

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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



Washington 25, D.C.

FOR RELEASE January 12, 1959

Statistical Release No. 1579

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended January 9, 1959, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1958 and 1959, is as follows:

	<u>1939 = 100</u>		<u>Percent Change</u>	<u>1958 - 1959</u>	
	<u>1/9/59</u>	<u>1/2/59</u>		<u>High</u>	<u>Low</u>
Composite	410.0*	406.9	+0.8	410.0	299.0
Manufacturing	506.7*	506.5	0.0	506.7	373.3
Durable Goods	474.2*	471.9	+0.5	474.2	332.2
Non-Durable Goods	526.8	528.5	-0.3	528.5	402.2
Transportation	347.5*	340.7	+2.0	347.5	219.7
Utility	216.3*	208.6	+3.7	216.3	155.5
Trade, Finance & Service	385.5*	382.7	+0.7	385.5	263.2
Mining	343.8	345.0	-0.3	347.2	261.3

*New High

ALBERT & CO. CITED IN SEC ORDER

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registrations of Albert & Company, Inc., (N. Y.), 194 Broadway, New York, N. Y., and Albert & Company, Inc. (N. J.), 1 Exchange Place, Jersey City, N. J.

According to the Commission's order, the New Jersey corporation became registered on June 1, 1958, as successor to the New York corporation. The latter's registration, which became effective on December 6, 1956, has not been withdrawn and is still in effect. Eli D. Albert is said to be a director, president, treasurer, and the largest stockholder of both companies. The New Jersey corporation and Albert were permanently enjoined on October 24, 1958, by the U. S. District Court for the District of New Jersey from engaging in or continuing certain conduct and practices in connection with the purchase and sale of securities. The Commission's complaint in that action charged violations of the anti-fraud provisions of the Securities Act of 1933 in the offer and sale of common stock of Vari-Pac Corporation. The defendants, without admitting the allegations, consented to entry of the court judgment. An earlier judgment of the New York Supreme Court, of May 23, 1958, enjoined the New York corporation and Albert from engaging in securities transactions in New York.

The Commission asserts in its order authorizing the administrative proceedings that information developed in a Staff investigation tends, if true, to show that during the period January 1958 to October 16, 1958, both the New York and the New Jersey corporations and Albert, in connection with the offer and sale of shares of Vari-Pac common stock made false and misleading representations of material fact and "engaged in transactions, practices and a course of business

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which would and did operate as a fraud and deceit upon the purchasers," in willful violation of the anti-fraud provisions of the Federal Securities Laws. The misrepresentations related, among other things, to the future market price of Vari-Pac stock, its profits and earnings, its properties, products, contracts, sales accounts and credit rating, the prospective listing of Vari-Pac stock on the New York Stock Exchange, and the prospective purchase of Vari-Pac by a major electrical company. The Commission also charges a failure to file an amendment to the registration applications of the two companies disclosing the respective injunctive decrees and correcting statements therein that no such injunction decree has been issued.

A hearing for the purpose of taking evidence with respect to the foregoing matters will be held at a time and place later to be announced.

(NOTE TO PRESS: Foregoing also available SEC New York Regional Office.)

ERIE FORGE & STEEL FILES FOR RIGHTS OFFERING

Erie Forge & Steel Corporation, 1341 West 16th St., Erie, Pa., filed a registration statement (File 2-14674) with the SEC on January 9, 1959, seeking registration of 237,918 shares of Common Stock. It is proposed to offer these shares for subscription by common stockholders at the rate of one new share for each four shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. Lee Higginson Corporation and P. W. Brooks & Co. Incorporated are listed as the principal underwriters.

Of the net proceeds of the stock sale, approximately \$487,000 will be used to complete the company's modernization and expansion program, \$100,000 for completion of other capital improvements, and the balance will be added to working capital. The modernization and expansion program, commenced in 1957 and expected to be completed by June 1959, involves expenditures estimated at \$5,750,000.

INVESTORS RESEARCH FUND FILES FOR OFFERING

Investors Research Fund, Inc., 922 Laguna St., Santa Barbara, Calif., filed a registration statement (File 2-14675) with the SEC on January 9, 1959, seeking registration of 490,940 shares of common stock. The shares are to be offered for public sale at \$12 per share, with a 96¢ per share commission to the underwriters, headed by Bache & Co.

The Fund is a newly-organized investment company organized under Delaware law. Investors Research Company of Santa Barbara is listed as its investment adviser. John Robert Noble, a general partner of Investors Research Company, is listed as president of the Fund.

ZECHENDORF PURCHASE OF CHESAPEAKE INDUSTRIES STOCK APPROVED

The SEC has issued an order (Release 35-13909) approving purchases of Chesapeake Industries, Inc., stock by William Zeckendorf and by the Webb & Knapp, Inc., Profit Sharing Trust. According to the application, Zeckendorf on February 20, 1957, purchased from Robert R. Young (now deceased) 186,037 shares of Chesapeake common, as a result of which he became the owner of 303,000 shares of such stock, in excess of 5% of the outstanding shares; and on September 24, 1958, the Trust purchased 5,200 shares in the over-the-counter market, as a result of which it became the owner of 163,900 shares, also in excess of 5%. The purchasers were not aware that such acquisitions would constitute each of them an "affiliate" of a public - utility company or of a holding company within the meaning of Section 9(a)(2) of the Holding Company Act and, therefore, did not seek approval of the acquisitions as required by that Act.

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CENTURY FOOD MARKETS PROPOSES RIGHTS OFFERING

Century Food Markets Company, Youngstown, Ohio, filed a registration statement (File 2-14672) with the SEC on January 9, 1959, seeking registration of 118,112 shares of its \$1 par Common Stock. Century proposes to offer this stock for subscription at a price of \$5 per share by holders of its outstanding common stock at the rate of one share for each five shares held on the record date, which is to be supplied by amendment. Janney, Dulles & Battles, Inc., is listed as principal underwriter. Underwriting commissions vary from a minimum of \$0.07 per share to a maximum of \$0.87 per share, depending upon the amount of subscriptions.

The prospectus states that in connection with the company's recent acquisition of substantially all of the assets of The Bailey Department Stores Company, the company paid out \$550,000 in cash and borrowed \$1,250,000 from the National City Bank of Cleveland. One of the conditions of this loan was that the company would obtain a minimum increase in equity capital or subordinated debt of \$250,000. Accordingly, the proceeds of this issue will discharge the condition of the loan and will be used to replenish the company's working capital which was reduced in making such cash payment.

FIDELITY CAPITAL FUND FILES FOR OFFERING

Fidelity Capital Fund, Inc., Boston investment company, today filed a registration statement (File 2-14676) with the SEC seeking registration of 1,000,000 shares of its capital stock. The Fund was organized by Fidelity Management & Research Company through offerings of 20,000 shares at \$10 per share ending May 27, 1958. The public offering is to be made at \$12 per share. The Distributors are Hornblower & Weeks, of Chicago, and The Crosby Corporation, of Boston, who will receive a 96¢ per share underwriting commission. Fidelity Management & Research will serve as investment adviser. The prospectus lists Edward C. Johnson 2nd as president. He owns $\frac{5}{2}\%$ of the outstanding shares; and he has been president and a director of the investment adviser since 1946 and is a vice president and director of The Crosby Corporation.

MASS. INVESTORS GROWTH STOCK FUND FILES FOR OFFERING

Massachusetts Investors Growth Stock Fund, Inc., Boston investment company, today filed a registration statement (File 2-14678) with the SEC seeking registration of 5,000,000 shares of capital stock.

REYNOLDS METALS FILES FOR PREFERRED STOCK OFFERING

Reynolds Metals Company, 6601 Broad Street Road, Richmond, Va., today filed a registration statement (File 2-14678) with the SEC seeking registration of 550,000 shares of Second Preferred Stock, Convertible Series, to be offered for public sale through an underwriting group headed by Dillon, Read & Co. Inc., Reynolds & Co. Inc., and Kuhn, Loeb & Co. The dividend rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the stock sale will be used to the extent required to reimburse the company's treasury for the cost of acquisition of Ordinary Stock of The British Aluminum Company Limited and to meet the cost of any additional acquisition of such stock, including the company's share of the cost of acquiring such stock pursuant to the offer of Tube Investments Limited. Amounts not required for these purposes will be available to meet the company's future capital requirements or for working capital or debt or preferred stock retirement.

According to the prospectus, the company in conjunction with Tube Investments is in the process of making substantial investments in the Ordinary Shares of British Aluminum, of which an aggregate of 9,000,000 shares are outstanding. British Aluminum is said to own, directly or through subsidiaries aluminum producing and fabricating facilities in the United Kingdom and other countries, including Canada. The amount of the shares acquired by Reynolds and Tube Investments is to be supplied by amendment.

In addition, Tube Investments has offered to acquire from the holders thereof all of the presently outstanding Ordinary Stock of British Aluminum not then owned by Tube Investments

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in exchange for Ordinary Stock of Tube Investments and cash. This offer was amended on January 4, 1959, by an increase in the consideration offered to the stockholders to 88 shillings in cash and one share of Tube Investments for each two shares of British Aluminum stock. If this offer is declared effective, Reynolds will be entitled to receive a 49% interest and Tube Investments a 51% interest in all of the stock so acquired. The directors of British Aluminum have announced a contract with Aluminum Company of America for the sale of Alcoa of authorized and presently unissued Ordinary Stock of British Aluminum. If such sale is consummated Alcoa will own roughly one-third of the total outstanding Ordinary Stock of British Aluminum.

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