

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 April 21, 1964

STOCK OPTION REGISTRATION REVISION PROPOSED. The SEC has announced a proposal for the revision of certain of its registration forms deemed appropriate in view of certain changes made by the Revenue Act of 1964 in the provisions of the Internal Revenue Code relating to stock options eligible for special tax treatment. The revision proposal relates to Form S-1, Form S-8 and Form S-11 for the registration of securities under the Securities Act of 1933, and Form 10 for the listing and registration of securities on an exchange pursuant to the Securities Exchange Act of 1934; and the proposal also contemplates certain revisions of Rule 10b-6 and 16b-3 under the latter Act. Interested persons may submit views and comments thereon not later than May 12, 1964.

Section 221 of the Revenue Act of 1964, Public Law 88-272, 78 Stat. 19, which became law on February 26, 1964, has amended the Internal Revenue Code of 1954 to provide for three categories of stock options that are entitled to special tax treatment. These categories are designated variously as "qualified stock options" (Section 422), stock options granted pursuant to "employee stock purchase plans" (Section 423), and "restricted stock options" (Section 424). The amendments to Form S-1, Form S-8, Form S-11, Form 10, Rule 10b-6 and Rule 16b-3 that the Commission has under consideration are designed merely to conform those forms and rules to the above-described changes in the Internal Revenue Code. The proposed amendments would not be intended to change the requirements of the forms nor to expand or narrow the coverage of the exemptions now provided in the rules except for such changes in requirements or coverage as would flow from the amendments to the Internal Revenue Code.

CONTINENTAL VENDING, TASTEE FREEZ TRADING BANS 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 22 to May 1, 1964, inclusive.

R. A. HOWARD SENTENCED. The SEC Denver Regional Office announced April 17th (LR-2898) that Robert A. Howard of Los Angeles had received a three-year prison sentence (USDC, Colo.) for filing false Regulation A notification with the SEC for an offering of stock of Republic Gas and Uranium Corp.

UNITED FUEL GAS WITHDRAWS APPLICATION. United Fuel Gas Company, Charlestown, W. Va., subsidiary of The Columbia Gas System, Inc., has withdrawn its 1963 proposal for the sale of certain of its utility assets to Consumers Gas Utility Company, a non-affiliated company (Release 35-15053). The Public Service Commission of West Virginia disapproved the proposed sale.

HEARINGS SCHEDULED. The SEC has scheduled hearings, as indicated, in administrative proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registrations of the following:

<u>Respondent</u>	<u>Time & Place</u>
1) Arnold Securities Corp. 170 Broadway New York City, N. Y.	April 27, 1964 SEC New York Regional Office
2) Schmidt, Sharp, McCabe & Co. Inc. 315 South Clarkson St. Denver, Colo.	May 4, 1964 SEC Denver Regional Office

KALVAR FILES FINANCING PROPOSAL. Kalvar Corporation, 909 S. Broad St., New Orleans, La., filed a registration statement (File 2-22314) with the SEC on April 20 seeking registration of \$2,000,000 of 6% convertible income debentures due 1979 and warrants to purchase 20,000 shares of capital stock. The securities are to be offered to the public in units, consisting of \$100 principal amount of debentures and a warrant to purchase one share of capital stock (at \$105 per unit*). Adams & Peck, 120 Broadway, New York City, and Howard, Weil, Labouisse, Friedrichs and Company, 211 Carondelet St., New Orleans, head the underwriting group. 2,000 of the units will be offered to company officials. The public offering price and underwriting terms are to be supplied by amendment.

The company markets a patented system of dry photography which, according to the prospectus, differs from conventional photographic systems in that it eliminates chemical and wet processing and substantially reduces the time normally required for developing, fixing, washing and drying of the photographic material. Operations since the company's organization in February, 1964 have consistently shown a loss; and at February 29, 1964, the accumulated deficit amounted to \$3,190,338. Of the net proceeds from this offering, \$125,000 will be invested in Kal/Graphic, Inc., in which the company has a 50% interest, approximately \$200,000 will be used to finance initial purchases of specialized equipment for sale or lease to users of the company's products and the balance will be added to general funds. In addition to indebtedness, the company has outstanding 17,900 shares of capital stock. The prospectus lists Alfred J. Moran as board chairman and Harold C. Harsh as president.

OVER

WHIRLPOOL FILES FOR SECONDARY. Whirlpool Corporation, Benton Harbor, Mich., filed a registration statement (File 2-22315) with the SEC on April 20 seeking registration of 731,747 outstanding shares of common stock. The present holders thereof propose to make a public offering of these shares through an underwriting group headed by Goldman, Sachs & Co., 20 Broad St., New York, N. Y., and Lazard Freres & Co., 44 Wall St., New York, N. Y. The offering price (65-7/8 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of major home appliances. It is the sole supplier to Sears, Roebuck & Co. of regular-size home laundry equipment (sold under Sears' Kenmore brand name) and the principal supplier to Sears of home refrigeration and room air-conditioning equipment (sold under the Sears' Coldspot brand name). Approximately 68% of its 1963 net sales were to Sears. It also manufactures major home appliances under the RCA Whirlpool brand name. In addition to indebtedness and preferred stock, the company has outstanding 5,364,617 shares of common stock, of which management officials as a group own 5.8% and Sears, Roebuck and Co. 4.7% (none of which is being offered hereby). The prospectus lists five selling stockholders, including The Sears-Roebuck Foundation which is offering 420,000 of its holding of 445,859 common shares. Other selling stockholders include The Savings and Profit Sharing Pension Fund of Sears, Roebuck and Co. Employees (80,000 shares of 130,346 shares owned); Allstate Insurance Company (80,000 shares of 159,616 shares owned); and The Allstate Foundation (all 10,000 shares owned). The balance of 141,747 shares is being sold by Radio Corporation of America (which owns 166,747 shares). Elisha Gray II is the board chairman of the company and John H. Platts is president.

WESTERN BANCORPORATION FILES STOCK PLAN. Western Bancorporation, 600 S. Spring St., Los Angeles, Calif., filed a registration statement (File 2-22316) with the SEC on April 20 seeking registration of 750,000 shares of capital stock, to be offered under the company's Stock Option Plan of 1963.

DOW CHEMICAL FILES STOCK PLANS. The Dow Chemical Company, Midland, Mich., filed registration statements with the SEC on April 20 seeking registration of common stock, as follows: (File 2-22317) 300,000 shares, to be offered under the company's Incentive Plan; (File 2-22318) 1,200 shares, to be offered by Ethyl-Dow Chemical Company to its employees; (File 2-22319) 15,000 shares, to be offered by Dow Corning Corporation to its employees; and (File 2-22320) 1,000 shares, to be offered by Dow Badische Chemical Company to its employees.

SOUTHERN UNION GAS PROPOSES DEBENTURE OFFERING. Southern Union Gas Company, Fidelity Union Tower, Dallas, filed a registration statement (File 2-22321) with the SEC on April 20 seeking registration of \$10,000,000 of debentures due 1984. The debentures are to be offered for public sale through an underwriting group headed by Francis I. duPont, A. C. Allyn, Inc., One Wall St., New York, N. Y. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company's primary business is that of a public utility rendering natural gas service. Net proceeds from its debenture sale will initially be added to its general funds, and \$4,500,000 thereof will be applied to discharge bank loans incurred in 1963. The remainder will be used from time to time in 1964 for property additions and improvements (estimated at \$13,306,000). J. C. Reid is president and Scott Hughes is executive vice president.

MONSANTO FILES STOCK PLAN. Monsanto Company, 800 N. Lindbergh Blvd., St. Louis, Mo., filed a registration statement (File 2-22322) with the SEC on April 20 seeking registration of 650,000 shares of common stock, to be offered under its Third Employees' Stock Plan.

CHANNING INT. GROWTH FUND PROPOSES OFFERING. Channing International Growth Fund, Inc., 85 Broad St., New York, filed a registration statement (File 2-22323) with the SEC on April 17 seeking registration of 1,250,000 common shares. The said Fund was organized under Maryland law on March 10, 1964, as a management-type, diversified open-end investment company; and it is the successor to Canadian International Growth Fund Limited, which was organized in June 1956 under laws of Canada. The assets and operations of the Canadian company are to be transferred to the Maryland company on May 15, 1964. The purpose of this transaction is to change the domicile of the Fund from Canada to the United States; and each shareholder of the Canadian company will receive shares of the Maryland company on a share-for-share basis. Shares of the Fund will be sold on the basis of net asset value, plus an 8 1/2% selling charge (\$14 per share maximum*). Channing Service Corporation, 84 W. Michigan Ave., Battle Creek, Mich., is the "National Distributor" and Van Strum & Towne, Inc., of the New York address, is Investment Counsel to the new Fund. Channing Financial Corporation of the New York address owns all the outstanding stock of the two companies as well as King Merritt & Company, Inc., Samuel R. Campbell, president of the Canadian company, also will serve as President of the Maryland company.

MCGRAW-EDISON FILES STOCK PLAN. McGraw-Edison Company, Elgin, Ill., filed a registration statement (File 2-22325) with the SEC on April 20 seeking registration of 15,000 participations in its Profit Sharing Plan, together with 203,846 common shares which may be acquired pursuant thereto.

SECURITIES ACT REGISTRATIONS. Effective April 20: Kaiser Steel Corp. (File 2-22179); Standard Oil Co. (File 2-22269). Effective April 21: Chelsea Industries, Inc. (File 2-22178); Cox Broadcasting Corp. (File 2-22217); Water Power Co. (File 2-22189).

*As estimated for purposes of computing the registration fee.

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not Printed - Per Tom Kae
4/30/64

For Immediate RELEASE Wednesday, April 22, 1964

SECURITIES AND EXCHANGE COMMISSION
Denver Regional Office
Denver, Colorado

Litigation Release No.

Donald J. Stocking, Administrator of the Denver Regional Office of the Securities and Exchange Commission, today announced the filing on April 6, 1964, in the U. S. District Court at Denver, Colorado, of an application for an order to require obedience by the First National Bank of Denver and certain employees thereof to two Commission subpoenas. The Commission's application sought enforcement of two subpoenas duces tecum issued by an officer of the Commission in a private investigation. The subpoenas directed the bank to produce certain records relating to a transaction with a customer of the bank wherein certain securities which had been pledged for a bank loan were forwarded to another bank. Previously the customer had objected to the bank's voluntary compliance with the subpoenas.

At a hearing held before the Honorable Alfred A. Arraj, Chief Judge of the U. S. District Court for the District of Colorado on April 20, 1964, the court announced that it would enter findings of fact and conclusions of law and would enter an order enforcing the Commission's subpoenas and directing the bank to produce the records called for in the subpoenas. On April 22, 1964, the court issued orders in accordance with its prior announcement.

The Commission was represented in this action by Mr. Stocking, Joseph F. Krys, Assistant Regional Administrator and John M. High and John J. Kelly, Jr., Attorneys at the Denver Regional Office.