

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 February 23, 1960

Statistical Release No. 1661. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended February 19, 1960, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1959 - 1960, is as follows:

	1939 = 100		Percent Change	1959 - 1960	
	2/19/60	2/12/60		High	Low
Composite	407.6	401.5	+1.5	441.3	400.1
Manufacturing	496.4	490.1	+1.3	554.2	490.1
Durable Goods	475.6	470.7	+1.0	527.7	457.8
Non-Durable Goods	506.0	498.4	+1.5	570.1	498.4
Transportation	313.3	313.2	0.0	371.6	311.7
Utility	226.9	220.6	+2.9	231.8	207.1
Trade, Finance & Service	419.5	415.4	+1.0	447.3	382.7
Mining	277.9*	280.9	-1.1	360.4	277.9

N. SIMS ORGAN HEARING DATE SET. The SEC has scheduled a hearing for March 7, 1960, in its New York Regional Office in the proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of N. Sims Organ & Co., Inc., 460 E. Park St., Long Beach, L. I., New York, should be revoked.

In its order of January 28, 1960, authorizing the proceedings, the Commission charged that the respondent's president, N. Sims Organ, while employed as a salesman for another firm, engaged in a course of conduct which operated as a fraud and deceit upon certain purchasers of Continental Mining Exploration Ltd. stock, in that he induced such persons to purchase the stock by means of false and misleading statements of material facts (See Release 34-6125).

AMENDED PARKER PETROLEUM PLAN FOUND UNFAIR. The SEC today announced the filing with the U. S. District Court for the Western District of Oklahoma (in Oklahoma City) of a Supplemental Advisory Report, pursuant to Chapter X of the Bankruptcy Act, concluding that an amended plan for reorganization of Parker Petroleum Co., Inc., is not fair and equitable or feasible.

Parker Petroleum, which has been undergoing reorganization since May 6, 1958, is engaged in the exploration, development and operation of oil and natural gas properties in Oklahoma, Texas and Kansas. In an earlier Advisory Report, dated December 7, 1959, the Commission concluded that the original plan was unfair in several respects. The plan was also deemed not to be feasible since there was no firm commitment for the proposed contribution of new equity capital.

In its Supplemental Report, the Commission states that the amended plan meets some of its prior objections in that: (1) provision has been made for the payment in cash of the secured claim of Webster Drilling Company, (2) all causes of action will be retained by the Trustee, and (3) the payment of dividends, with proper restrictions, will be permitted. However, the Commission concludes that the amended plan is still unfair in the following respects: (1) preferred stockholders are not accorded the equitable equivalent of the rights which they are surrendering, (2) there is no provision for preemptive rights for the holders of the new common stock, (3) there is no provision for cumulative voting for electing members of the Board of Directors, and (4) the apportionment of the members of the initial Board of Directors is inequitable.

According to the Commission's Supplemental Report, the amended plan also fails to accord greater participation to the present common stockholders of Parker as a result of the Court's finding of a higher valuation of the Debtor's assets over that determined by the Commission in its earlier Advisory Report. Certain innovations contained in the amendments are also considered to be unfair by the Commission. These are (a) the changing of the rights to be given to the present common stockholders to subscribe to new common stock so as to make such rights non-transferable and (b) the proposal to give the proponent of the plan, Occidental Petroleum Corporation, two-year options to purchase new common stock at \$1 per share.

The amended plan is not considered to be feasible by the Commission since there continues to be no firm commitment by Occidental to invest new equity capital.

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ADDITIONAL SHARES OF TWO FUNDS IN REGISTRATION. Century Shares Trust, Boston investment company, filed an amendment on February 18, 1960, to its registration statement (File 2-11466) seeking registration of an additional 200,000 Century Shares; and Canadian Fund, Inc., New York investment company, filed an amendment on February 18, 1960, to its registration statement (File 2-10739) seeking registration of 200,000 shares of capital stock.

STERILON CORP. PROPOSES OFFERING. Sterilon Corporation, 500 Northland Ave., Buffalo, N.Y., filed a registration statement (File 2-16149) with the SEC on February 19, 1960, seeking registration of 100,000 shares of common stock, to be offered for public sale on an all or none basis by Shields & Company. The public offering price and underwriting terms are to be supplied by amendment. The underwriter also has acquired a five-year option from management officials for the purchase of 30,000 of the 200,000 outstanding shares, exercisable at the public offering price.

The company is engaged in the business of producing and distributing sterile disposable equipment for use by the medical profession principally in hospitals, blood banks, laboratories and physicians' offices. In addition to the 200,000 common shares, it has outstanding \$60,000 of 8% debenture notes and \$125,000 of bank loans. Of the net proceeds of the sale of additional stock, about \$125,000 will be used to construct and equip an additional plant in Fayette, Ala. The City of Fayette has offered to donate to the company a three-acre plot on which the plant is to be constructed. In addition, the debenture notes and bank loan indebtedness will be retired. The remaining proceeds will be used to bring out new products, improve others, increase facilities, and for other proper corporate purposes.

Robert P. Evans, president, Alvin E. Backes, vice president, and four other officers are listed as owners of all the outstanding common shares. The debenture notes are owned by present or former officers or their relatives. According to the prospectus, all the molded plastic parts used by the company are produced from its own dies by DuBois Plastic Products, Inc., of Buffalo, a majority of whose stock is owned by officers of the company. Prices quoted on such parts are on a competitive basis with other custom molders.

NAESS & THOMAS FUND PROPOSES OFFERING. Naess & Thomas Special Fund, Inc., 2602 Mathieson Bldg., Baltimore, filed a registration statement (File 2-16150) with the SEC on February 19, 1960, seeking registration of 1,000,000 shares of capital stock, to be offered for public sale at an initial subscription price of \$10 per share. The company was organized under Maryland law on December 21, 1959, by the investment counsel firm of Naess & Thomas, of New York, as an open-end, non-diversified management company, "to enable its clients to participate in special situations." Ramsay Wilson is listed as president and Naess & Thomas as Investment Counsel. There will be no sales load or underwriting commission in the sale of shares.

PLAINFIELD-UNION WATER PROPOSES RIGHTS OFFERING. Plainfield-Union Water Company, 120 West Seventh St., Plainfield, N. J., filed a registration statement (File 2-16151) with the SEC on February 19, 1960, seeking registration of 68,676 shares of common stock. The shares are to be offered for subscription by common stockholders of record March 31, 1960, at the rate of one new share for each 2½ shares then held. The subscription price and underwriting terms are to be supplied by amendment. W. C. Langley & Co. is listed as the principal underwriter.

Net proceeds of the sale of the stock will be applied toward the company's 1960 construction program, estimated at \$1,369,500 (including \$100,000 spent to date). The company now has outstanding 171,690 common shares together with mortgage and other indebtedness.

GENERAL TELEPHONE OF FLA. FILES FOR BOND OFFERING. General Telephone Company of Florida, 610 Morgan St., Tampa, Fla., filed a registration statement (File 2-16152) with the SEC on February 19, 1960, seeking registration of \$15,000,000 of First Mortgage Bonds, Series G, to be offered for public sale through an underwriting group headed by Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corporation. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Of the net proceeds of the bond sale, \$12,500,000 will be applied to the repayment of bank borrowings incurred during 1959 and early 1960 in connection with its construction program; and the balance will be added to the treasury funds of the company, from which expenditures for the 1960 construction program will be made. Gross construction expenditures during 1959 totalled \$20,174,000 and are estimated at \$30,915,000 for 1960.

CONTINENTAL BAKING FILES STOCK PLAN. Continental Baking Company, Rye, N. Y., filed a registration statement (File 2-16153) with the SEC on February 19, 1960, seeking registration of 93,000 shares of common stock, to be offered pursuant to the company's Employees Stock Option Plan.

COASTAL STATES GAS FILES FINANCING PROPOSAL. Coastal States Gas Producing Company, 200 Petroleum Tower, Corpus Christi, Texas, filed a registration statement (File 2-16154) with the SEC on February 19, 1960, seeking registration of \$20,000,000 of 6% Sinking Fund Debentures due March 1, 1980 (with warrants to purchase common stock at the rate of 17 shares for each \$1,000 of debentures, or 340,000 shares in the aggregate). The debentures (with warrants) are to be offered for public sale through an underwriting group headed by Paine, Webber, Jackson & Curtis and Blair & Co., Inc. The offering price and underwriting terms, as well as the exercise price of the warrants, are to be supplied by amendment.

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Net proceeds of this financing are estimated at about \$19,000,000, of which \$3,000,000 will be used for the construction of new gas gathering systems and extension of existing gas gathering systems and \$8,000,000 to reduce current liabilities and outstanding bank indebtedness. The remaining \$8,000,000 will be utilized in the construction of facilities for use in performance of the company's agreement with El Paso Natural Gas Company, which agreement provides for the sale by Coastal to El Paso of an annual average of 100,000,000 cubic feet per day of natural gas. Gas deliveries will commence as soon as El Paso has completed construction of facilities necessary to transport the natural gas from a to-be-selected delivery point to El Paso's pipeline facilities in West Texas, and in any event not later than July 1, 1961.

REMCO INDUSTRIES FILES FOR SECONDARY. Remco Industries, Inc., 113 N. 13th St., Newark, N. J., filed a registration statement (File 2-16155) with the SEC on February 19, 1960, seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through an underwriting group headed by Paine, Webber, Jackson & Curtis. The public offering price and underwriting terms are to be supplied by amendment. The company will receive none of the proceeds of the stock sale.

The company manufactures and sells children's toys and games; and it also has a line of indoor and outdoor games and camping sets. It was organized under New Jersey law in December 1950 as successor to a partnership formed in 1948 by Saul Robbins and Isaac Heller, president and vice president, respectively. They own 92% of the 400,000 outstanding common shares, as follows: Robbins, 170,666 and Heller, 197,333. Each proposes to sell 50,000 shares of his holdings, thus reducing their combined holdings to 67%.

INTERSTATE SECURITIES FILES FOR RIGHTS OFFERING INC. Interstate Securities Company, 3430 Broadway, Kansas City, Mo., today filed a registration statement (File 2-16156) with the SEC seeking registration of 165,000 shares of Cumulative Preference Stock, Convertible, \$20 par value. The company proposes to offer these shares for subscription by common stockholders on the basis of one share of preference stock for each four common shares held. The dividend rates, conversion rate, record date, subscription price and underwriting terms are to be supplied by amendment. Harriman Ripley & Co., Inc., and Stern Brothers & Co. are listed as the principal underwriters.

The company and its subsidiaries are engaged primarily in the automobile sales financing, directing lending to consumers on automobiles and other personal property, and the writing of credit life and credit accident and health insurance. Net proceeds of the sale of the preference stock will be added to the working capital of the company and applied in whole or in part to the reduction of short term notes. As the volume of business requires, additional working capital may be used for the purchase of receivables in the ordinary course of its financing activities, advanced to or invested in subsidiaries for such purposes, or used for other corporate purposes.

TWO FIRMS ENJOINED IN AMERICAN DRYER CASE. The SEC New York Regional Office announced February 17, 1960, entry of Federal court orders (USDC, SDNY) permanently enjoining Barnett & Company, Inc. (Lit. Release 1588) and Birnbaum & Company (Lit. Release 1589) New York broker-dealer firms, from further offering and sale of American Dryer Corporation stock in violation of the Securities Act registration requirement. Defendants consented to entry of the court orders.

COMPLAINT NAMES INTERNATIONAL PETROLEUM, OTHERS. The SEC Denver Regional Office announced February 16, 1960, the filing of a complaint (USDC, UTAH) seeking to enjoin International Petroleum Holding Company, Peerless-New York, Inc., and two individuals from further sale of International Petroleum, in violation of the Securities Act registration requirement. Temporary restraining order issued (Lit. Release 1590).

NOLO PLEA ENTERED BY WALTER FALK. The SEC Denver, Seattle and San Francisco Offices announced February 16, 1960, that Walter A. Falk, formerly of Denver and Silverton, Colo., had entered a plea of nolo contendere to five counts of a 17-count indictment charging Falk and Carl H. Peterson with fraud in the sale of uranium mining claims and stocks of The Oregon Company and Scientific Research Corporation as well as their own personal promissory notes. Sentencing scheduled for March 21, 1960. Arraignment and plea of Peterson set for March 14, 1960 (Lit. Release 1591).

ROBERT SILLS CONVICTED. The SEC Atlanta Regional Office announced February 18, 1960, that Robert Bernard Sills had been convicted by a Federal jury in Miami of willfully making false statements in a financial report filed with the Commission by Sills and Company, a registered broker-dealer of which Sills is president (Lit. Release 1592).

RECEIVER NAMED FOR MUTUAL FUNDS SERVICE. The SEC Washington Regional Office announced February 18, 1960, that a receiver had been appointed for all assets of John P. Angelson and Charles S. Peraino, partners doing business as Mutual Funds Service, Norfolk, Va., against whom the Commission previously had obtained a preliminary injunction against further conduction of a securities business in violation of the Commission's net capital rule (Lit. Release 1593).