

NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

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Washington 25, D.C.

(Issue No. 63-3-12)

FOR RELEASE March 18, 1963

Statistical Release No. 1887. The SEC Index of Stock Prices, based on the closing price of 300 common stock for the week ended March 15, 1963, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1962 is as follows:

	1957-59 = 100		Percent Change	1962-63	
	3/15/63	3/8/63		High	Low
Composite	134.3	133.2	+0.8	144.3	107.0
Manufacturing	125.1	123.9	+1.0	135.0	98.6
Durable Goods	119.0	118.4	+0.5	135.6	95.2
Non-Durable Goods	130.8	129.1	+1.3	134.4	101.8
Transportation	109.0	108.9 R	+0.1	112.0	85.5
Utility	174.9	173.9	+0.6	185.5	143.0
Trade, Finance & Service	159.1	158.7	+0.3	178.2	129.8
Mining	111.8	109.8	+1.8	113.3	83.8
R - Revised					

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended March 14, 1963, 36 registration statements were filed, 22 became effective, 6 were withdrawn, and 346 were pending at the week-end.

THREE OFFERINGS SUSPENDED. The SEC has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public stock offerings by the following: (a) Tripoli Company, Inc., 1215 Walnut St., Philadelphia; (b) Nevada Consolidated Mines, Inc., 200 West 57th St., New York; and (c) Highland Chrome, Inc., 1207 Hoge Building, Seattle, Wash. Each order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. The above companies, in notifications filed on October 21, 1961, July 12, 1961 and January 21, 1960, respectively, proposed the public offering of stock as follows: Tripoli, 60,000 common shares at \$5 per share with Donald L. Greenbaum, doing business as D. L. Greenbaum & Company, as underwriter; Nevada Consolidated, 94,050 common shares at \$2 per share; and Highland Chrome, 20,500 founders' shares and 95,000 preferred shares, both at 20¢ per share. According to the orders, the Tripoli offering began on January 30, 1962 and was terminated on February 9, 1962, about 39% of the offering having been sold. The Nevada Consolidated offering began on December 12, 1961 and has not been completed. The Commission asserts in its suspension order with respect to Tripoli, that the company's offering circular is false and misleading with respect to certain material facts, including the terms of the offering and use of the proceeds. The Tripoli order also asserts that Greenbaum & Company "engaged in transactions, practices and a course of business which would and did operate as a fraud and deceit" upon purchasers of Tripoli stock in violation of the Securities Act anti-fraud provisions (for details, see Securities Exchange Act Release No. 7030, dated March 6, 1963 reporting the institution of broker-dealer revocation proceedings against Greenbaum).

With respect to Nevada Consolidated, the Commission asserts that in July 1962 the company and John M. Bennett, an officer, director and promoter, were temporarily enjoined from certain violations in connection with the sale of securities within or from the State of New York. The order with respect to Highland Chrome alleges non-compliance with Regulation A by reason of the company's failure to file reports of stock sales (and use of proceeds), the company having ignored repeated requests by the Commission's staff for such reports.

AMERICAN RADIOTELEPHONE SUSPENSION PERMANENT. American Radiotelephone Corporation, 215 Oak St., Natick, Mass., has withdrawn its request for a hearing upon the Commission's order of September 5, 1962, temporarily suspending a Regulation A exemption from registration with respect to a proposed public offering of debentures by that company. Accordingly, the suspension order has become permanent; and the hearing scheduled for March 18, 1963 in Boston has been cancelled.

EASY-TOW RENTAL SYSTEM HEARING SCHEDULED. Upon the request of Easy-Tow Rental System, Inc., 2208 Northwest Market Street, Seattle, Wash., the Commission has scheduled a hearing for April 24, 1963, in its Seattle Regional Office, to take evidence on the question whether an order of the Commission dated February 7, 1963, temporarily suspending a Regulation A exemption from registration with respect to a public offering of \$230,000 of trailer investment contracts should be vacated or made permanent. The Commission's suspension order was based upon alleged false and misleading representations in the company's offering circular.

OVER

LITIGATION NOT PREVIOUSLY REPORTED: Release #2539 - Dismissal of complaint against Leonard G. Brown in SEC action v. Sandkuhl & Company, Inc. (USDC, Newark) for net capital rule violations; #2540 - Granting of SEC motion to dismiss its injunctive action against Peruvian Oil Concessions Co., Inc. et al (USDC SDNY), based on failure to file Form 10-K annual reports, corporate charter having become void for non-payment of taxes; #2541 - Dismissal of SEC action against National Securities, Inc., et al (USDC, Ariz.) based on alleged violations of Securities Act anti-fraud provisions, court holding no real likelihood of repetition of conduct complained of; #2542 - Dismissal of complaint against Joseph Aversa and Jefferson Research Foundation, Inc., in SEC action v. Frank M. Cryan, et al (USDC, SDNY) involving alleged violations of Investment Company Act; #2543 - Dismissal of indictment against William Maurice, Jerome Stedman and Joseph Stern in U. S. v. James C. Graye, et al (USDC Conn.); #2544 - Permanent injunction against Nathan Rubinstein a/k/a J. T. Ross (by consent) in SEC action against Bertram Goldsmith, et al a/k/a William Greenwald, et al, charging violations of Securities Exchange Act anti-fraud provisions; #2545 - Dismissal of SEC action v. Western Industries, Inc. and William J. Moore, Jr. (USDC, Ariz.) based on alleged violations of Securities Act anti-fraud provisions, court holding no showing that future violations could be anticipated; #2546 - Dismissal of SEC action against Benjamin Zwang & Co., Inc., and Benjamin Zwang (USDC SDNY) based upon alleged violations of Securities Act registration and anti-fraud provisions; #2547 - Imposition of sentences in fraud action involving stock of United Dye & Chemical Corp., as follows: Virgil D. Dardi, 7 years imprisonment and \$40,000 fine, Charles Berman, 6 years and \$35,000, Robert B. Gravis, 5 years and \$15,000, Charles M. Rosenthal, 4 years and \$20,000, and R. B. Gravis, \$15,000.

PANHANDLE EASTERN PIPE LINE RECEIVES ORDER. The SEC has issued an order under the Trust Indenture Act of 1939 (TI-185) finding that trusteeship of First National City Bank under an indenture of Panhandle Eastern Pipe Line Company dated 1950 (qualified under the Act) and an indenture dated 1939 (not so qualified) is no so likely to involve a material conflict of interest as to make it necessary in the public interest and for the protection of investors to disqualify the bank from acting as trustee under both indentures.

SOUTHERN CO. SEEKS ORDER. The Southern Company, Atlanta registered holding company, and two of its utility subsidiaries, Georgia Power Company, of Atlanta, and Gulf Power Company, of Pensacola, have applied to the SEC for an order under the Holding Company Act authorizing certain inter-company financing; and the Commission has issued an order (Release 35-14826) giving interested persons until April 15, 1963 to request a hearing thereon.

According to the application, Southern proposes to borrow from a group of banks up to \$8,000,000 and to use such funds, together with \$3,500,000 of treasury funds, to make additional investments in Georgia and Gulf as follows: Georgia will issue to Southern 110,000 common shares for \$11,000,000 and use the proceeds for construction purposes (estimated at \$88,249,000 for 1963); and Gulf will issue to Southern 5,000 common shares for \$500,000, and use the proceeds for construction (estimated at \$8,031,000 for 1963). Gulf further proposes to issue \$496,000 of 3½% first mortgage bonds due 1984 and to surrender such bonds to the trustee under the indenture in accordance with the sinking fund provisions thereof. Such bonds are to be issued on the basis of unfunded net property additions, thus making available for construction purposes cash which would otherwise be required to satisfy sinking fund requirements.

MISSISSIPPI POWER PROPOSES BOND OFFERING. Mississippi Power Company, Gulfport, Miss., utility subsidiary of The Southern Company, a registered holding company, has applied to the SEC for an order under the Holding Company Act authorizing its issuance of \$535,000 of 4-5/8% first mortgage bonds due 1987; and the Commission has issued an order (Release 35-14827) giving interested persons until April 17, 1963 to request a hearing thereon. Mississippi purposes to issue the bonds under provisions of its indenture dated September 1941 and to surrender the bonds to the trustee thereunder in accordance with its sinking fund provisions. The bonds are to be issued on the basis of property additions, thus making available for construction purposes cash which would otherwise be used to satisfy sinking fund requirements or to purchase bonds for such purposes.

LIFE AND CASUALTY INSURANCE FILES FOR SECONDARY. Life and Casualty Insurance Company of Tennessee, Life and Casualty Tower, Nashville, Tenn., filed a registration statement (File 2-21169) with the SEC on March 15 seeking registration of 500,000 outstanding shares of common stock, to be offered for public sale by John D. Murchison and Clint W. Murchison, Jr. through underwriters headed by Goldman, Sachs & Co., 20 Broad St., New York, and Equitable Securities Corporation, 322 Union St., Nashville. The public offering price (maximum \$36 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of writing life and accident and health insurance on an ordinary, weekly premium (industrial) and group basis in 19 states and the District of Columbia. Paul Mountcastle is board chairman and Guilford Dudley, Jr. is president. The company has outstanding 6,236,820 shares of common stock, of which John D. and Clint W. Murchison own 715,215 shares each (11.5%) and management officials as a group 15.8%. The Murchisons propose to sell 250,000 shares each.

UTAH POWER & LIGHT PROPOSES BOND OFFERING. Utah Power & Light Company, Salt Lake City registered holding company, has applied to the SEC for an order under the Holding Company Act authorizing its sale at competitive bidding of \$15,000,000 of first mortgage bonds due 1993; and the Commission has issued an order (Release 35-14828) giving interested persons until April 5, 1963 to request a hearing thereon. As previously reported (News Digest March 15) the net proceeds from the bond sale will be used to redeem (at 106.24%) \$15,000,000 of 5½% first mortgage bonds due 1987.

SECURITIES ACT REGISTRATIONS. Effective March 15: AMP Inc. (File 2-21081). Withdrawn March 14: San Francisco Capital Corp. (File 2-20272). Withdrawn March 15: Playboy Clubs International, Inc. (File 2-20416).

*As estimated for purposes of computing the registration fee.

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