

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington, D.C. 20549

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 65-12-14)

FOR RELEASE December 20, 1965

**INDIVIDUALS' SAVING UP.** The SEC announces (for December 21st Newspapers) that individuals saved \$10.7 billion in financial form during the third quarter of 1965. This was a record quarterly total for the post-war period, exceeding the previous high in the fourth quarter of last year by \$2.2 billion. The high rate of saving reflected the sharp rise in disposable personal income not completely offset by increased consumer expenditures. The principal development in the pattern of saving in the third quarter was a large rise in individuals' bank deposits, including checking accounts and savings deposits. During the period individuals' indebtedness, an offset to saving, grew much less than usual primarily because of large repayments of securities loans by brokers and dealers (included in this series as "individuals"). Among other categories of saving, there was lower investment than in the second quarter in savings and loan association shares, corporate and tax-exempt bonds, and government insurance. Net sales of stock, other than investment company issues, continued heavy for the fourth consecutive quarter. (For additional details see Stat. Release 2096).

**SEC ORDER CITES GEORGE P. HODGES.** The SEC has ordered administrative proceedings involving George P. Hodges, an investment adviser, doing business as The Investment Press, 110 First St., Los Altos, Calif., and the successor investment-advisory firm of GJH Corporation, doing business as The Investment Press, of the same address. George P. Hodges is the president and a director of GJH.

The proceedings are based upon staff charges that Hodges violated the anti-fraud and other provisions of the Investment Advisers Act of 1940. A hearing will be held, at a time and place to be announced, to take evidence on the staff charges and afford the respondents an opportunity to establish any defenses thereto, all for the purpose of determining whether the alleged violations occurred and, if so, whether any action of a remedial nature is appropriate in the public interest.

**MOTION RE BANK CASE DENIED.** The SEC has denied a motion of the NASD that the Commission amend its Notice of Filing with respect to the exemption application filed by First National City Bank under the Investment Company Act. The NASD had sought a further description of the operation of the Commingled Investment Account proposed by the Bank, contending that in the absence thereof the record of the proceedings upon the exemption application was factually inadequate to determine the issues raised because of the asserted lack of specificity concerning the nature of the supervision over the Account which would be exercised by the Committee to be initially appointed by the Bank and subsequently elected by participants in the Account. The motion was opposed by the Bank and the SEC staff. In denying the motion, the Commission noted that the Application and the exhibits attached thereto, consisting of copies of the proposed Prospectus relating to the Commingled Investment Account and of the proposed management agreement between the Committee and the Bank, contained a description of the operation of the Account. It also noted that the Bank had submitted with its brief on the motion a copy of a letter of the Comptroller of the Currency setting out the principal features of the proposed arrangement between the Bank and the Account and approving such arrangement, and the Commission directed that such letter be deemed a part of the record in the proceedings. The Commission granted a one-week extension, to December 28th, for the filing of reply briefs on the merits of the exemption application.

**OHIO EDISON RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15367) authorizing Ohio Edison Company, Akron, Ohio, to acquire from the Village of Lowellville, Ohio, the electric distribution system (exclusive of land and buildings) presently owned and operated by the latter, for \$258,560. According to the application, Ohio Edison presently supplies power to Lowellville for distribution over its system under a municipal resale power contract, which the parties will terminate at the time of the transfer of the property. The filing states that upon the consummation of the acquisition, the property will be operated as a part of the Ohio Edison integrated system, and that application of Ohio Edison's rates will result in an overall reduction in the bills of Lowellville's present customers.

**VAIL ASSOCIATES FILES EXCHANGE PROPOSAL.** Vail Associates, Inc., Vail, Colo., filed a registration statement (File 2-24322) with the SEC on December 16 seeking registration of 871,228 shares of common stock. The stock is to be offered in exchange for interests in Vail Associates, Ltd., a Colorado limited partnership, and in The Vail Corporation, a general partner. According to the prospectus, the number of shares to be exchanged are to be equal to the proportion of capital invested in Vail Associates, Ltd., by the holders of such interests.

Organized under Colorado law in October 1965, the company proposes to succeed to the business of the partnership, which owns and operates ski lifts, a ski school, related food serving facilities and a hotel in Vail, Colo. Assuming the issuance of all of the shares being registered, management officials will own 178,036 common share of the company. Peter W. Seibert is president.

**VASCO METALS FILES STOCK PLAN.** Vasco Metals Corporation, Latrobe, Pa. 15650, filed a registration statement (File 2-24327) with the SEC on December 16 seeking registration of 200,000 shares of capital stock, to be offered pursuant to its Employees' Stock Purchase Plan.

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**JOSTENS FILES STOCK PLAN.** Jostens, Inc., 148 E. Broadway, Owatonna, Minn. 55060, filed a registration statement (File 2-24328) with the SEC on December 17 seeking registration of 135,000 shares of common stock, to be offered under the company's Stock Option Plan.

**SPACE CRAFT FILES FOR SECONDARY.** Space Craft, Inc., 8620 S. Memorial Parkway, Huntsville, Ala., filed a registration statement (File 2-24323) with the SEC on December 16 seeking registration of options to purchase 21,000 shares of common stock and the underlying shares. The prospectus states that in connection with a recent public offering of securities of the company, Goodbody & Co. acquired from Bill B. Greever, one of the selling shareholders in said offering, options to purchase common shares owned by him, as follows: (a) 10,000 shares at \$12.50 per share and (b) 11,000 shares at \$13.50 per share. The options may be exercised by Goodbody & Co. and the shares received therefrom may be offered for public sale at the market price current at the time of sale (\$20 per share maximum\*).

Organized under Delaware law in 1961, the company is engaged primarily in the research, development and manufacture of aerospace systems and electronic products. According to the prospectus, substantially all of its sales are made to agencies of the United States Government or to private companies holding contracts with Government agencies. In addition to indebtedness, the company has outstanding 391,368 common shares, of which management officials own 23%. Robert E. Lindstrom is president.

**BARBER OIL SEEKS ORDER.** Barber Oil Corporation, New York, has applied to the SEC for an order under the Investment Company Act exempting it from provisions of the Act until such time as the Commission acts on a prior application filed by the company for an order declaring that it is not an investment company. The Commission has issued an order (Release IC-4451) giving interested persons until January 10, 1966, to request a hearing thereon. Section 3(b)(2) of the Act provides that the filing of an application for an order declaring that a company is not an investment company shall exempt the applicant for a 60-day period from provisions of the Act applicable to investment companies as such. Such exemption for Barber Oil expired on November 7, 1965.

**PINAL COUNTY DEVELOPMENT SUSPENSION CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in bonds of Pinal County Development Association for a further ten-day period, December 21-30, 1965, inclusive.

**NORTHEASTERN FINANCIAL SEEKS ORDER.** Morris M. Schnitzer, trustee for Northeastern Financial Corporation, Newark, N. J., registered closed-end non-diversified investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to certain transactions incident to the assumption by Atlantis International Corporation of certain indebtedness incurred by Northeastern; and the Commission has issued an order (Release IC-4452) giving interested persons until January 7, 1966, to request a hearing thereon. According to the application, Northeastern and Atlantis are affiliated companies by virtue of Northeastern's ownership of 150,000 of the outstanding 1,008,618 common shares of Atlantis, constituting its principal asset. Northeastern also has an installment contract to buy 135 lots in a 1,200-acre tract owned and being developed by Atlantis. Northeastern has paid \$25,200 of the \$198,200 purchase price of such lots but is in arrears on the balance of the installment payments. The trustee was appointed for Northeastern in May 1963 following an injunctive action by the SEC to prevent violations of the Federal securities laws. Subject to Court and Commission approval, the trustee has entered into an agreement which provides, among other things, that Atlantis will assume Northeastern's outstanding 8%, 10-year income bonds in the amount of \$39,000 at the reduced interest rate of 6%, and it will pay \$50,000 as administrative expenses of the trusteeship.

**MANAGEMENT ASSISTANCE PROPOSES RIGHTS OFFERING.** Management Assistance Inc., 300 E. 44th St., New York 10017, filed a registration statement (File 2-24329) with the SEC on December 17 seeking registration of \$10,750,000 of 6½% subordinated capital debentures (due 1980) and 215,000 shares of common stock. The securities are to be offered for subscription by the company's stockholders, in units consisting of \$50 principal amount of debentures and one common share, at the rate of one unit for each 14 common shares held. Any unsubscribed shares are to be offered for public sale through underwriters headed by White, Weld & Co. Inc., 20 Broad St., New York. The record date, offering price (\$75 per unit maximum\*), and underwriting terms are to be supplied by amendment.

The company rents punch card and other data processing equipment and provides related reconditioning, preventive maintenance, repair, consulting and programming services. Net proceeds of this financing will be added to general funds and devoted primarily to the purchase of additional data processing equipment, including equipment which will be located in foreign companies. In addition to indebtedness and preferred stock, the company has outstanding 2,908,872 common shares, of which management officials own 27% (including 12.8% owned by Walter R. Oreamuno, board chairman). Jorge M. Gonzalez is president.

**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.

8K Reports for Nov 65

America Electronic Laboratories (7,10)	0-230-2	Clark Equipment Co. (13)	1-825-2
Arkansas Valley Industries, Inc. (13)	0-1594-2	Guerdon Industries, Inc. (6)	1-4317-2
Collins & Aikman Corp. (7)	1-205-2	Household Finance Corp. (2,7,13)	1-75-2
Communications Satellite Corp.(3)	1-4929-2	Virginia Telephone & Telegraph Co. (8)	0-763-2
General Electrodynamics Corp. (8)	2-23834-2	Woodward & Lothrop Inc. (13)	1-1384-2
Gordon Jewelry Corp. (11,13)	1-4540-2	Allied Chemical Corp. (8)	1-1269-2
Mountain States Tel & Tel Co. (3)	1-3040-2	Bonanza Airlines, Inc. (3,12)	1-5100-2
General Mills, Inc. (13)	1-1185-2	C. I. T. Financial Corp. (7,13)	1-1861-2
Gyrodyne Co. of America, Inc. (8,12)	0-1684-2	Consumers Power Co (3,12)	1-2216-2
International Railways of Cen America (6)	1-1444-2	Interlake Steel Corp.(12,13)	1-1068-2
Levine's, Inc. (12,13)	1-4609-2	Koppers Co, Inc. (7,13)	1-3224-2
The Mansfield Tire & Rubber Co (2,13)	1-3961-2	Nashua Corp. (11,13)	0-1023-2
Symington Wayne Corp. (8)	1-1273-2	Ohio Edison Co. (3)	1-2578-2
H & B American Corp. (8)	1-4089-2	Transitron Electronic Corp. (2,13)	1-4261-2
House of Fabrics, Inc. (4,7,8,12,13)	1-5093-2	Volume Distributors, Inc. (11)	0-1961-2
Management Assistance, Inc. (4,7,9,11,13)	2-21532-2	Walcham Watch Co (Del) (7,8)	0-1447-2
Natl. Video Corp-Rico Electronics, Inc. (7)(Natl. Video)	1-4280-2	Wieboldt Stores, Inc. (6,8,12)	1-2302-2
Natl. Video Corp-Rico Electronics, Inc. (7)(Rico Elec.)	1-4280-2	Caterpillar Tractor Co (7,13)	1-768-2
Sunshine Biscuits, Inc. (4,13)	1-2135-2	Internatl. Paper Co (3)	1-3157-2
Christiana Oil Corp. (9,13)	1-3846-2	HOI Corp. (12,13)	0-195-2
Colgate-Palmolive Co (12,13)	1-644-2	San Jose Water Works (7,13)	0-1019-2
International Mining Corp. (2)	1-2761-2	Selas Corp of America (1)	1-5005-2
Interstate United Corp. (11)	0-1772-2	Henry I. Siegel Co Inc (7)	1-4885-2
The North Atlantic Life Insurance Co. (1)	2-20701-2	Desoto Chemical Coatings, Inc (8)	1-1915-2
Associated Brewing Co. (11,13)	1-909-2	The Hanna Mining Co (2,7,13)	0-1098-2
Continental Securities Corp. (7,13)	2-23494-2	Iowa Public Service Co (Iowa)(8)	1-5131-2
Handmacher-Vogel Inc.(4,7,13)	0-1072-2	Kirby Petroleum Co (Nevada ) (4,7,8,9,13)	1-4035-2
Hilton Credit Corp. (1,12,13)	0-878-2	Levitt & Sons Inc. (4,7,12,13)	1-4770-2
Hilton Hotels Corp. (1,13)	1-3427-2	MCA Inc. (8)	1-4243-2
Kerr-McGee Corp. (7,13)	1-3939-2	Ryder System Inc. (4,8,11,12,13)	1-4364-2
Major Realty Corp. (11)	0-1748-2	Savin Business Machines Corp.(7)	0-1666-2
Reeves Industries, Inc. (13,7)	1-4184-2	Central Transformer Corp. (7,13)	0-83-2
Rexall Drug & Chemical Co. (7,13)	1-3894-2	W. R. Grace & Co. (13)	1-3720-2
Richardson-Merrell Inc. (3)	1-1029-2	Houdaille Industries Inc. (7,13)	1-328-2
		Memcor Inc. (12,13)	1-4890-2
		Professional Discount Corp. (8)	0-1373-2
		Russell Mills, Inc. (4,7,11)	0-1790-2
		Sperry Rand Corp. (13)	1-3908-2
		General Instrument Corp. (4,9,11,13)	1-3406-2
		Norfolk and Western Ry Co. (3,8,13)	1-546-2

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended December 16, 1965, 33 registration statements were filed, 37 became effective, 5 were withdrawn, and 302 were pending at the week-end.

**SECURITIES ACT REGISTRATIONS.** Effective December 17: The B. V. D. Company, Inc., 2-24082; Control Data Corp., 2-24267; Spartans Industries, Inc., 2-24242 (Jan 27); Trans-Continental Telephone & Electronics, Inc., 2-24164.

Effective December 20: Alphanumeric Inc., 2-24071 (Mar 20); CAC, Inc., 2-24219 (90 days); Cooper Tire & Rubber Co., 2-23911; Creative Programs Corp., 2-24085 (90 days); The Family Bargain Centers, Inc., 2-24282 (Mar 20); Fotochrome, Inc., 2-23873 (40 days); Kliklok Corp., 2-24224 (Mar 21); Mercury Chemical Corp., 2-24062 (Mar 20).

Withdrawn December 17: Control Data Corp., 2-23036.

**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.

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

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