

# 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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## RECORD VOLUME OF SECURITIES OFFERINGS FILED

The Securities and Exchange Commission today announced that an all-time record of 171 registration statements, proposing the public offering of securities in the amount of \$2.2 billion, were filed with the Commission during the month of March 1959 under the Securities Act of 1933.

As will be seen from the tabulation below, this far exceeds the number of filings for the month of March in any of the last four years, and exceeds by 24 the previous high recorded in March 1937:

<u>March</u>	<u>Filings</u>	<u>Dollar Amount</u> <u>(billion)</u>
1959	171	\$2.2
1958	101	1.5
1957	99	1.7
1956	124	1.5
1955	108	1.2
1946	129	1.0
1937	147	.6
1936	124	.8

A record volume of 333 filings also was received for the First Quarter of 1959, the amount of securities proposed to be offered aggregating \$4.8 billion. This is to be contrasted with 233 filings for \$3.5 billion for the same period in 1958 and 266 for \$4.8 billion in 1957. The previous record for filings in the First Quarter was in 1937, when 289 filings were made.

For the first nine months of the current fiscal year, July 1, 1958, to March 31, 1959, 810 filings were made for a total of \$12.6 billion of securities proposed to be offered. This is to be contrasted with 653 filings for \$11 billion for a like period in 1958 and 671 for \$10.9 billion in 1957. During the entire fiscal year ended June 30, 1958, there were 913 filings for a total of \$16.9 billion of securities, a record high to that date.

The larger volume of Securities Act filings which normally occur in the month of March is due to the fact that they may include year-end (December 31st) financial statements therein in compliance with the Commission's 90-day rule for financial statements.

The purpose of the Securities Act requirement for registration of securities to be offered for public sale is to provide disclosure of pertinent financial and other information concerning the company and its securities so that investors may make an independent appraisal and evaluation of the worth of the securities. To that end, a prospectus reflecting the pertinent facts must be delivered to purchasers and persons to whom written offers are made. The Commission examines the filings for compliance with the disclosure requirement; but it does not pass upon the merits of the securities.

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For further details, call ST. 3-7600, ext. 5526

## FIREMAN'S FUND INSURANCE FILES SAVINGS PLAN

Fireman's Fund Insurance Company, 3333 California St., San Francisco, Calif., filed a registration statement (File 2-14931) with the SEC on April 1, 1959, seeking registration of \$3,000,000 of interests in the Fireman's Fund Savings and Supplemental Retirement Plan, and 50,420 shares of the Insurance Company's common stock which may be acquired pursuant to said Plan.

## LAGUNA NIGUEL FILES FOR STOCK OFFERING

Laguna Niguel Corporation, 621 South Spring St., Los Angeles, Calif., filed a registration statement (File 2-14932) with the SEC on April 1, 1959, seeking registration of 900,000 shares of Class A and 900,000 shares of Class B stock. The company proposes to offer these securities in units each consisting of one Class A and one Class B share, and at a public offering price of \$10 per share. The offering is to be made by an underwriting group headed by Paine, Webber, Jackson & Curtis, which will receive a commission of 83¢ per unit. The offering is said to be "speculative in nature."

Laguna was organized under California law on February 6, 1959, for the purpose of acquiring, developing and managing real properties. It has contracted to purchase two adjacent properties (the "Shumaker property" and the "Beach property") in Orange County, Calif., and one 1,800 acre ranch property near the city of Gilroy, on the San Benito and Santa Clara County line. The Gilroy ranch will be transferred to certain owners of the Shumaker property in exchange for a parcel comprising a part of the Shumaker property and will not enter into the company's plan of development. The Shumaker and Beach properties comprise a portion of the Rancho Niguel, lying five miles south of the city of Laguna Beach. The company expects to operate as a principal in planning, developing, selling and leasing its real properties. It has contracted with Cabot, Cabot & Forbes Co., one of its promoters, to manage the development of its properties and to perform engineering services.

The company expects to use \$4,549,167 of the net proceeds of this stock offering to make payments in connection with the acquisition of the Shumaker and Beach properties. An additional \$250,000 will be used to repay a short term bank loan incurred to obtain funds for the April 1959 payment on the purchase price of the Shumaker property; and an unspecified amount (to be supplied by amendment) is to be used to discharge liabilities for organization and initial operating expenses and to repay advances from promoters. The balance of the proceeds will be available for development of the properties and for use as working capital. Some \$500,000 of this amount has been allocated to cover engineering and planning costs during the first year of operations, including fees and costs under its management and engineering contract with Cabot, Cabot & Forbes Co.

The company has outstanding, in addition to \$250,000 of short-term borrowings, 890,000 of Class B shares, of which 437,500 are held by Nelson T. Everts and Curtis W. Merrill, as Trustees for certain partners of the Paine-Webber firm and members of their families, including company directors James J. Minot and Albert Pratt and members of their families; and 357,500 shares are held by Cabot, Cabot & Forbes Co., who with the Paine-Webber firm is listed as promoters of the Company. These shares were acquired at 32¢ per share. Gerald W. Blakely, Jr., is company president.

## MAINE PUBLIC SERVICE PROPOSES STOCK OFFERING

Maine Public Service Company, 209 State St., Presque Isle, Maine, filed a registration statement (File 2-14933) with the SEC on April 1, 1959, seeking registration of 50,000 shares of Common Stock, to be offered for public sale through an underwriting group headed by J. G. Becker & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith, Inc., and Kidder, Peabody & Co. The public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the stock sale will be applied to the payment of \$1,200,000 of bank loans incurred for construction purposes. According to the prospectus, construction expenditures amounted to \$1,002,000 in 1958 and are estimated at \$917,400 for 1959.

## LORAL ELECTRONICS FILES FOR STOCK OFFERING

Loral Electronics Corporation, 825 Bronx River Ave., New York, N.Y., filed a registration statement (File 2-14934) with the SEC on April 1, 1959, seeking registration of 250,000 shares of Common Stock, to be offered for public sale through an underwriting group headed by Kidder, Peabody & Co. and Model, Roland & Stone. The public offering price and underwriting terms are to be supplied by amendment. The underwriters have purchased warrants from the company, exercisable through September 1, 1964, to purchase 50,000 common shares (the exercise price to be supplied by amendment).

Organized in February 1948, the company is engaged in the production of electronic equipment for military use, primarily devices for the display of information, navigation equipment, countermeasure systems and data handling systems, and in research and development in related electronic fields. Net proceeds of the stock offering will be added initially to the general funds of the company and will be available for general corporate purposes, principally to carry additional inventories. Some \$40,000 will be applied to the cost of acquiring property adjoining the company's present plant and \$450,000 to equip the new building to be erected thereon. An additional \$177,000 will be used to consummate the proposed acquisition of the outstanding stock of Willor Manufacturing Corporation and of Allor Leasing Corporation. Willor is engaged in the manufacture of stampings, metal chassis and some other metal parts; and most of Loral's requirements of such products have been purchased from Willor. The purchase price of its stock is to be supplied by amendment. Most of the Willor stock is held by Leon Alpert, President and William Lorenz, Executive Vice President of Loral. The stock of Allor is to be acquired for \$2,000. Lorenz owns 40% of its stock and Alpert 60%. Loral has outstanding 300,000 common shares, of which Alpert owns 45%, Lorenz 37.5%, Model, Roland and Stone 12.2%, and Kidder, Peabody & Co. 5.3%.

CANADIAN RESTRICTED RELEASE  
Twenty-Second Supplement

The Securities and Exchange Commission today announced the addition of the stocks of the following companies to its Canadian Restricted List, bringing the total of Canadian companies whose stocks are included in the list to 212:

Casgoran Mines Limited  
Roberval Mining Corporation

The List is comprised of the names of Canadian companies whose securities recently have been or are being distributed in the United States in violation of the registration requirement of the Securities Act of 1933, according to information developed in Commission investigations or otherwise. Evasion of such requirement, which is applicable to securities of foreign as well as domestic companies, deprives United States investors of the financial and other information about the issuing companies and their securities which registration would provide and which is essential to an evaluation of the securities.

## EQUITYSEEKS EXEMPTION FOR MERGER

The Equity General Corporation, a subsidiary of The Equity Corporation, New York investment company, has applied to the SEC for an exemption order under the Investment Company Act permitting its acquisition of all of the common stock to be issued by Development Corporation of America, a non-affiliated company, in connection with the merger into Development Corp. of Real Estate Equities Corporation, a subsidiary of Equity General; and the Commission has issued an order (Release 40-2856) giving interested persons until April 14, 1959, to request a hearing thereon. The application also seeks a temporary exemption for Development Corp. from certain provisions of the Act upon the merger becoming effective.

Real Estate Equities is engaged in owning, holding and leasing certain lands and buildings. Development Corp. is engaged in the business of its subsidiary, Acorn Paint & Chemical Company, which manufactures and sells roofing materials and other finishing products. It is also engaged in various real estate activities as well as the holding of securities. Various transactions between Equity General and each of the two merging companies will precede the merger.

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Under the merger plan, Development Corp. will issue all of the 2,399,503 common shares then outstanding to Equity General as the holder of all the common stock of Real Estate Equities; and it will also issue 299,457 shares of preferred stock to present holders of the common stock of Development Corp. on the basis of one share of preferred for each three shares of common.

#### SEC GRANTS EXEMPTION TO EQUITY CORP. ON INSURANCE

The SEC has issued an order under the Investment Company Act (Release 40-2857), granting an exemption application of The Equity Corporation with respect to the writing and performance of contracts of insurance between any present or future member of the Equity Group which is an insurance company and any other present or future member of such Group, and the receipt of commissions earned and to be earned by any insurance agency or insurance brokerage firm which may now or in the future be a member of the Group, in connection with the sale of casualty, fire and allied lines and inland marine insurance policies written by insurance companies which are members of the Group, and by insurance companies covering property or other risks of members of the Group.

#### TODD - NEW ENGLAND COUNSELLOR HEARING POSTPONED

At the request of counsel for F. Payson Todd, doing business as The New England Counsellor, Rowley, Mass., the Commission has authorized a postponement from April 1 to April 27, 1959, of the hearing in proceedings under the Investment Advisers Act to determine whether Todd's registration as an investment adviser should be revoked. The postponement was requested because of Todd's illness.

#### SEC COMPLAINT CITES ANGELIQUE & CO.

The SEC Boston Regional Office announced March 30, 1959 (Lit. Release 1411) the filing of a complaint (USDC, Conn.) seeking to enjoin violations of Securities Act registration and anti-fraud provisions by The Angelique & Co., Inc. of Wilton, Conn. and Charles N. Granville in offer and sale of Angelique securities.

The SEC Boston and Fort Worth Regional Offices announced 3/30/59 (Lit. Release 1412) that David W. Taylor, of Norman, Okla. had been sentenced to 12 years imprisonment and \$44,000 fine (by USDC, St. Louis, Mo.) for fraud in sale of oil interests.

#### SEC COMPLAINT CITES GRAVITY SCIENCE FOUNDATION

The SEC Chicago Regional Administrator announced March 24, 1959 (Lit. Release 1413) the filing of a complaint (USDC, ND Ill.) seeking to enjoin Gravity Science Foundation, Inc., and Howard E. Baker from further violations of Securities Act registration and anti-fraud provisions in sale of oil interests and other securities.

#### INDICTMENT RETURNED IN SALE OF FARM AND HOME AGENCY STOCK

The SEC Chicago Regional Administrator announced March 25, 1959, (Lit. Release 1414) the return of an indictment (USDC, SD Ind., at Indianapolis), charging violations of Securities Act registration requirements by Philip H. Meade, E. Bernie Shelton, W. Harold Hilbert and Fred W. Nation in offer and sale of stock of Farm and Home Agency, Inc., of Indianapolis, Ind.

#### HUGH CARROLL AND OTHERS CONVICTED OF SECURITIES FRAUD

The SEC Fort Worth Regional Office announced March 27, 1959 (Lit. Release 1415) that a Federal Jury in Oklahoma City had returned a guilty verdict against Hugh A. Carroll, Julia Moore Carroll, William A. Rigg, J. Phil Burns, Selected Investments Corporation, and United Securities Agency, on charges of violating anti-fraud provisions of Securities Act and the Mail Fraud Statute in sale of Selected Investments Trust Fund Certificate-Bonds. Sentencing deferred until April 23, 1959.

## IDAHO POWER PROPOSES BOND OFFERING

Idaho Power Company, 1220 Idaho St., Boise, Idaho, filed a registration statement (File 2-14935) with the SEC on April 1, 1959, seeking registration of <sup>15,000,000</sup> \$1,500,000 of First Mortgage Bonds, Series due 1989, to be offered for public sale at competitive bidding.

In a separate statement (File 2-14936), Idaho Power proposes to offer for public sale 150,000 shares of Common Stock. The public offering price and underwriting terms, as well as the names of the underwriters, are to be supplied by amendment.

Net proceeds of the sale of the new bonds and additional common shares will be used for partial payment for short-term bank loans heretofore made for interim financing of construction of new operating facilities. Gross property additions for the five-year period 1954-1958 amounted to \$149,724,557; and the 1959 budget for construction aggregates \$18,934,000.

## STANDARD PACKAGING FILES FOR SECONDARY

Standard Packaging Corporation, 200 East 42nd St., New York, N. Y., filed a registration statement (File 2-14937) with the SEC on April 1, 1959, seeking registration of 43,067 outstanding shares of common stock and 28,834 outstanding shares of Preferred Stock (\$20 par, \$1.20 Convertible Series).

According to the prospectus, the Estate of D. Samuel Gottesman, deceased, to meet cash requirements, particularly for estate taxes and administration expenses, is offering or may offer for sale up to a maximum of 43,067 common and 28,834 preferred shares, such sales to be made on the New York Stock Exchange or off the Exchange at prices related to prices then prevailing on said Exchange. None of the proceeds will be received by the company.

The company is a manufacturer and distributor of packaging materials and packages, paper and paper products and other and related products. It has outstanding 107,467 shares of \$1.60 Convertible Preferred, 509,451 shares of \$1.20 Convertible Preferred, and 2,299,947 common shares.

## PRELIMINARY INJUNCTION ISSUED IN GENERAL OIL ACTION

The SEC New York Regional Office announced March 31, 1959 (Litigation Release No. 1416) that two orders of preliminary injunction had been issued (USDC, SDNY) restraining A. G. Bellin Securities Corp., General Oil & Industries, Inc., Sidney B. Josephson, et al., and Stratford Securities Co., Inc., et al., from violating the Securities Act registration requirement in offer and sale of General Oil stock. (Further hearing required on allegations of fraud in SEC complaint.)

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