

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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Washington 25, D.C.

FOR RELEASE January 23, 1961

Statistical Release No. 1729. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended January 20, 1961, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1960 - 1961 is as follows:

	1957-59 = 100		Percent Change	1960 - 1961	
	1/20/61	1/13/61		High	Low
Composite **	121.2	120.5	+0.6	121.4	107.7
Manufacturing	115.5	115.1	+0.3	122.0	103.6
Durable Goods	119.0	118.5	+0.4	129.5	107.7
Non-Durable Goods	112.3	112.1	+0.2	115.1	99.5
Transportation	102.2	100.5	+1.7	108.3	87.1
Utility	148.8*	147.1	+1.2	148.8	118.4
Trade, Finance & Service	135.3*	134.5	+0.6	135.5	120.5
Mining	86.1	83.8	+2.7	86.7	67.0

* New High

** (Note to Press: Hereafter, the week-end "composite" figures will be available about two hours after market close. For information, call Worth 2-2118.)

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended January 19, 1961, 43 registration statements were filed, 24 became effective, 3 were withdrawn, and 319 were pending at the week end.

SPEEDRY CHEMICAL FILES STOCK PLAN. Speedry Chemical Products, Inc., 91-31 121st Street, Richmond Hill, N. Y., filed a registration statement (File 2-17494) with the SEC on January 19, 1961, seeking registration of 35,000 shares of Class A common stock, to be offered to employees of the company and its subsidiaries pursuant to its Stock Option Plan.

ROCKET RESEARCH FILES FOR OFFERING. Rocket Research Corporation, 233 Holden Street, Seattle, Wash., filed a registration statement (File 2-17495) with the SEC on January 19, 1961, seeking registration of 300,000 shares of common stock, to be offered for public sale at \$2.25 per share. The offering is to be made by a group of underwriters headed by Craig-Hallum, Inc., on an all or none basis, for which they will receive a 25¢ per share commission.

The company was organized under Washington law in 1959 and to date is primarily engaged in research on new high energy propellant systems, the development of a miniature rocket for application to satellite and space vehicles and a rocket powered pump, and in the preparation of proposals which have been submitted to certain governmental agencies. It intends to engage in two major areas of research, development and manufacture: first, in military and space research, carried out under contract with government agencies or large prime government contractors, encompassing the discovery, design, development and manufacture of new propellants, rocket engines, components and systems; and second, the development and manufacture of products applying the techniques of rocketry and high temperature technology in general to industrial and commercial requirements. The estimated \$583,932.50 net proceeds from the sale of stock will be used as follows: \$150,000 for research development programs; \$215,000 for acquisition of new offices, laboratory, manufacturing facilities, instrumentation and tooling equipment, ship and test machinery and devices, office furniture, and for a remote rocket test facility including equipment; \$20,000 for repayment of a loan from the principal underwriter; \$115,000 for working capital for research sponsored by government agencies and for manufacturing operations; and the balance for future research, development and manufacturing activities and required plant and facilities expansion.

The company has outstanding 138,000 shares of common stock, of which Robert M. Bridgforth, Jr., board chairman, owns 90,000 shares, Dr. George S. Sutherland, president, owns 30,000 shares, and management officials as a group own 138,000 shares. According to the prospectus, Bridgforth, Sutherland, Regis A. Hachert and Zachary S. Price, the promoters of the company, paid a total of \$4,600 for their aggregate holdings of 138,000 shares, which will represent a 31.5% interest in the company, assuming the 300,000 shares are sold, as against an investment of \$675,000 by public investors for a 68.5% interest. The company also has reserved an additional 140,000 shares for issuance to certain officials and employees under stock option plans; and the four promoters have each been granted ten-year options to purchase 30,000 shares, the exercise price of the options being \$2.25 per share.

THE SOUTHERN SYSTEM FILES FINANCING PROPOSAL. The Southern Company, Atlanta holding company, has joined with its subsidiaries in the filing of a proposal under the Holding Company Act for system financing; and the Commission has issued an order (Release 35-14355) giving interested persons until February 6, 1961, to request a hearing thereon. As previously reported (News Digest of 1/9/61), Southern proposes to offer for sale at competitive bidding 900,000 shares of common stock, the price to be determined by competitive bidding.

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The estimated \$35,000,000 net proceeds of such sale will be used to pay off \$22,000,000 of bank notes and to purchase, during 1961, additional stock of subsidiaries, as follows: Alabama Power Company, 60,000 shares for \$6,000,000; Georgia Power Company, 60,000 shares for \$6,000,000; Gulf Power Company, 20,000 shares for \$2,000,000; and Mississippi Power Company, 10,000 shares for \$1,000,000. In addition, Alabama and Georgia each propose to purchase 15,000 additional shares of Southern Electric Generating Company stock for an aggregate consideration of \$3,000,000. The funds will be used by the five subsidiaries for construction purposes.

WEST TEXAS UTILITIES PROPOSES BOND OFFERING. West Texas Utilities Company, Abilene, Texas, has filed an application under the Holding Company Act proposing the public offering at competitive bidding of \$8,000,000 of first mortgage bonds; and the Commission has issued an order (Release 35-14356) giving interested persons until February 6, 1961, to request a hearing thereon. As previously reported (News Digest of 1/17/61), West Texas Utilities proposes to apply the proceedings of the bond sale to property additions and improvements, including the payment of some \$3,600,000 of bank notes issued for such purpose.

AMERICAN SALES TRAINING ORDERED TO SHOW CAUSE. The SEC Chicago Regional Office announced January 13th (LR-1889) the entry of a Federal court order (USDC, ND Ill, ED) directing American Sales Training Research Associates, Inc., to show cause on January 20th why it should not produce certain documentary evidence pursuant to SEC subpoena.

COURT ORDER ENJOINS BERT L. SNYDER JR. The SEC Chicago Regional Office announced January 16th (LR-1890) the entry of a Federal court order (USDC, Owensboro, Ky.) permanently enjoining Bert L. Snyder, Jr., doing business as Mid-West Petroleum Company, from violations of the Securities Act registration requirements in the sale of interests in oil and gas rights.

CRIMINAL COMPLAINT NAMES DAVID FARRELL, OTHERS. The SEC San Francisco Regional Office announced January 17th (LR-1891) the filing of a criminal complaint against Los Angeles Trust Deed & Mortgage Exchange, Trust Deed & Mortgage Markets, David Farrell, President, Director and controlling stockholder, Oliver J. Farrell, Vice-President and Director, Stanley C. Marks, Comptroller, Thomas Wolfe, Jr., Executive Assistant to David Farrell, and Frank Stark, Vice-President and Manager of the San Francisco Office, of Los Angeles Trust Deed and Mortgage Exchange. The complaint charged a conspiracy to violate the anti-fraud and registration provisions of the Securities Act and Mail Fraud Statute in connection with the sale of "investment contracts" and other securities issued under an investment plan known as the Secured 10% Earnings Program. The individuals were arrested and placed under bond ranging from \$200,000 to \$5,000.

d'AVIGDOR CO. ENJOINED. The SEC New York Regional Office announced January 13th (LR-1892) the entry of a Federal court order (USDC SDNY) permanently enjoining further sales of Sway Control Inc. stock by Leslie d'Avigdor, doing business as d'Avigdor Company, New York, in violation of the Securities Act registration requirement, and enjoining d'Avigdor from further violation of the SEC net capital and bookkeeping rules.

DELISTING OF HILLER REALIZATION PROPOSED. The Pacific Coast Stock Exchange has applied to the SEC to delist the common stock of Hiller Realization Corporation (formerly Hiller Aircraft Corp.); and the Commission has issued an order (Release 34-6458) giving interested persons until January 31, 1961, to request a hearing thereon. Hiller has declared a final liquidating dividend in shares of Electric Auto-Lite Co.

UNLISTED TRADING IN EIGHT STOCKS GRANTED. The SEC has issued an order (Release 34-6458) granting an application of the Pacific Coast Stock Exchange for unlisted trading privileges in the common stocks of the following: Campbell Soup Company, The Firestone Tire & Rubber Company, General Mills, Inc., The National Cash Register Company, Outboard Marine Corporation, Thiokol Chemical Corporation, Universal Oil Products Company, the Upjohn Company.

A-DRIVE AUTO LEASING SYSTEM FILES FOR OFFERING AND SECONDARY. A-Drive Auto Leasing System, Inc., 1616 Northern Boulevard, Manhasset, New York, filed a registration statement (File 2-17496) with the SEC on January 19, 1961, seeking registration of 100,000 shares of Class A stock, of which 75,000 shares are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. The offering is to be made at \$10 per share through a group of underwriters headed by Hill, Darlington & Grimm, who will receive a \$1 per share commission plus \$15,000 for expenses. The selling stockholders have sold 5,000 shares of Class B common stock to the principal underwriter and 5,000 shares to Lewis & Stoehr, Inc. at 10¢ per share. Class B shares are convertible into Class A on a two for one basis after January 11, 1962.

The company is in the business of leasing automobiles and trucks for periods of more than one year. The \$648,000 net proceeds from the company's sale of additional stock will be used as follows: \$335,000 to repay borrowings in that amount from officers and stockholders of the company and others at 6% interest per annum; \$75,000 to furnish and to staff offices which the company expects to open in Philadelphia and New Haven, and to acquire a lease for and equip a large garage in New York City to be used for the maintenance of leased automobiles and the leasing of trucks in that city; and the balance to repay outstanding indebtedness carrying relatively high interest rates.

Pursuant to a recapitalization on January 11, 1961, the company's 102 shares of common stock then outstanding were reclassified into 70,000 shares of Class B and 25,000 shares of Class A stock. Miltod Corp., of New York, owns 40,000 Class B and 16,667 Class A shares and Richard J. Reynolds, president, owns 20,000 Class B and 8,333 Class A shares. Each proposes to sell all of such Class A holdings. Allan Gittleson is

listed as board chairman of the company and president and principal stockholder of Miltod Corp. The original 102 shares of common stock were issued to Miltod and Reynolds in consideration of the payment to the company of \$10,000 in cash.

RE RE & SAGARESE HEARING SCHEDULED. After several postponements on request of respondents' counsel, the hearing will commence Tuesday, January 24th, in the proceedings announced May 12, 1960 (Release 34-6264) to determine whether Federal securities laws were violated by Re, Re & Sagarese and its members, Gerard A. Re and Gerard F. Re, and, if so, whether the firm's broker-dealer registration should be revoked and whether the two members should be suspended or expelled from membership in the American Stock Exchange.

LORAL ELECTRONICS FILES STOCK PLANS AND SECONDARY. Loral Electronics Corporation, 825 Bronx River Avenue, New York, filed a registration statement (File 2-17497) with the SEC on January 19, 1961, seeking registration of (1) 246,094 shares of common stock to be offered to selected key employees pursuant to the company's 1959 and 1960 Restricted Stock Option Plans and (2) 9,450 outstanding shares of common stock to be offered for public sale from time to time by Bernard S. Gilman either through broker firms on the American Stock Exchange or in the over-the-counter market at prevailing market prices. Gilman received such shares as part payment of the purchase price of the entire issued and outstanding stock of Hillburn Electronic Corp. acquired by the company in June 1960.

The company is primarily engaged in the research, development and production of electronic equipment for military use, and it also manufactures and sells wire products, electro-mechanical relays and certain metal products. In addition to certain indebtedness, the company has outstanding 1,740,444 shares of common stock of which Leon Alpert, president and board chairman, owns 358,125 shares and William Lorenz, executive vice president, owns 337,050 shares.

MARKO MINING & MILLING SUSPENSION PERMANENT. The SEC has issued an order (Release 33-4318) making permanent its June 1960 order temporarily suspending a Regulation A exemption from registration under the Securities Act with respect to a public offering of stock by Marko Mining & Milling Co. Inc., of Las Vegas. The suspension order asserted that Marko Mining & Milling had failed to disclose certain material facts in its offering circular. At the hearing, company counsel filed a stipulation consenting that the suspension be made permanent.

ADRS FOR FIVE JAPANESE ISSUED FILED. The Chemical Bank New York Trust Company filed registration statements with the SEC on January 19th seeking registration of American Depositary Receipts for 50,000 shares of common stock of each of the following Japanese companies: (1) Maruzen Oil Company, Ltd. (File 2-17498); (2) Mitsubishi Shoji Kaisha, Ltd. (File 2-17499); (3) Mitsubishi Heavy Industries Reorganized, Ltd. (File 2-17500); (4) Tokyo Shibaura Electric Co., Ltd. (File 2-17502); and (5) Yawata Iron & Steel Co., Ltd. (File 2-17503).

CHESAPEAKE AND POTOMAC TELEPHONE PROPOSES DEBENTURE OFFERING. The Chesapeake and Potomac Telephone Company, 930 H Street, N. W., Washington, D. C., today filed a registration statement (File 2-17501) with the SEC seeking registration of \$20,000,000 of 37-year debentures due February 1, 1998, to be offered for public sale at competitive bidding. The net proceeds from the sale of debentures will be applied toward repayment of advances from American Telephone and Telegraph Company, its parent, which are expected to approximate \$21,000,000 at the time the proceeds are received. According to the prospectus, advances from the parent are obtained under an established practice of the company of borrowing from the parent, as the need arises, for general corporate purposes, including extensions, additions and improvements to the company's plant.

S. KLEIN DEPARTMENT STORES FILES FOR OFFERING. S. Klein Department Stores, Inc., 6 Union Square, New York, today filed a registration statement (File 2-17506) with the SEC seeking registration of 130,000 shares of common stock, of which 72,000 shares are to be offered directly to five persons at the initial offering price, and 58,000 shares are to be offered for public sale at a price related to the current market for outstanding shares at the time of the offering. Underwriters headed by Emanuel, Deetjen & Co. will receive a \$1.05 per share commission.

The company operates four department stores in the metropolitan area of New York City. Of the net proceeds of the stock sale, \$1,350,000 will be used to purchase from The Prudential Insurance Company of America, the company's 4½% note due September 1, 1969, having an unpaid balance in that amount, and the balance will be added to working capital.

In addition to certain indebtedness, the company has outstanding 844,100 shares of common stock, of which Hyman P. Kuchal, board chairman, owns 105,069 shares, and management officials as a group own 178,243 shares. According to the prospectus, Kuchal, Philip S. Harris, president, Bernard Fuchs, treasurer, Joseph Walker, a director, and an institutional investor will purchase 25,000, 20,000, 5,000, 2,000 and 20,000 shares, respectively, of the block of 72,000 shares referred to above.

EFFECTIVE SECURITIES ACT REGISTRATIONS: January 23: Ampal-American Israel Corporation (File 2-17232); Preston Moss Fund, Inc. (File 2-17393). **Registrations withdrawn: January 23:** Farmbest, Inc. (File 2-15711); Allied Bowling Centers, Inc. (File 2-15982).

CANADIAN RESTRICTED LIST. The SEC has added Triform Explorations Ltd., to its Canadian Restricted List (Release 33-4320). The list now comprises the names of 238 Canadian companies whose securities recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.