

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 December 8, 1965

SIMPLIFIED DISCLOSURES PROPOSED. Manuel F. Cohen, Chairman of the SEC, today announced that he has asked the staff of the Commission to suggest ways to make corporate financial and other information in prospectuses, annual reports and proxy statements more understandable for the average investor. As part of this program, he said, the staff will prepare examples of how companies can clarify their reports to investors. He noted that an increasing number of Americans are investing in securities for the first time. If the purpose of disclosure is to be achieved, he said, companies must prepare their reports in terms which these investors can easily understand.

The Chairman also announced that the Commission was intensifying its efforts to improve its communications and service to the public. In a statement to Commission employees he asked them to give prompt, concise and courteous answers to questions and to avoid using jargon which might not be easily understood by persons outside the securities industry. The Chairman reported that he has also written to the stock exchanges and the National Association of Securities Dealers urging them to adopt similar programs and asking their help in improving the clarity of information which companies give to their investors.

DENIAL OF OWEN TAYLOR REGISTRATION PROPOSED. SEC Hearing Examiner Sidney Gross has filed an Initial Decision in administrative proceedings under the Investment Advisers Act involving an application of Owen K. Taylor, Inc., 40 Exchange Place, New York, for registration as an investment adviser. The Examiner ruled that the registration application failed to include required information as to prior business connections of Martin Oranzoff, secretary of the Taylor firm; that such failure violated Section 207 of the Act; and that Oranzoff and Isadore J. Aberlin, sole stockholder and controlling person, aided and abetted the violations. He also held that Aberlin engaged in certain purchases and short sales of securities in 1960 while insolvent and unable to meet his obligations, thereby causing the dealers through whom the transactions were consummated to suffer losses. This conduct, the Examiner ruled, constituted a violation by Aberlin of the anti-fraud provisions of the Securities Exchange Act. The respondents have fifteen days to seek Commission review of the Examiner's decision, in which he concluded that registration of the Taylor firm as an Investment Adviser should be denied. An earlier registration of the firm was revoked in July 1962.

SKAGIT VALLEY TELEPHONE HEARING POSTPONED. The SEC has authorized a postponement, from December 13, 1965, to January 17, 1966, of the hearing on the application of Skagit Valley Telephone Co., Mt. Vernon, Wash., for exemption from the registration requirements of Section 12(g) of the Securities Exchange Act.

QUEENSLAND ALUMINA SECURITY SEEKS ORDER. Queensland Alumina Security Corporation, Wilmington, Del., has applied to the SEC for an order under the Investment Company Act exempting it from all provisions of the Act; and the Commission has issued an order (Release IC-4429) giving interested persons until December 22 to request a hearing thereon. According to the application, the company was organized to facilitate the long-term financing in the United States of Queensland Alumina Ltd. ("QAL"), an Australian corporation, which will operate a bauxite processing plant in Queensland, Australia. All of the issued ordinary shares of QAL and all of applicant's outstanding 1,000 common shares are owned 20% by Pechiney Compagnie de Produits Chimiques et Electrometallurgiques; 52% by Kaiser Alumina Australia Corp., a wholly-owned subsidiary of Kaiser Aluminum & Chemical Corp.; 20% by Alcan Queensland Pty. Limited, a wholly-owned subsidiary of Aluminum Limited, and 8% by CRA Alumina Pty. Limited, a wholly-owned subsidiary of Conzine Riotinto of Australia Limited. Applicant proposes to sell \$135,000,000 principal amount of its secured notes to six domestic banks and insurance companies, and to apply the proceeds to the purchase of a like principal amount of dollar debentures to be issued by QAL. The secured notes are to be issued under a closed collateral trust indenture under which all of the applicant's common stock and all of the debentures will be pledged as security. It is further stated that the applicant will not operate at a profit or pay any dividends, that it has no present intention of issuing any securities other than its common stock and said secured notes, and that it will not trade in QAL dollar debentures, or own or hold securities of any other company.

STATE STREET INVESTMENT RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-4430) authorizing the State Street Investment Trust, Boston, Mass., open-end diversified investment company, to issue its shares at net asset value for substantially all of the cash and securities of Founders Industries, Inc. According to the application, the net assets of applicant and Founders Industries on September 24, 1965, approximated \$295,000,000 and \$4,155,000, respectively.

FLORIDA BANGCROWTH RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4432) granting an application of Florida Bancgrowth, Inc., Pompano Beach, Fla., closed-end, non-diversified management investment company, and M. N. Weir & Sons, Inc., Camino Gardens, Inc., Weir Mortgage Company, and Boca Raton National Bank (the latter companies being "affiliates" of Florida Bancgrowth) for exemption from certain provisions of the Act. According to the application, Camino is engaged in selling and constructing single and multiple family residences and commercial enterprises in Camino Gardens Subdivision, Boca Raton, Fla. Camino intends to invite all qualified registered real estate brokers in the Boca Raton-Pompano Beach area, of which Weir & Sons is one, to act as its agents in selling property to the general

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public for a 5% commission. Weir Mortgage is engaged in procuring mortgages on behalf of others from banks and other financial institutions and, in this connection, it is proposed that from time to time Weir Mortgage may offer to the Boca Raton National Bank the opportunity to place mortgages. It is expected that the Bank would pay Weir Mortgage a fee not to exceed 1% of the principal amount of any mortgage accepted by the Bank.

GENERAL ELECTRIC OVERSEAS CAPITAL CORP. RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4433) exempting General Electric Overseas Capital Corporation, New York, from all provisions of the Act, subject to certain conditions. According to the application, GE Overseas Capital was organized by General Electric Company under New York law in November 1965. All of its outstanding common stock (1,000 shares) is owned by General Electric. On or prior to March 1, 1966, General Electric will make a capital contribution to applicant of additional cash, securities or other property so that its capital will be not less than \$20,000,000. General Electric will also purchase any additional equity securities which applicant may issue in the future and will not make any disposition thereof except to applicant or to another wholly-owned subsidiary. GE Overseas Capital was organized to raise funds abroad for use in financing the requirements of General Electric's expanding foreign operations in a manner which will not adversely affect the United States balance of payments, in compliance with the voluntary cooperation program instituted by The President in February 1965. The subsidiary intends to issue and sell \$50,000,000 of its guaranteed bonds (due 1985) to a group of underwriters for sale outside of the United States. Any of its debt securities which may be issued to or held by the public will be guaranteed by General Electric.

JULIUS GARFINCKEL & CO. RECEIVES ORDER. The SEC has issued an order under the Securities Exchange Act (Release 34-7765) granting an application of Julius Garfinckel & Co., Inc., to withdraw its common stock from listing and registration on the Philadelphia-Baltimore-Washington Stock Exchange, effective at the opening of business on December 20. The proposed delisting was approved by stockholders on November 5, 1965.

STANDARD FINANCIAL RECEIVES ORDER. The SEC has issued an order under the Securities Exchange Act (Release 34-7765) granting an application of Standard Financial Corporation to withdraw its common stock from listing and registration on the Pacific Coast Stock Exchange, effective at the opening of business on December 20. The application states that the company's common stock is also listed on the New York Stock Exchange and that trading activity therein on the Pacific Coast Stock Exchange is not sufficient to warrant continued listing on the latter Exchange.

GENERAL MILLS FILES STOCK PLAN. General Mills, Inc., 9200 Wayzata Blvd., Minneapolis, Minn. 55440, filed a registration statement (File 2-24299) with the SEC on December 6 seeking registration of 300,000 shares of common stock, to be offered under its Employees' Qualified Stock Option Plan of 1965.

NASD DISCIPLINE OF THE JAMES CO. SUSTAINED. In a decision under the Securities Exchange Act announced today (Release 34-7762), the SEC dismissed a petition filed by Paul W. Rosenbloom, doing business as The James Company, 211 E. 43rd St., New York, and Robert I. Rosenbloom for review of NASD disciplinary action expelling the firm from membership and imposing a fine of \$1,000 and costs of \$242.78 on the applicants. The disciplinary action was based upon the firm's violations of the NASD's Rule of Fair Practice. Robert Rosenbloom who was in sole charge of the firm's operations, had been found a cause of the expulsion. The violations included making aggregate payments of \$3,060 to two employees of Fontana Securities, Inc., an NASD member, for the purpose of rewarding them for their efforts in effecting Fontana's purchase of 9,000 of the 154,375 shares of common stock of Rajac Self-Service, Inc., of which the James firm was principal underwriter on a best-efforts basis. No part of the \$3,060 was received by Fontana. The NASD had also found that the firm granted concessions to a non-member firm in the sale of the Rajac stock, as well as common stock of Long Island Plastics Corp. Based upon an independent review of the record and in view of the violations, particularly those involving the payments to employees of Fontana, the Commission concluded that the penalties imposed by the NASD are not excessive or oppressive.

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 in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the December 1 News Digest.

Gulf Resources, Inc.		Lehigh Portland Cement Co.	
Oct 65 (11)	2-17003-2	Oct 65 (7,13)	1-31-2
C.F. Kirk Laboratories, Inc.		Metro Inc.	
July 64 (11)	2-18318-2	Nov 65 (11)	2-13132-2
Universal Automated Industries, Inc.		Mohawk Electronics Corp.	
Oct 65 (12,13)	1-3237-2	Oct 65 (12,13)	2-15788-2
Belock Instrument Corp.		Palm Beach Towers Co.	
Oct 65 (12)	1-3882-2	Dec 64 (8,11,13)	2-18577-2
Empire Life Insurance Co (Calif)		General Life Insurance Co of Wisc.	
Oct 65 (7,9)	2-20749-2	Apr 65, (7) May 65 (11)	2-18308-2
First National Life Insurance Co,		Harnischfeger Corp.	
Oct 65 (12)	2-13503-2	Oct 65 (7,13)	1-1288-2
Kroehler Mfg Co.		The Stanley Works	
Oct 65 (4,7,8,13)	1-3918-2	Oct 65 (4,7,13)	0-778-2

Levingston Shipbuilding Co. Oct 65 (8)	2-13343-2	Armstrong Cork Co. Oct 65 (8)	1-2116-2
McQuay, Inc. Oct 65 (7)	0-1034-2	Handmacher-Vogel Inc. Amend #1 to 8K for Feb 65 (13)	0-1072-2
The Rucker Co. Oct 65 (8,12,13)	2-19797-2	The Rucker Company Amend # 1 to 8K for Oct 65 (13)	2-19797-2
Burnell & Co., Inc. Oct 65 (13)	1-4380-2	Cryogenic Engineering Co Aug. 1965 (3,13)	2-19267-2
Ozark Air Lines Inc. Oct 65 (7,13)	0-1214-2	Angeles Crest Devel. Co, Inc Sept. 1965 (11)	2-17651-2
Vasco Metals Corp. Oct 65 (4,7,11) June 65 (11,13)	1-1719-2	Atlas Sewing Centers, Inc Sept. 1965 (13)	1-4265-2
El Paso Natural Gas Co. Amend #1 to 8K for Sept 65 (7)	1-2700-2	Aerosol Techniques, Inc Oct. 1965 (7,13)	1-4529-2
Lockwood, Kessler, & Bartlett, Inc. Amend #1 to 8K for May 65 (13)	1-4293-2	Allied Artists Pictures Corp Sept. 1965 (6,8)	1-2965-2
Zion Foods Corp. Amend #1 to 8K for Aug 65 (13)	1-4560-2	July 1965 (7,8,13)	1-2965-2
The First Republic Corp of America Amend #2 to 8K for Sep 65(7,8)	0-1437-2	Aug. 1965 (8)	1-2965-2
Santa Fe Drilling Co. Amend #1 to 8K for Sep 65	1-4827-2	Dynso Ind, Inc Oct. 1965 (11)	1-4832-2
Thomas Industries Inc. Amend #1 for Sept & Oct 65 (4,8)	0-1126-2	Hygrade Packaging Corp Oct. 1965 (8)	2-18821-2
Cryogenic Engineering Co. Sept 65 (3)Apr 65(7,13)	2-19267-2	Premier Microwave Corp June 1965 (8,13)	2-16971-2
Golden Cycle Corporation Oct 65 (13)	0-602-2	Marriott Hot Shoppes, Inc Nov. 1965 (11)	0-23-2
Grow Chemical Corp. Oct 65 (11,12,13)	1-4596-2	ABC Consolidated Corp Oct. 1965 (12,13)	1-3554-2
Landis Tool Company Nov 65 (13)	0-1509-2	Bush Terminal Co Oct. 1965 (2)	1-3047-2
Inland Credit Corp. Oct 65 (8)	1-4390-2	Canadian Williston Minerals Ltd Oct. 1965 (11,13)	1-3781-2
Nopco Chemical Co. Oct 65 (7,8)	1-2627-2	Gridoil Freehold Leases, Ltd Nov. 1965 (11,13)	2-14731-2
White Consolidated Industries Inc Oct 65 (2)	1-826-2	Teleprompter Corp Oct. 1965 (4,7,8,13)	1-4138-2
Interstate Motor Freight System Nov 63 (8) Dec 63 (7)		Triumph Storecrafters Corp Feb. 1965 (11)	2-16599-2
Jan 64 (8) Mar 64 (8)		Oct. 1964 (13)	2-16599-2
Apr 64 (8) May 64 (8)		Canadian Javelin Ltd Oct. 1965 (2,13)	1-4192-2
Jun 64 (8) Oct 64 (8)		Checker Motors Corp Oct. 1965 (3)	1-203-2
Nov 64 (8) Jan 65 (8,13)		Permanent Filter Corp Sept. 1965 (2,13)	0-1680-2
Feb 65 (8) Apr 65 (8)		General Plywood Corp Oct. 1965 (3,10,13)	1-3291-2
May 65 (8) Jul 65 (7)	1-4758-2	R.T.I. Liquidating Co Oct. 1965 (2,11,13)	1-3614-2
Aug 65 (7) Oct 65 (7)		Savin Business Machines Corp Oct. 1965 (7)	0-1666-2
Martha White Mills, Inc. Oct 65 (11,13)	0-411-2	Ventura Oil Co Oct. 1965 (11,12,13)	0-1279 2
Yardney Electric Corp. Oct 65 (3,11)	0-1689-2		
Eastern Mass. St. Ry. Co. Oct 65 (6)	1-1563-2		
Bloomfiled Bldg. Industries Inc. Oct 65 (7,12,13) Sep 65 (12,13)	1-4608-2		
Omark Industries, Inc. Oct 65 (12)	0-1824-2		

Wilshire Oil Co of Texas Oct. 1965 (1,3)	1-4673-2
Ohio Brass Co Oct. 1965 (4,7)	1-47-2
American Gypsum Co Oct. 1965 (3,8,12,13)	0-1834-2
Duraloy Co Nov. 1965 (7)	1-3475-2
Vitramon, Inc Oct. 1965 (12)	0-415-2
Peabody Coal Co Oct. 1965 (7)	1-1468-2
Potter Instrument Co, Inc Nov. 1965 (11)	1-4813-2
Rusco Ind, Inc Oct. 1965 (8,12)	1-5087-2
Russ Togs, Inc Oct. 1965 (7,8,13)	1-4703-2
H. J. Heinz Co Oct. 1965 (4,7,13)	1-3385-2
Michigan Wisconsin Pipe Line Co Oct. 1965 (7,13)	2-13345-2
First Western Financial Corp Amend #1 to 8K for Oct. 1965 (13)	1-4938-2
Universal Moulded Fiber Glass Corp Amend #1 to 8K for Oct. 1965 (13)	0-470-2
Gulf American Land Corp Amend #1 to 8K for Oct. 1965 (13)	1-4470-2
Copymation, Inc Amend #1 to 8K for Sept. 1964	0-1969-2

SECURITIES ACT REGISTRATIONS. Effective December 7: Capital Exchange Fund, Inc., 2-24149; General Dynamics Corp., 2-24270; General Electric Overseas Capital Corp. and General Electric Co., 2-24247 (Mar 8). Effective December 8: Big "C" Stores, Inc., 2-24169 (40 days); Civic Finance Corp., 2-24225 (Jan 17); Data Processing Financial & General Corp., 2-24171 (Mar 9); Dynamics Research Corp., 2-24095 (Mar 8). Withdrawn December 7: Conductron Corp., 2-23957.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

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