

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington 25, D.C.

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

FOR RELEASE

November 13, 1957

JONTEX, INC. STOCK OFFERING SUSPENDED

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of securities by Jontex, Inc., of Reno, Nevada. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In its Regulation A notification, filed December 27, 1955, Jontex proposed the public offering of 1,500,000 shares of stock at 20¢ per share.

One of the conditions to the availability of a Regulation A exemption is a requirement for subsequent filing of semi-annual reports reflecting the number of shares sold pursuant to the offering and the use to which the proceeds were applied. In its suspension order, the Commission asserts that such a report filed by Jontex on September 30, 1956, is materially false and misleading and that Jontex failed to file subsequent reports of sales and has ignored requests of the Commission's staff for such reports. (See Securities Act Release No. 3860.)

DURALOY FILES FOR COMMON STOCK OFFERING

The Duraloy Company, Scottsdale, Pa., filed a registration statement (File 2-13739) with the SEC on November 12, 1957, seeking registration of 69,000 shares of its \$1 par Common Stock, to be offered for public sale through Mortimer B. Burnside & Co., Inc. The underwriter has agreed to use its "best efforts" to sell 17,500 shares at the market price for the outstanding shares on the American Stock Exchange prevailing at the time of sale, but not less than \$4 per share. If it purchases or disposes of such shares within 45 business days, the underwriter will have the option to purchase the remaining 51,500 additional shares, at a price to be supplied by amendment, the option to expire 90 business days from the date of the initial offering. Any shares so taken down by the underwriter under the option may be resold at the then prevailing market price, or less. As to the initial 17,500 shares, the selling commission will be the difference between \$4 and the market price, but not in excess of 17½% of the market price.

The company, which manufactures and sells high alloy castings, is said to have been engaged since the middle of 1955 in a program of modernizing and expanding its facilities and equipment so as to improve efficiency and productivity and reduce operating costs. About \$500,000 has been expended in this program. It proposes to use the proceeds of this financing for further modernization and improvement. The cost of the modernization and improvements to which the proceeds will be applied is

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estimated at \$250,000, including extension of the company's centrifugal foundry building; acquisition of a milling machine with tools and attachments; and general plant rearrangement.

DILLON & SONS STORES FILES FOR STOCK OFFERING

The J. S. Dillon & Sons Stores Co., Inc., Hutchinson, Kansas, filed a registration statement (File 2-13741) with the SEC on November 12, 1957, seeking registration of 110,000 shares of its \$5 par Common Stock of which 100,000 shares are to be offered for public sale through an underwriting group headed by Kidder, Peabody & Co. The public offering price and underwriting terms are to be supplied by amendment. The additional 10,000 shares are to be offered directly to employees, officers and directors of the company, as to which no underwriting is involved.

The company operates a chain of 50 retail food stores located in Kansas and Colorado. Net proceeds of this financing and of an insurance company loan will be added to the general funds of the company and used for the following purposes: (1) \$1,000,000 to reduce current bank borrowings incurred in, and \$200,000 to complete payment for, the purchase from The Kroger Co. of fixtures, merchandise inventory and leasehold interests of stores in Kansas; (2) \$200,000 for reconditioning and improving some of these stores; (3) \$600,000 to equip two new stores in Denver and one in Wichita; (4) \$500,000 to increase warehouse inventories; and (5) the balance for repayment of other bank loans and for general corporate purposes. The company is said to have a preliminary commitment from an insurance company for a \$2,000,000 loan. Of this amount, \$936,000 will constitute a refunding of a 4% Note Payable October 1, 1966, presently outstanding, and the remainder will be applied with the proceeds of the stock sale for the purposes above indicated.

FOOD FAIR STORES FILES FOR EMPLOYEES' STOCK OPTION PLAN

Food Fair Stores, Inc., Philadelphia, filed a registration statement (File 2-13742) with the SEC on November 12, 1957, seeking registration of 200,000 shares of its \$1 par Common Stock, to be offered to key employees of the company and its subsidiaries under the company's Employees' Restricted Stock Option Plan.

FLUORSPAR CORPORATION FILES FOR STOCK OFFERING

Fluorspar Corporation of America, Portland, Oregon, filed a registration statement (File 2-13743) with the SEC on November 12, 1957, seeking registration of \$1,400,000 of its Common Stock (the number of shares is to be supplied by amendment). Arrangements for the public offering of the stock, and the terms thereof, are also to be supplied by amendment.

Fluorspar is said to be engaged in the exploration and development of fluorspar mineral claims in Nevada. The principal purposes of this stock offering are to finance additional exploration work on these properties and to provide working capital to conduct operations at the conclusion of such exploration program. Employment of the funds, according to the prospectus, will depend upon geologic, economic, and other factors which cannot be foreseen at the present time. However, of the proceeds of this financing, \$20,000 are to be used for various expenses incident to registration and sale of the stock; \$15,000 for payment of debts and expenses previously incurred; \$50,000 for patenting the company's claims; \$350,000 for additional engineering and geological exploration; and \$25,000 for special economic and professional consultation. The balance of the proceeds will be added to company working capital.

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Organized in 1955, the company has outstanding 124,021 common shares. Sol Goldberg of Portland is listed as president. Some 29,255 shares were issued for claims (which had been acquired by the sellers at nominal cost) and for expenses. An additional 2,000 shares were issued for services. The largest block, 20,000 shares, is held by James and Mildred Seliger, of Portland, from whom the company purchased its principal initial claims.

BROCKTON EDISON SEEKS EXEMPTION FROM COMPETITIVE BIDDING

Brockton Edison Company, Brockton, Mass., has applied to the SEC for an exemption from competitive bidding with respect to its proposed negotiated offering through underwriters of 30,000 preferred shares; and the Commission has issued an order (Release No. 13592) giving interested persons until November 27, 1957, to request a hearing thereon.

By order dated October 16th, the Commission authorized Brockton Edison to offer the 30,000 shares of its \$100 par cumulative preferred stock for public sale at competitive bidding. The company invited bids to be submitted on October 23rd; two bidding groups qualified; but no bids were received. Subsequently, upon request of the company, the Commission authorized the company to negotiate with underwriters either for a public offering or a private placement of the stock, pursuant to which the company entered into discussions with eight investment houses, of which two evidenced no interest and two were interested only in a private placement. The company thereupon entered into negotiations with the four remaining firms for a public offering of the stock. After considering the terms indicated by each firm, the company has determined that the offer submitted by Kuhn, Loeb & Co. provided the best basis for negotiation. The Kuhn, Loeb offer indicated that the preferred stock could be sold to the public at par to yield 6%, and that the underwriting compensation might vary from a maximum of 2½% of the gross amount of the issue to a minimum of 1-7/8%, resulting in a cost of money to the company of between 6.138% and 6.115%. Brockton Edison proposes to negotiate a definitive agreement with Kuhn, Loeb for the underwriting and public offering of the stock, and seeks an exemption from the Commission's competitive bidding rule to permit such negotiations and offering.

REDA PUMP FILES FOR EMPLOYEES THRIFT PLAN

Reda Pump Company, Bartlesville, Okla., filed a registration statement (File 2-13744) with the SEC on November 12, 1957, seeking registration of \$1,000,000 of Participations in its Thrift Plan for eligible employees of the company and its subsidiaries, together with 55,556 shares of the company's common stock which may be purchased under said Plan.

PLANNED INVESTMENT FILES FOR PUBLIC OFFERING

Planned Investment Corporation, New York investment company, today filed a registration statement (File 2-13745) with the SEC seeking registration of three types of Programs for the accumulation of shares of the Philadelphia Fund, Inc., namely, Systematic Investment Programs with Insurance, Systematic Investment Programs without Insurance, and Single Payment Investing Programs, in the total amount of \$2,000,000. The company was organized under New York laws on September 10, 1957. Its president is Thomas J. Flaherty, Jr.

CANADIAN RESTRICTED LIST

The Securities and Exchange Commission today announced the addition of the following Canadian companies to its "Canadian Restricted List":

Amican Petroleum & Natural Gas Corporation Limited
Eastern-Northern Explorations Limited
Lavandin Mining Company
Marpic Explorations Limited

The Canadian Restricted List is composed of the names of Canadian companies whose securities the Commission has reason to believe recently have been, or currently are being, distributed in the United States in violation of the registration requirements of the Securities Act of 1933. (See Securities Act Release No. 3861.)

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