

# 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 June 22, 1964

**FINANCIAL PROGRAMS SEEKS ORDER.** Financial Programs, Inc., ("Programs" of Denver, Colo.), investment adviser to and principal underwriter for two Denver mutual fund companies, Financial Industrial Fund, Inc., and Financial Industrial Income Fund, Inc., has joined with the two Funds in applying to the SEC for an exemption order under the Investment Company Act with respect to Programs' continued performance of services for the Funds from January 2 to August 13, 1964 (the date scheduled for shareholder meetings of the two Funds); and the Commission has issued an order (Release IC-3997) giving interested persons until July 6th to request a hearing.

According to the application, a contract was entered into in December whereby, among other things, The Gates Rubber Company agreed to purchase over 87% of the voting stock and over 77% of the non-voting stock of Programs, and a subsidiary of Boettcher and Company, a Denver broker-dealer firm, agreed to purchase about 10% of such non-voting stock. Gates Rubber then acquired 17% and Boettcher 10% of the non-voting stock. Thereafter, at a meeting of Programs' directors, David F. Lawrence, a Boettcher partner, William M. B. Berger, an officer of Centennial Management and Research Corp., and Robert G. Bonham, a Gates Rubber official, became directors. Lawrence was elected president of Programs, whose investment committee was reconstituted with Lawrence and Berger as members along with William F. Edwards and C. Frederic Meyer, officers of Programs (Edwards was and is board chairman and chief executive officer). Berger became vice president for portfolio management; and Ranald H. Macdonald and John V. Amato, officers of Centennial, became assistants to the president. Centennial is investment adviser and principal underwriter for four mutual fund companies with assets approximating \$34,000,000.

The Commission's staff is of the opinion that, by reason of the transactions and other events beginning with the execution of the purchase agreement, an assignment of the advisory and general distribution agreements between Programs and the two Funds occurred on or about January 2, 1964, and that since that date Programs has served as adviser and distributor in contravention of provisions of the Investment Company Act. The applicant companies disagree and express the belief that the continued payment of compensation to Programs at the rates provided in the contracts last renewed in September 1963 would be lawful and fair and reasonable. However, in order to simplify the issues presented by the application and to terminate as soon as possible any uncertainty as to the status of the contracts, the companies have agreed to a modified basis of compensation for the period from January 2 until the entry of the requested exemption order.

Under this proposal, for the period from January 2 until entry of the Commission's order, each Fund will pay Programs the cost of providing investment advisory and general distribution services to such company. Thereafter and until the August 13 meeting of shareholders of the two Funds, Programs would be paid at the rates specified in the contracts. In each instance, the agreement is subject to approval of shareholders of the Funds. The companies agree, among other things, that if the shareholders do not authorize reimbursement of Programs for cost of services rendered during the earlier period, the exemption order shall terminate as of the date of its entry, and, in that event, the directors will determine what action the companies should take in light thereof. If shareholders do approve such reimbursement but disapprove payments at the contract rates during the later period, continuance of the exemption will be conditioned upon Programs accepting its costs of rendering services; and the directors of the companies will then determine whether Programs shall be compensated for its services during such period on the basis of cost.

**LOEHMANN'S FILES FOR SECONDARY.** Loehmann's, Inc., 9 W. Fordham Rd., Bronx, N. Y., filed a registration statement (File 2-22527) with the SEC on June 19 seeking registration of 210,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof through an underwriting group headed by W. C. Langley & Co., 115 Broadway, New York. The public offering price (\$13 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company operates six retail stores that specialize in women's apparel, located in New York, Connecticut and New Jersey. In addition to indebtedness, it has outstanding 550,000 common shares. All of the outstanding stock is owned by Charles C. Loehmann (president) and his wife, who are offering 105,000 shares each. Upon successful completion of this offering, their holdings will be reduced to 61.8%.

**J. C. PENNEY CREDIT PROPOSES OFFERING.** J. C. Penney Credit Corporation, 3947 Kennett Pike, Wilmington, Del., filed a registration statement (File 2-22528) with the SEC on June 19 seeking registration of \$50,000,000 of debentures (due 1984), to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Organized under Delaware law in April 1964, the company is a wholly owned subsidiary of the J. C. Penney Company and will engage primarily in financing customer receivables arising out of the retail business of the parent. Net proceeds from its debenture sale will be used to purchase such customer receivables and to reduce short-term indebtedness incurred in connection with the purchase thereof. Kenneth S. Axelson is board chairman and Arthur Jacobsen is president.

OVER

**UNITED FAMILY LIFE INSURANCE FILES FOR SECONDARY.** United Family Life Insurance Company, 494 Spring St., N. W., Atlanta, Ga., filed a registration statement (File 2-22529) with the SEC on June 19 seeking registration of 175,000 outstanding shares of common stock, to be offered for public sale by the present holder thereof through underwriters headed by J. H. Hilsman & Co., Inc., National Bank Building, Atlanta. The public offering price (\$7 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in selling life insurance. It has outstanding 5,057,401 common shares, of which management officials as a group own 20%. The selling stockholder is Raymond B. Nelson & Co., Inc., which is offering 175,000 shares of its holding of 338,135 common shares. Raymond B. Nelson is board chairman of the company and O. Charles Honig is president.

**UNLISTED TRADING GRANTED.** The SEC has issued orders granting applications of the Pacific Coast Stock Exchange and Boston Stock Exchange for unlisted trading privileges in the common stocks of Ingersoll-Rand Company and Texas Industries, Inc., respectively (Release 34-7353).

**TEREX DELISTED.** The SEC has issued an order granting an application of the San Francisco Mining Exchange to delist the common stock of Terex Corporation, effective at the opening of business June 29th (Release 34-7353). The State of California has issued an order prohibiting trading in the shares of Terex.

**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. Copies thereof 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. An index of the caption of the several items of the form was included in the June 2 News Digest.

Aero-Flow Dynamics Inc April 1964 ( 11)	Calgon Corp April 1964 ( 11)
Atlanta & Charlotte Airline Ry Co April 1964 ( 11)	Clear Creek Corp May 1964 ( 6)
Glenmore Distilleries Co April 1964 ( 8)	Compudyne Corp May 1964 ( 3,12)
Airlift Intl. Inc April 1964 ( 12,13)	Consolidated Natural Gas Co May 1964 ( 11,13)
Maytag Co March 1964 ( 11)	Huyck Corp May 1964 ( 11)
McLouth Steel Corp April 1964 ( 11)	Jupiter Corp ( Del) April 1964 ( 2,13)
The Rucker Co April 1964 ( 11,13)	Northwestern Bell Tel. Co May 1964 ( 11)
Wichita River Oil Corp Amend #1 to 8K for Dec. 1963	Trane Co April 1964 ( 13)
General Electric Co Amend #1 to 8K for April 1964 ( 3,11)	Alpha Portland Cement Co May 1964 ( 6,13)
C-F-M Co May 1963 ( 6) June 1963 ( 3) Aug. 1963 ( 6,11,13) Oct. 1963 ( 6) Nov. 1963 ( 6) Dec. 1963 ( 2,13)	Chicago & Eastern Ill. RR Co May 1964 ( 13)
Frontier Airlines Inc April 1964 ( 11,12)	Henderson's Portion Pak, Inc Apr. 1964 ( 11)
Insurance Capital, Inc April 1964 ( 7)	Kingsport Press, Inc May 1964 ( 11)
Progress Mfg. Co Inc Amend #1 to 8K for April 1964 ( 13)	Levine's Inc May 1964 ( 12)
Overnite Transportation Co Amend #1 to 8K for May 1964 ( 12)	Luminator Harrison Inc May 1964 ( 11)
Britain-American Construction & Materials Ltd. Feb. 1964 ( 4,7,13)	Michigan Gas Utilities Co May 1964 ( 11)
The Citadel Life Insur. Of NY (Nov. '63 (7,11)	United States Envelope Co May 1964 ( 11,13)
Warner Lambert Pharm. Co May 1964 ( 11,13)	Chesa. Corp of Va. May 1964 ( 12)
J. I. Case Co May 1964 ( 1,12)	Chicago & North Western Ry Co May 1964 ( 11,13)
J.B. Ivey & Co 8K For Feb. 1963 ( 7,13)	Fairchild Stratos Corp Apr. 1964 ( 11)
Amend #1 to 8K for April 1963 ( 7,13)	Hughes & Hatcher Inc May 1964 ( 8,11,13)
Amend #1 to 8K for Sept. 1962 ( 7,13)	Northwest Airlines Inc May 1964 ( 11,13)
Amend #1 to 8K for Aug. 1962 ( 7)	Phila. Transportation Co Apr. 1964 ( 3,11)
	Universal Moulded Fiber Glass Corp May 1964 ( 11)
	IMC Magnetic Corp May 1964 ( 12)
	Pato Consolidated Gold Mines Dredging Ltd May 1964 ( 11)
	Chicago Great Western Ry Co (Del) May 1964 ( 11,13)
	Esquire Radio & Electronics, Inc May 1964 ( 11,12)
	Greer Hydraulics Inc May 1964 ( 11)
	Stokely-Van Camp Inc May 1964 ( 11)
	Marathon Oil Co May 1964 ( 11)
	Pepsi Cola Co May 1964 ( 11)
	Pittston Co May 1964 ( 11)

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended June 18, 1964, 20 registration statements were filed, 26 became effective, 1 stop order was issued, 4 were withdrawn, and 248 were pending at the week-end.

**SECURITIES ACT REGISTRATIONS.** Effective June 19: Holiday Inns of America, Inc. (File 2-21985). Effective June 22: Frontier Investment Corp. (File 2-22330).

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