, estimated at \$135,000,000.

**WESTERN CALIF. TELEPHONE SEEKS EXEMPTION.** The SEC has issued an order under the Securities Exchange Act of 1934 giving interested persons until May 11, 1964, to request a hearing upon an application of Western California Telephone Company, of Los Gatos, Calif., for an exemption from the periodic reporting requirements of that Act. According to the application, General Telephone & Electronics Corporation now holds all but 61 of the 218,595 outstanding shares of Western common stock, the 61 shares being held by 7 other persons. Western has agreed to furnish financial statements to its shareholders upon request.

**F. S. JOHNS CO. INC. ENJOINED.** The SEC New York Regional Office announced March 26 (LR-2881) the entry of a Federal court order (USDC NJ) permanently enjoining F. S. Johns & Co., Inc., and its president, John A. Tricoli, from further violating the Securities Act anti-fraud provisions in the sale of stock of Diversified Funding, Inc. Also enjoined were Diversified Funding, its wholly-owned subsidiary, Silver Springs Acres, Inc., of Newark, and Lawrence Tricoli, an officer. The defendants consented to the court decree.

**RICHARD G. SYDNOR ENJOINED.** The SEC Fort Worth Regional Office announced March 25 (LR-2882) the entry of a Federal court order (USDC, Houston) permanently enjoining violations of the Securities Act registration requirements by Richard Gill Sydnor, who consented to the court decree.

**WARNER & SWASEY FILES STOCK PLAN.** The Warner & Swasey Company, 5701 Carnegie Ave., Cleveland, Ohio, filed a registration statement (File 2-22247) with the SEC on March 31 seeking registration of 20,000 shares of common stock, to be offered under its 1964 Employees' Stock Purchase Plan.

**HART SCHAFFNER & MARX FILES STOCK PLAN.** Hart Schaffner & Marx, 36 S. Franklin St., Chicago, Ill., filed a registration statement (File 2-22248) with the SEC on March 31 seeking registration of 20,000 shares of common stock, to be offered under the company's 1963 Stock Option Plan.

**CORRECTION RE ISRAEL DISCOUNT BANK.** The March 25th News Digest item on the registration statement filed by Israel Discount Bank Limited of Tel Aviv, Israel, incorrectly reported the number of ordinary shares and "A" ordinary shares outstanding. The correct figures are 1,080,082 and 928,638, respectively.

**GUARDIAN INVESTMENT - LOMBARD CONVICTED.** The SEC today announced (LR-2883) that Guardian Investment Corporation, and its president, Earl J. Lombard (an attorney), of 1925 K St., N. W., Washington, D. C., were convicted on March 31 on nine counts of violations of the Securities Act anti-fraud provisions and nine counts of embezzlement under the District of Columbia Penal Code, in connection with transactions with customers of the firm in various securities.

**GUARDIAN INVESTMENT REVOKED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-7284) revoking the broker-dealer registration of Guardian Investment Corporation, 1925 K St., N. W., Washington, D. C., for violations of the anti-fraud and other provisions of the Federal securities laws. Earl J. Lombard, president and controlling stockholder, and Philip P. Friedlander, Kenneth B. Friedlander, and Ralph B. Whitmore, former salesmen for the firm, were each found to be a cause of the revocation order.

According to the Commission's decision, Guardian Investment, together with or aided and abetted by the four individuals, violated the said anti-fraud provisions in connection with their offer and sale, during the period March 1961 to March 1963, of stock of Wyoming Nuclear Corporation. The use of false and misleading sales literature in the sale of such stock was found by the Commission; and it also ruled that Whitmore and Philip Friedlander made false and misleading statements to customers to the effect that the Japanese government or Japanese concerns were interested in purchasing a half interest in Wyoming's copper properties; that the value of the stock would increase from its then price of 7/8 per share up to \$5 per share in the near future; that the officer in charge of field operations for Wyoming had previously been vice-president of a very large copper corporation; and that four Wyoming banks were going to "underwrite" the company. Violations of the record-keeping, net capital and margin rules under the Securities Exchange Act also were found by the Commission. The Commission observed that the violations by Guardian Investment "reflect a pervasive pattern of business malpractice," and demonstrated a "flagrant disregard of its obligations and responsibilities" in the conduct of its securities business.

**SECURITIES ACT REGISTRATIONS.** Effective March 31: Beneficial Thrift Club and Beneficial Finance Co. (File 2-22200); Cities Service Co. (File 2-22136); Life Assurance Co. of Pennsylvania (File 2-22121); Vornado, Inc. (File 2-22112). Withdrawn April 1: O'Malley Investing Corp. (File 2-21636).

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

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