

# 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 March 15, 1965

**GUSS & STEAD REVOKED.** In a decision under the Securities Exchange Act announced today (Release 34-7355), the SEC revoked the broker-dealer registration of Guss and Stead Company, 712 Newhouse Bldg., Salt Lake City, Utah, and expelled the firm from membership in the National Association of Securities Dealers, Inc., and the Salt Lake Stock Exchange. Max Guss and H. Wayne Stead, officers of the registrant, were each found a cause of the revocation and expulsion. The action was based upon violations of the Act and rules thereunder governing margin trading, short sales and record-keeping. The three respondents consented to entry of the revocation and expulsion order.

**DELEGATION RULES MODIFIED.** The SEC has amended Article 30-6(a)(1) of Subpart A of its Statement of Organization, to delegate to the Director of its Office of Opinions and Review, except where the Commission otherwise directs, the function of issuing findings and orders pursuant to offers of settlement which the Commission has determined should be accepted.

**TRUSTEED FUNDS SEEKS ORDER.** Trusteed Funds, Inc., Boston depositor of and principal underwriter for Commonwealth Fund Plans A & B and Commonwealth Fund Plans C & D, has requested the SEC to revoke its 1950 exemption order granting conditional approval to the continuance of Trusteed Funds' depositor and underwriter relationships with the said Commonwealth Funds. The Commission has issued an order (Release IC-4190) giving interested persons until April 5th to request a hearing thereon.

The 1950 order of the Commission followed the issuance in 1949 of a Federal court order enjoining Trusteed Funds from engaging in certain activities of the type described in Section 9(a)(2) of the Act. It set forth a number of conditions for the continued effectiveness of the exemption order, which were more restrictive than the general requirements of the Act. In February 1963, following a change in ownership and control of Trusteed Funds, the court vacated its injunction.

**PHILADELPHIA ELECTRIC POWER SEEKS ORDER.** Philadelphia Electric Power Company, of Philadelphia, Pa., has applied to the SEC for an order under the Holding Company Act authorizing an extension from March 31 to April 30, 1965, of the time during which certain notes may be outstanding; and the Commission has issued an order (Release 35-15203) giving interested persons until March 25 to request a hearing thereon. This application is filed as an amendment to Philadelphia Electric Power's pending \$25,000,000 debenture financing proposal. Part of the proceeds were to be applied to the payment of \$20,000,000 of outstanding bank notes, which mature March 31, 1965. Because it appears that the debenture financing cannot be completed prior to April 1965, the company requests authorization to extend the notes and related open account advances for construction to a subsidiary, The Susquehanna Power Company.

**NEES SEEKS ORDER.** Massachusetts Electric Company (Mass Electric) and New England Power Company (NEPCO), both public-utility subsidiaries of New England Electric System, have applied to the SEC for an order under the Holding Company Act authorizing NEPCO to sell certain facilities to Mass Electric; and the Commission has issued an order (Release 35-15204) giving interested persons until April 6 to request a hearing thereon. According to the application, NEPCO owns facilities (substations, switching stations and lines) which, since January 1, 1964, have been used by Mass Electric to serve certain of its industrial customers. The companies have entered into an agreement which provides for Mass Electric to acquire such facilities, the purchase price to be the depreciated original cost thereof as of the effective date of transfer, and for the reimbursement by Mass Electric for the use of such facilities for the period from January 1, 1964, to the effective date of transfer. On November 30, 1964, the original cost of the facilities was \$389,220.05, and the accrued depreciation was \$145,156.05.

**BIG THREE INDUSTRIAL GAS FILES STOCK PLAN.** Big Three Industrial Gas & Equipment Co., 3602 W. Eleventh St., Houston, Tex. 77001, filed a registration statement (File 2-23275) with the SEC on March 12 seeking registration of \$1,190,000 of interests of participants in its 1965 Employees Stock Purchase Plan, together with 40,000 shares of capital stock which may be acquired pursuant thereto.

**EKCO PRODUCTS FILES FOR SECONDARY.** Ekco Products Company, 1949 N. Cicero Ave., Chicago, Ill. 60639, filed a registration statement (File 2-23276) with the SEC on March 12 seeking registration of 20,000 outstanding shares of common stock. The present holder thereof, Robert C. Sabini (resident), may offer the shares for public sale from time to time on the New York Stock Exchange, at prices prevailing at the time of sale (\$38.25 per share maximum\*).

The company is primarily engaged in the manufacture and sale of housewares, bakers' pans, builders' hardware and rigid aluminum foil containers. In addition to indebtedness, it has outstanding 2,770,965 common shares, of which management officials own 7.85%. Sabini acquired the shares to be offered by him upon exercise of a restricted stock option granted by the company at the time of his employment. Upon completion of the proposed sale, he will own 410 common shares. Arthur Keating is chairman of the company.

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**MILLIPORE FILTER FILES FOR SECONDARY.** Millipore Filter Corporation, Ashby Rd., Bedford, Mass., filed a registration statement (File 2-23277) with the SEC on March 12 seeking registration of 56,000 outstanding shares of common stock. The shares are to be offered for public sale by the present holders thereof through underwriters headed by Alex. Brown & Sons, 135 E. Baltimore St., Baltimore 21202. The public offering price (\$40 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company's business is the development and manufacture of precision membrane filters and associated equipment and instruments for the control and analysis through filtration of microscopic particles in liquids and gases. It has outstanding 535,747 common shares, of which management officials own 37.3%. The prospectus lists two selling stockholders, as follows: John H. Bush (president), offering 50,000 of 137,116 shares held, and Walter W. Kenyon (executive vice president), 6,000 of 37,144.

**GENERAL MOTORS FILES STOCK PLANS.** General Motors Corporation, 1775 Broadway, New York 10019, filed registration statements with the SEC on March 12 seeking registration of securities, as follows: (1) File 2-23279 - 1,029,989 shares of common stock to be offered under the company's Stock Option Plan, and (2) File 2-23280 - \$80,000,000 of interests in the General Motors Savings-Stock Purchase Program for Salaried Employees in the United States (\$64,080,000 under the Savings Fund Plan and \$15,920,000 under the Retirement Thrift Plan), together with 1,600,000 common shares that may be acquired pursuant to the program.

**GENERAL TIRE FILES STOCK PLAN.** The General Tire & Rubber Company, 1708 Englewood Ave., Akron, Ohio, filed a registration statement (File 2-23281) with the SEC on March 12 seeking registration of \$18,000,000 of participations in its Third Employees' Stock Purchase Plan, together with 847,058 shares of common stock that may be acquired pursuant thereto.

**LEEDS HOMES INVESTIGATION FILE PUBLIC.** The SEC has made public the record of a private investigation by its staff of Leeds Homes, Inc., of 2501 Ailor Avenue, Knoxville, Tenn.

On March 9, 1961, Leeds Homes filed a registration statement with the Commission under the Securities Act of 1933 (File 2-17701) proposing the public offering of \$1,000,000 of debentures and 300,000 shares of common stock (in units of \$10 principal amount of debentures and 3 shares). The statement became effective May 5, 1961, and the securities were offered and sold.

Subsequently, on June 15, 1962, Leeds Homes filed a petition for reorganization pursuant to Chapter X of the Bankruptcy Act (USDC, Knoxville), and the Commission since July 1962 has been participating in such proceedings.

In August 1964, the Commission ordered a private investigation of Leeds Homes pursuant to Sections 8(e) and 20(a) of the Securities Act and Section 21(a) of the Securities Exchange Act of 1934. That investigation sought to ascertain the facts with respect to the adequacy and accuracy of disclosures contained in the Leeds Homes registration statement, particularly with respect to the intended use of the proceeds of the financing, the description of business, and the company's financial statements; the facts concerning the adequacy and accuracy of disclosures in its Form 10-K annual report for the fiscal year ended February 28, 1962; and whether, in connection with the offer and sale of Leeds Homes securities, provisions of Sections 5 and 17(a) of the Securities Act and Section 10(b) of the Exchange Act had been violated.

A current Form 8-K report was filed for Leeds Homes for the month of March 1965. Included as exhibits to this report are transcripts of testimony taken by the independent trustee in the Chapter X proceeding, which have been made public by order of the Court. Commission counsel assisted in this investigation.

The Commission also has made public the transcripts of testimony (and related exhibits) taken in its private investigation of Leeds Homes; and it has directed that a copy of the Form 8-K report be included by reference in the said investigation file.

**UNLISTED TRADING SOUGHT.** The SEC has issued orders under the Securities Exchange Act (Release 34-7557) giving interested persons until March 26 to request a hearing upon (1) an application of the Pacific Coast Stock Exchange for unlisted trading privileges in the common stock of Hilton International Co. and (2) an application of the Philadelphia-Baltimore-Washington Stock Exchange for similar privileges in the common shares of International Mining Corp. and Tampa Electric Co.

**NEW REGISTRATIONS OF O/C COMPANIES.** Foods Plus, Inc., New York, N. Y. (File 0-58); Lehigh Industries & Investing Corp., Miami Beach, Fla. (File 0-56); National Telefilm Associates, Inc., Los Angeles, Calif. (File 0-57).

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended March 11, 1965, 27 registration statements were filed, 20 became effective, 1 was withdrawn, and 296 were pending at the week-end.

**SECURITIES ACT REGISTRATIONS.** Effective March 12: Certain-Teed Products Corp. (File 2-22735); Filmways, Inc. (File 2-23112); The First Connecticut Small Business Investment Co. (File 2-23125); IMC Magnetics Corp. (File 2-22974).

Effective March 15: The Boston Company, Inc. (File 2-23066).

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