

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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Statistical Release No. 1929. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended September 20, 1963, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1963 is as follows:

	1957-59 = 100		Percent Change	1963	
	9/20/63	9/13/63		High	Low
Composite	149.0*	148.8	0.1	149.0	130.6
Manufacturing	140.6*	140.1	0.4	140.6	121.1
Durable Goods	136.7*	136.1	0.4	136.7	116.2
Non-Durable Goods	144.3*	143.9	0.3	144.3	125.8
Transportation	128.4	128.1	0.2	131.7	106.4
Utility	182.4	183.1	-0.4	183.2	170.3
Trade, Finance & Service	179.9	180.9	-0.6	180.9	153.8
Mining	133.5	135.0	-1.1	135.6	104.2
	*New High				

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended September 19, 1963, 19 registration statements were filed, 10 became effective, 2 were withdrawn, and 273 were pending at the week-end.

LAWYER BARRED FROM COMMISSION PRACTICE. The SEC has issued an order under its Rules of Practice disqualifying Leonard A. Nikoloric, a Washington attorney, from appearing or practicing before it.

The Commission in June 1963 instituted disbarment proceedings pursuant to its Rules of Practice, based upon staff charges that in the preparation and filing of a notification under Regulation A of the Securities Act of 1933 in behalf of American Orbitronics Corporation, Nikoloric failed to disclose that he was a promoter of that company and that a prior public offering of its common stock had taken place in violation of the Securities Act registration provisions. The notification stated that a private offering of such stock had been made to 14 named persons, whereas the staff charged that some of those persons had acted as nominees for others and that some of the nominees had already resold at the time the notification was filed with the Commission. The staff further charged that Nikoloric, at the time he prepared and filed the notification, knew of the public offering and use of nominees and had himself solicited some of the sales made to the public. Nikoloric, while not admitting or denying the charges, consented to entry of the order.

OFFERING BY COMMODITY INVESTMENT PLAN OF AMERICA SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of securities by Commodity Investment Plan of America, 628 West 227th St., Riverdale, New York. The 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. In a notification filed on July 26, 1963, the issuer proposed the public offering of 1,200 limited partnership interests at \$250 per interest, the offering to be made on a "best efforts" basis by Commodity Group Sales Corp., an affiliate of the issuer. According to the order, the proposed offering is for the purpose of capitalizing at \$100,000 each of three separate limited partnerships to be known as CIPA Series 1, 2 and 3, which are to be created by the issuer. The Commission asserts in its suspension order that it has reasonable cause to believe that certain terms and conditions of the Regulation have not been complied with in that the issuer failed to properly disclose certain information in a prominent position in the forepart of the offering circular and failed to disclose certain other information in the offering circular in an accurate and adequate manner.

It is alleged that the issuer failed to properly disclose in the forepart of the offering circular certain information with respect to Leo Fassler, the general partner, and his relationship to the issuer and limited partnerships and limited experience in trading in commodity futures, as well as the fact that highly volatile movements in commodities and commodity contracts may occur over relatively short periods and that an investor in the partnership interests, regardless of the time it may appear prudent to withdraw from the commodity market, will continue to have his pro rata interest at risk until December 31 of the year in which he complies with the requirements of withdrawing from the partnership. It is also alleged that the issuer failed to properly disclose in the offering circular Fassler's policies with regard to (1) matching positions in long and short commodity contracts, (2) continuous investment of the funds as well as the percentage of funds that may be so invested at any time, (3) whether there are to be any transactions between the partnerships, and (4) whether any hedging transactions (or transactions which have the effect of hedging) are to be transacted for the accounts of the partnerships, as well as information concerning the calculation and distribution of net realized profits to the limited partners.

JAY LENNON CO. SEEKS ORDER. The Jay Lennon Company, of Hartford, Conn., principal underwriter and sponsor of the Aetna Life Stock Investment Programs, Connecticut General Stock Investment Programs, and Travelers Stock Investment Programs, each a registered unit investment trust, has applied to the SEC for an order under the Investment Company Act exempting each of such programs from the provisions of Section 22(d) of the Act to the extent necessary to permit Lennon under certain circumstances to offer such plans at reduced public offering prices; and the Commission has issued an order (Release IC-3770) giving interested persons until October 7, 1963 to request a hearing thereon. Under the proposal, Lennon Company proposes to offer ten-year programs with a reduced sales load of 5.6% (as against the present 8.73%) on programs opened simultaneously by five or more employees of a common employer. In all such programs, the multiple initial payment is not required and the sales load will be deducted at the rate of 20% from each of the first 12 payments and the balance at the rate of 4% in equal amounts from each of the subsequent payments. The reduced sales load will be applicable regardless of the combination of programs, and Lennon Company will also accept additional programs from the same or other employees of the employer at the reduced sales load, but reserves the right to discontinue acceptances of additions to group plans.

DIVIDEND SHARES SEEKS ORDER. Dividend Shares, Inc., New York open-end investment company, has applied to the SEC for an order under the Investment Company Act with respect to the proposed issuance of its shares at net asset value for substantially all of the cash and securities of Greensburg-Connellsville Coal & Coke Co., an exempt investment company with 26 stockholders; and the Commission has issued an order (Release IC-3771) giving interested persons until October 9, 1963 to request a hearing thereon. According to the application, the cash and securities of Greensburg have an approximate value of \$2,480,000 as of July 20, 1963; and as of that date the net assets of Dividend Shares amounted to \$321,762,888. The shares acquired by Greensburg are to be distributed to its shareholders on the liquidation of Greensburg.

CONTINENTAL VENDING SUSPENSION CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the common stock and debentures of Continental Vending Machine Corporation for a further ten-day period, September 24 to October 3, 1963, inclusive.

CORPORATE WORKING CAPITAL UP. The SEC Reports (for Newspapers of September 24th) that the net working capital of U. S. Corporations (excluding banks and insurance companies) increased \$2.1 billion in the second quarter of 1963 and at the end of June totaled \$147.1 billion. The second quarter rise compares with an increase of \$900 million in the previous quarter and \$2.0 billion in the second quarter of 1962. Current assets were \$7.0 billion higher in June than at the end of March and current liabilities rose \$4.8 billion. For further details see Stat. Release No. 1928.

BROCKTON EDISON FILES FINANCING PLAN. Brockton Edison Company, 36 Main St., Brockton, Mass., filed a registration statement (File 2-21718) with the SEC on September 20 seeking registration of \$5,000,000 of first mortgage and collateral trust bonds due 1993 and 60,000 shares of preferred stock (\$100 par), to be offered for public sale at competitive bidding. The company is engaged in the generation, purchase, transmission, distribution and sale of electricity and, incidentally, the sale of electric appliances. It is a member of the holding company system of Eastern Utilities Associates. The net proceeds from the bond sale will be used to redeem presently outstanding 5 $\frac{1}{2}$ % first mortgage and collateral trust bonds due 1989 (estimated to require about \$5,315,600); and the net proceeds from the preferred stock sale will be used to retire presently outstanding 5.60% and 5.48% preferred stock (estimated to require about \$6,511,200). In addition to certain indebtedness and preferred stock, the company has outstanding 281,632 shares of common stock, of which Eastern Utilities Associates own 97.6%. Paul E. Milstead is president and Guido R. Perera is board chairman.

CAPITOL FOOD INDUSTRIES PROPOSES DEBENTURE OFFERING. Capitol Food Industries, Inc., 105 South La Salle St., Chicago, filed a registration statement (File 2-21719) with the SEC on September 20 seeking registration of \$1,700,000 of 6 $\frac{1}{2}$ % sinking fund convertible subordinated debentures due 1978, to be offered for public sale at 100% of principal amount through underwriters headed by Walston & Co., Inc., 111 West Jackson Blvd., Chicago. The underwriting terms are to be supplied by amendment.

The company is engaged in the food business through its wholly-owned subsidiaries, Green Spot, Inc., a supplier of orange and other fruit concentrate bases for beverages, and Bowey's, Inc., a manufacturer, processor and supplier of powders, syrups, toppings, flavorings and other food ingredients. Of the net proceeds from the debenture sale, \$1,160,000 will be used to retire indebtedness incurred in connection with the acquisition of Green Spot in July 1963 (for an aggregate of \$1,674,168); \$76,500 to retire indebtedness of a wholly-owned subsidiary of Bowey's incurred to refinance existing indebtedness in a like amount; \$150,000 to retire indebtedness incurred by Bowey's in connection with its acquisition of a subsidiary; \$42,500 to retire a portion of indebtedness incurred by Bowey's in connection with the acquisition of its business from its predecessor; and the balance will be added to general funds to be available for future acquisitions, loan to subsidiaries and general corporate purposes. In addition to certain indebtedness, the company has outstanding 441,147 shares of common stock, of which Burton J. Vincent, president, holds as voting trustee 81.87%. Management officials as a group own beneficially 34.91%, including 10.82% by J. H. Johnson, a director.

INSURANCE SECURITIES FILES FOR SECONDARY. Insurance Securities Incorporated, 100 California St., San Francisco, filed a registration statement (File 2-21720) with the SEC on September 20 seeking registration of 400,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by White, Weld & Co., Inc., 20 Broad St., and Kidder, Peabody & Co., 20 Exchange Place, both of New York. The public offering price and underwriting terms are to be supplied by amendment. The company is the exclusive distributor of participating agreements in an open end investment company, Insurance Securities Trust Fund, which it also manages (subject to the supervision of the Fund's board); and it also is the sole stockholder of Life Insurance Company of California, a recently organized life insurance company. The

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company has outstanding 5,226,300 shares of common stock, of which D. D. Harrington, a director, and the Sid W. Richardson Foundation, of Fort Worth, own 1,180,443 shares (22.6%) and 631,404 shares (12.1%), respectively. They propose to sell 133,800 and 130,000 shares, respectively. The prospectus lists 13 other selling stockholders including Leland M. Kaiser, president, who proposes to sell 80,000 of 341,000 shares owned. Others propose to sell amounts ranging from 1,000 to 12,000 shares.

AEROSOL TECHNIQUES FILES FOR OFFERING AND SECONDARY. Aerosol Techniques, Incorporated, Bridgeport, Conn., filed a registration statement (File 2-21721) with the SEC on September 20 seeking registration of 150,000 shares of common stock, of which 80,000 shares are to be offered for public sale by the issuing company and the remaining 70,000 by the present holders thereof. The public offering price (maximum \$25 per share*) and underwriting terms are to be supplied by amendment. Laird & Company, Corporation, 61 Broadway, New York, is listed as the principal underwriter.

The company manufactures and packages cosmetic, household and pharmaceutical and medicinal aerosol products for other concerns for sale by them under their own brand names; and, through a subsidiary, it manufactures and markets its own pharmaceutical type aerosol products. Of the net proceeds to the company from its sale of additional stock, \$620,000 will be utilized in connection with its acquisition of stock of Continental Filling Corporation (a Danville, Ill., manufacturer and packager of aerosol products purchased in April 1963); \$190,000 for the acquisition of new equipment and repayment of sundry indebtedness; and the balance for working capital. In addition to certain indebtedness and 650 preferred shares, the company has outstanding 605,857 common shares, of which management officials own 64%. Herman R. Shepherd, president, proposes to sell 50,000 shares of his holdings of 309,000 shares; and two others (one a director) propose to sell 10,000 shares each.

TONKA TOYS FILES FOR OFFERING AND SECONDARY. Tonka Toys, Inc., Mound, Minn., today filed a registration statement (File 2-21722) with the SEC seeking registration of 179,500 shares of common stock, of which 129,500 shares are to be offered for public sale by the issuing company and the 50,000-share balance by the present holders thereof. The public offering price (maximum \$28 per share*) and underwriting terms are to be supplied by amendment. Bache & Co., 36 Wall St., New York, and J. M. Dain & Co., Inc., of 110 South Sixth St., Minneapolis, are listed as the principal underwriters.

The company designs, assembles, manufactures and markets toys under the trade name "Tonka" and "Mini-Tonka" consisting principally of two lines of metal trucks and other vehicles, construction equipment and related plastic toys and accessories. The company has entered into an agreement with Gresen Manufacturing Company to purchase the latter's net assets for a consideration of \$2,450,000 plus 22,500 common shares. The net proceeds of the stock sale, in an unspecified amount, will be applied first to pay the cash portion of the purchase price of Gresen, which included at July 30, 1963, cash of \$688,072. Gresen is engaged in the business of engineering, designing and manufacturing hydraulic components consisting of valves, pumps and filters. The balance of the proceeds will be used for working capital and to purchase from Bache & Co. warrants of the company covering 12,000 shares of its common stock.

In addition to certain indebtedness and preferred stock, the company has outstanding 412,500 shares of common stock, of which management officials own 32%. L. E. Baker, board chairman, owns 57,000 shares and proposes to sell 37,500 shares; R. L. Wenkstern, president, proposes to sell 7,500 of 29,325 shares held; and G. E. Batdorf, treasurer, proposes to sell 15,000 of 30,000 shares held.

TASTEE FREEZ SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Tastee Freez Industries, Inc., of Chicago, on the American Stock Exchange and over-the-counter market for a further ten-day period September 24 to October 3, 1963, inclusive. (The original 10-day suspension order, issued September 16th, will expire at the close of business September 25th. Renewal of the suspension on the 9th day will permit future orders with respect to Tastee Freez and Continental Vending to be issued on the same day as an administrative convenience.)

SECURITIES ACT REGISTRATIONS. Effective September 20: Schering Corp. (File 2-21562).
Effective September 23: Baldwin-Montrose Chemical Co. Inc. (File 2-21286); Texas Utilities Co. (File 2-21650); United States Radium Corp. (File 2-21520); Western Union International, Inc. (File 2-21250).
Withdrawn September 20: Electro-Optical Systems, Inc. (File 2-21485).

*As estimated for purposes of computing the registration fee.

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