

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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FOR RELEASE March 13, 1961

Statistical Release No. 1739. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended March 10, 1961, for the composite and by major industry groups compared with the preceding week and with the high and lows for 1960 - 1961 is as follows:

	1957-59 = 100		Percent Change	1960 - 1961	
	3/10/61	3/3/61		High	Low
Composite	128.1	129.1	-0.8	129.1	107.7
Manufacturing	122.4	123.3	-0.7	123.3	103.6
Durable Goods	126.6	127.0	-0.3	129.5	107.7
Non-Durable Goods	118.5	119.9	-1.2	119.9	99.5
Transportation	102.0	103.2	-1.2	108.3	87.1
Utility	156.6	158.6	-1.3	158.6	118.4
Trade, Finance & Service	145.1*	144.9	+0.1	145.1	120.5
Mining	87.6	88.0	-0.5	89.7	67.0

*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended March 9, 1961, 35 registration statements were filed, 27 became effective, 4 were withdrawn, and 340 were pending at the week end.

GLAMOUR VENDING STOCK OFFERING SUSPENDED. The SEC 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 stock by Glamour Vending Corporation, of 1212 Tower Building, Denver, Colo.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed November 25, 1960, Glamour Vending proposed the public offering of 140,000 common shares at \$2 per share pursuant to such an exemption. The Commission's suspension order asserts (1) that Regulation A was not complied with by reason of the company's failure to disclose an affiliate in its notification; (2) that the company's offering circular was false and misleading in respect of certain material facts; and (3) that the stock offering has been and would be made in violation of the Securities Act anti-fraud provisions. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

The alleged misrepresentations relate to the following: (a) failure to disclose competitive influences; (b) failure to disclose management interests in affiliated companies; (c) failure to disclose the existence of an existing franchise dealer and distributor; (d) failure to disclose adequately existing patents affecting the company's product; and (e) failure to disclose adequately arrangements to manufacture one of the company's principal products. (NOTE TO PRESS. Copies of foregoing also available in SEC Denver Office).

BEVERAGES BOTTLING STOCK OFFERING SUSPENDED. The SEC 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 stock by Beverages Bottling Corp., of 800 St. Anns Ave., Bronx, N. Y.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed July 6, 1959, the said Bottling Corp. proposed the public offering of 300,000 common shares at \$1 per share pursuant to such an exemption. The Commission's suspension order asserts that the company failed to comply with certain terms and conditions of the Regulation by reason of its failure to state in its offering circular the exact offering price to the public, the true discounts and commissions to underwriters and the method by which the securities would be offered, and by reason of its filing a semi-annual report of stock sales which failed to disclose accurately the amounts received from the public and the underwriting discounts allowed. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

GPU - PENELEC FINANCING APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14388) authorizing General Public Utilities Corporation, New York holding company, to make bank borrowings during 1961 in amounts not exceeding \$12,000,000 in the aggregate. The Funds will be used by GPU for additional investments in subsidiaries or to repay other borrowings. Of the proceeds, GPU will apply \$8,500,000 to the purchase of time to time during 1961 of additional common shares of its subsidiary, Pennsylvania Electric Company, from Johnstown, Pa., or an aggregate of 425,000 shares at \$20 per share, which funds will be used by Penelec for construction expenditures or to reimburse its treasury for such expenditures.

PURCHASE BY SHARES IN AMERICAN INDUSTRY CLEARED. The SEC has issued an exemption order under the Investment Company Act (IC-3211) permitting Shares in American Industry, Inc., Washington investment company, to purchase 500 shares of the common stock of Rixon Electronics Inc., which is a portion of a 115,000-share offering by Rixon to the public at \$7 per share. The exemption was necessitated by reason of the fact that a director of the investment company is an employee of the underwriter of the stock offering.

OVER

MANUEL F. COHEN RECEIVES AWARD. In behalf of the SEC and its Staff, Chairman Edward N. Gadsby has extended congratulations to Manuel F. Cohen, Director, SEC Division of Corporation Finance, upon his selection by the National Civil Service League for one of its ten 1961 Career Service Awards, "an honor he richly deserves for a distinguished career dedicated to the cause of investor protection" (Release U-300).

W. STEVENS TUCKER PROMOTED. SEC Chairman Gadsby today announced the promotion of W. Stevens Tucker to the position of Assistant Regional Administrator of the San Francisco Regional Office of the Commission (Release U-301). Mr. Tucker has served in the Seattle and San Francisco Regional Offices since August 1938 and has specialized in corporate reorganization work under Chapter X of the Bankruptcy Act.

MORTGAGE TRUST FILES FOR OFFERING. Mortgage Trust Corporation, 1212 Exchange Building, Memphis, Tenn., filed a registration statement (File 2-17703) with the SEC on March 10, 1961, seeking registration of 400,000 shares of common stock, to be offered for public sale at their net asset value plus a maximum sales charge of 8-3/4%. The offering will be made through Mortgage Management Corp., the Fund's underwriter and investment adviser.

Organized under Tennessee law in September 1960, the company is a non-diversified open-end investment company which will invest its assets primarily in mortgages on residential property which are insured under the Federal Housing Act or guaranteed under Serviceman's Readjustment Act and in high grade bonds.

The company has 20,200 shares of capital stock outstanding, all of which is owned by Mortgage Management Corp. Melvin A. DeLashmit is listed as vice president of the Fund and president and a principal stockholder of Mortgage Management. D. Terry Kimbrough, Jr., is listed as the Fund's president and vice president of Mortgage Management.

MORTGAGE MANAGEMENT CORP. FILES INVESTMENT PLAN. Mortgage Management Corporation, 1212 Exchange Bldg., Memphis, Tenn., filed a registration statement (File 2-17704) with the SEC on March 10, 1961, seeking registration of \$2,000,000 of Mortgage Trust Systematic Investment Plans to acquire shares of Mortgage Trust Corporation (See latter's filing, above).

According to the prospectus, the Investment Plan will offer the investor a convenient arrangement for the systematic accumulation of an investment portfolio by the making of small periodic payments over a period of time. The net proceeds from the sale of the Plans will be used by the Custodian, The First National Bank of Memphis, to purchase at net asset value common stock of Mortgage Trust Corp.

HOWARD JOHNSON CO. FILES FOR SECONDARY. Howard Johnson Company, 89 Beale St., Wollaston, Mass., today filed a registration statement (File 2-17706) with the SEC seeking registration of 660,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Blyth & Co., Inc. and F. S. Moseley & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in operating and supplying a large restaurant chain. As of February 1st this chain included 605 "Howard Johnson's" restaurants of which 265 were operated by the company and 340 were operated by licensees. An additional 10 restaurants were also operated by the company under the name "Red Coach Grill;" and, as an adjunct to its restaurants, the company has licensed the establishment of 88 "Howard Johnson's Motor Lodges" operated entirely by independent licensees. It also processes and distributes frozen and packaged foods for home consumption through the Howard Johnson's restaurants and through chain stores and wholesale distributors.

In addition to certain indebtedness, the company now has outstanding 800,000 shares of common stock and 1,400,000 shares of Common Stock B (the B shares are convertible share for share into common). All of the stock is owned by Howard D. Johnson, his son, Howard B. Johnson, his daughter, Dorothy J. Weeks, and Tower Grill of Pennsylvania, Inc. (a Pennsylvania corporation), the stock of which is owned 50% by Howard B. Johnson and 50% by Dorothy J. Weeks. The four stockholders propose to sell 250,800, 178,200, 171,600 and 59,400 shares of the common stock, respectively. Following such sale, management officials will continue to own 45.5% of the combined classes of stock.

SEC COMPLAINT NAMES FEDERAL SHOPPING WAY, OTHERS. The SEC Seattle Regional Office announced March 10th (LR-1931) the filing of Federal court action (USDC, Tacoma, Wash.) seeking to enjoin the following from further violations of the registration and anti-fraud provisions of the Securities Act in the offer and sale of securities of Federal, described as common stock and 5% subordinated sinking fund debenture bonds, issued in connection with the financing of a shopping center enterprise located at Federal Way, Wash; Federal Shopping Way, Inc., Federal Association, Inc., Federal Old Line Life Insurance Company (Mutual), Shopping Center Management Company, A. W. Montgomery Construction Company, Inc., Riley Finance Corporation (formerly Riley Federal Old Line Corporation), Consultation and Management Services, Inc., Intercity Publishing Company, Inc., Federal Way Transit Company, Inc., all Washington corporations, John R. Cissna, Robert J. Boroughs, Glen Fairbanks, Richard Gronning, H. O. Stone, A. J. Wenzler, E. C. Woepse, William O. Causin, Howard C. Fairbairn and R. C. Mounsey, Sr.

INDICTMENT NAMES DAVID FARRELL, OTHERS. The SEC San Francisco Regional Office announced March 8th (LR-1934) the return of a Federal court indictment (USDC, Los Angeles) charging David Farrell, controlling stockholder and principal executive officer of Trust Deed & Mortgage Exchange, Los Angeles Trust Deed & Mortgage Exchange, Trust Deed & Mortgage Markets, and Colorado Trust Deed & Mortgage Markets, together with Oliver J. Farrell and Stanley C. Marks, with violating the anti-fraud provisions of the Securities Act in the sale of securities issued by the four Trusts in connection with an investment plan based on the sale of discounted real estate trust deeds and mortgages, designated as the Secured 10% Earnings Program.

TARRIS D. DOLAN, OTHERS ENJOINED. The SEC Seattle Regional Office announced March 8th (LR-1935) the entry of a Federal court order (USDC, ED Wash.) permanently enjoining further violations of the anti-fraud provisions of the Securities Act by Tarris D. Dolan, Robert Markee, James E. Caine, Gerald Dedmore, Lyle Dedmore, Arnold V. Tibbetts, John P. Stokes, Rodney P. Byrne and Lee Gregerson, in the offer and sale of stock of Treasure State Life Insurance Company of Montana.

CITIES SERVICE FILES THRIFT PLAN. Cities Service Company, 60 Wall Street, New York, filed a registration statement (File 2-17705) with the SEC on March 10, 1961, seeking registration of \$12,937,500 of participations in the company's Employees Thrift Plan, and 250,000 shares of common stock which may be acquired pursuant thereto.

WEBSTER PUBLISHING FILES FOR OFFERING AND SECONDARY. Webster Publishing Company, Inc., 1154 Reco Ave., St. Louis, Mo., today filed a registration statement (File 2-17707) with the SEC seeking registration of 131,960 shares of common stock, of which 80,000 shares are to be offered for public sale by the company and 51,960 shares, being outstanding stock, by the present holders thereof. Newhard, Cook & Co. heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 10-year warrants for 7,500 common shares which were sold or to be sold, at 5¢ per warrant, to L. Sanford Reis and Ethan A. H. Shepley, Jr., and which are exercisable at 120% of the public offering price.

The company is a publisher of textbooks, work and exercise books and related school materials for elementary and high schools. A portion of the net proceeds from the company's sale of additional stock will be used to develop program materials designed for use in teaching machines and in other formats, and the balance will be added to working capital and will be used initially to decrease the amount of future short term borrowings and for other general business purposes.

The company has outstanding 720,000 shares of common stock, of which E. Quentin Johnson, executive vice president, owns 199,200 shares and proposes to sell 24,000 shares, and S. T. Johnson, a vice president, owns 96,000 shares and proposes to sell 27,960 shares. W. Mac Lean Johnson, president, owns 191,880 shares and management officials as a group 487,080 shares.

MICRODOT FILES STOCK PLAN. Microdot Inc., South Pasadena, Calif., today filed a registration statement (File 2-17708) with the SEC seeking registration of 43,619 shares of capital stock, to be offered pursuant to the Company's Restricted Stock Option Plan.

CORRECTION. The second underwriting firm listed in the SEC News Digest of March 10th in connection with the proposed bond offering by The Hawaiian Electric Company, Limited, should have been Dean Witter & Co.

MONSANTO CHEMICAL FILES STOCK PLAN. Monsanto Chemical Company, 800 North Lindbergh Blvd., St. Louis, Mo., today filed a registration statement (File 2-17709) with the SEC seeking registration of 193,000 shares of common stock, to be offered to employees pursuant to the company's Stock Option Plan.

SECURITIES ACT REGISTRATIONS. Effective March 13: General Telephone Company of Florida (File 2-17623). Withdrawn March 13: Urban Development Corporation (File 2-16983).

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