

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 14, 1960

Statistical Release No. 1665. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended March 11, 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	
	3/11/60	3/4/60		High	Low
Composite	391.2*	393.9	-0.7	441.3	391.2
Manufacturing	472.0*	475.6	-0.8	554.2	472.0
Durable Goods	453.4*	455.7	-0.5	527.7	453.4
Non-Durable Goods	479.9*	484.7	-1.0	570.1	479.9
Transportation	293.7	292.6	0.4	371.6	292.6
Utility	224.0	225.3	-0.6	231.8	207.1
Trade, Finance & Service	417.1	420.1	-0.7	447.3	382.7
Mining	266.5*	267.1	-0.2	360.4	266.5

*New Low

SECURITIES ACT REGISTRATION STATEMENTS. During week ended March 10, 1960, 30 statements were filed, 26 became effective, and 293 were pending at week end.

NATRELLA NAMED ASSISTANT DIRECTOR. SEC Chairman Gadsby announced today that Vito Natrella has been promoted to Assistant Director, Division of Trading and Exchanges, in charge of a new Branch of Economic Research.

AERO INDUSTRIES PROPOSES STOCK OFFERING. Aero Industries, Inc., 230 South Reading Ave., Bovertown, Pa., filed a registration statement (File 2-16239) with the SEC on March 11, 1960, seeking registration of 250,000 shares of common stock, to be offered for public sale at \$3.30 per share. The offering is to be made on an all or none basis by Myron A. Lomasney & Co., for which a 50¢ per share commission is to be paid. The company also has agreed to sell to the underwriter for \$200, warrants for the purchase of 20,000 common shares, exercisable through 1964 at an initial price of \$3.30 per share. The underwriter has agreed to pay to F. Eberstadt & Co. a finder's fee of 15% of its net underwriting profit, including 15% of the warrants. The company has agreed to deliver for \$50 to W. Ian Mack, as a consultant's fee, warrants for 5,000 shares.

The company was organized in January 1960 under Delaware law to acquire all the outstanding stock of four companies and 80% of the stock of a fifth which are engaged in a variety of businesses, and to engage directly or through said subsidiaries in additional new businesses relating to the projected manufacture and distribution of gas turbine engines, the leasing of aircraft and packaging machinery for use by commercial concerns and the development of certain real estate. The companies are Atlantic Aviation Corporation, its subsidiary, Montgomery Enterprises, Inc., and its 80% subsidiary, Wellington Packaging Machinery Inc., Jacobs Aircraft Engine Company, and Penn Airways, Inc. According to the prospectus, substantially all of the sales of the existing businesses are derived from activities which gradually are terminating. Accordingly it is intended to apply the proceeds of this financing not only to develop those of the current activities which, although forming only a minor part of the enterprise, are not so terminating, but also to develop such new businesses. The present business activities relate principally to the manufacture of spare parts for auxiliary power units used in aircraft, as well as the operation of an airport and related activities. It proposes to engage in the manufacture of gas turbine engines and conveyor rollers, leasing of executive aircraft, real estate development and leasing of packaging equipment. Proceeds of the stock sale will be used by the company and/or advanced to the subsidiaries for these purposes.

The company was organized by Alexandre Berger and Adolphe A. Juviler, who serve as president and

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board chairman. They originally owned all the stock of Atlantic, Jacobs and Penn Airways which they had acquired at an investment in such corporations of \$110,500. Subsequently they sold 16.5% of the stock of Atlantic to five persons for \$48,500. The seven stockholders of Atlantic and the two stockholders of Jacobs and Penn Airways exchanged their holdings for 260,000 shares of Aero Industries common, of which 116,380 are held by Berger and 107,980 by Juviler.

APPLIED ELECTRONICS PROPOSES STOCK OFFERING. Applied Electronics Corporation of N. J., 22 Center St., Metuchen, N. J., filed a registration statement (File 2-16240) with the SEC on March 11, 1960, seeking registration of 200,000 shares of Class A stock, to be offered for public sale through an underwriting group headed by S. D. Fuller & Co. The public offering price and underwriting terms are to be supplied by amendment. The underwriter also is entitled to purchase, for \$500, five-year warrants for the purchase of 50,000 Class A shares (at a price to be supplied by amendment.)

The company was organized under New Jersey law in February 1959 and is engaged in the design, development and production of electronic telemetry instrumentation used primarily in the Government's missile and space exploration program. It now has outstanding 300,000 shares of Class B stock. Of the proceeds of the sale of the Class A stock, \$45,000 is to be used for the purchase of stock of Diversified Industries Corporation; \$33,000 for repayment of indebtedness owing to management officials; \$150,000 for the establishment of laboratory and sales facilities in Dallas and sales and service facilities in Los Angeles; \$200,000 for research and development; and the balance for working capital. The company acquired 40% of the stock of Diversified for \$5,000 in cash and the balance in notes; and it now proposes to purchase the balance of the stock for \$45,000. Diversified owns about twelve acres of industrial land in Edison Township, N. J.

The prospectus lists Warren W. Wilentz as board chairman and Taft E. Russell as president. They own 60,000 and 55,200 Class B shares, respectively; and like amounts are owned by Joseph E. Brown and Desmond W. Hill, respectively.

FURTHER VIOLATIONS CHARGED TO WASSERMAN. The Securities and Exchange Commission has issued a supplemental order reciting additional charges of securities violations in connection with the proceedings under the Securities Exchange Act of 1934 to determine whether it is in the public interest to revoke the broker-dealer registration of First Securities Company ("Registrant") and/or to deny the application for broker-dealer registration filed by Frank L. Wasserman, doing business as First Securities Company, both of One State Street, Boston.

Registrant has been registered since December 1958 and Wasserman has been a general partner thereof. The Commission's original order (Release 34-6168) charged that Registrant violated the Commission's net capital and hypothecation rules. In its supplemental order, the Commission asserts that Wasserman's registration application is false and misleading with respect to the date on which he succeeded to the business of Registrant; that since October 1959 Wasserman has engaged in the conduct of a securities business in violation of the requirement for registration as a broker-dealer; that he appropriated to his own use and benefit certain securities of a customer; and that Registrant falsified its books and records.

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

TRANS-AMERICAN MINERALS 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 stock by Trans-American Minerals Corporation (formerly Big Owl Uranium Mines, Inc.), Johnson Building, Denver, Colorado.

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 in July 1955, Trans-American proposed the public offering of 2,000,000 common shares at 15¢ per share pursuant to such an exemption. The Commission's suspension order asserts that the company's offering circular is false and misleading in respect of certain material facts and that the offering is being and would be made in violation of Section 17 (The anti-fraud provision) of the Securities Act. The Commission also states that the company failed to file the required semi-annual reports of stock sales. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

According to the Commission's order, the false and misleading representations in Trans-American's offering circular relate to changes in the list of officers and directors, the ownership of securities by officers and directors, changes in the underwriter for the stock offering, the issue of securities to Tip-Top Uranium and Oil Co. and to Sierre Madre Oil Co. in exchange for properties without disclosure thereof in the offering circular, the current status of performance on the issuer's unpatented claims, and the acquisition of properties in Gilpin County, Colorado, not disclosed in the offering circular.

CITIES SERVICE FILES THRIFT PLAN. Cities Service Company, 60 Wall St., New York, filed a registration statement (File 2-16243) with the SEC on March 11, 1960, seeking registration of \$11,895,000 of Participations in its Employees Thrift Plan, together with 275,000 common shares which may be acquired under said plan.

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ROBERT WILSON REGISTRATION REVOKED. In a decision announced today (Release 34-6205), the SEC revoked the broker-dealer registration of Robert W. Wilson, 1717 East Colfax Ave., Denver, for fraud in the sale of securities and violation of the Securities Act registration requirement.

According to the Commission's decision, during the period August 6, 1956, to May 6, 1957, Wilson purchased 126,010 shares of Wyoming Oil Company stock and sold 113,595 shares, primarily to members of the public. Most of the stock had been purchased by Wilson from two members of the controlling group. Their redistribution by Wilson without prior registration violated the registration requirement.

Wilson had acquired 70,000 shares of Wyoming stock at 8½¢ per share, 50,000 for a total consideration of \$1 and 4,400 shares at 5¢ per share. He sold the stock at 25¢ per share and represented to customers that the price of the stock would increase to 50¢ per share within a month or two. During this period the stock was being quoted by other broker-dealers at 4¢ per share bid and 6¢ per share asked. Implicit in Wilson's offering and sale of the stock at 25¢ per share, the Commission stated, was the representation that such price was reasonably related to the current market; and he expressly represented to customers to whom he offered the stock at 25¢ per share that it was a good investment at that price. These representations, the Commission ruled, "were false and misleading in view of Wilson's failure to inform customers that the prices he charged were not reasonably related to the current market prices."

In June 1958 Wilson was enjoined by Federal court order, in an action filed by the Commission, from making untrue or misleading statements in the offer and sale of Wyoming stock.

AETNA OIL HEARING POSTPONED. The SEC has granted a request of its counsel for a postponement from March 14 to April 5, 1960, of the hearing in the SEC San Francisco Regional Office on the question whether to vacate or make permanent a prior Commission order temporarily suspending a Regulation A exemption from Securities Act registration with respect to a stock offering by Aetna Oil Dev. Co., Inc., of Phoenix, Arizona.

COMPLAINT NAMES FALL RIVER EXPLORATION. The SEC Denver Regional Office announced March 8, 1960 (Lit. Release 1610) the filing of a complaint (USDC, Denver) seeking to enjoin The Fall River Exploration and Mining Company, of Colorado Springs and Mark H. Stepelton of Idaho Springs, Colo., from further violation of the Securities Act prospectus requirements.

REHEARING ON GOLD CROWN MINING DENIED. The SEC has issued an order (Release 33-4195) denying the petition of a Gold Crown Mining Corporation stockholder for rehearing upon the Commission's January 1960 decision (Release 33-4177) permanently suspending a Regulation A exemption from Securities Act registration with respect to a public offering of stock by Gold Crown Mining.

TWO STOCK OFFERINGS SUSPENDED. The SEC has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of securities by the following:

Atlas Industries, Inc., Houston, Texas

Offering, pursuant to notification filed in October 1955, of 200,000 common shares at \$1.50 per share

C & W Enterprises, Inc., Fort Smith, Arkansas

Offering of 50,000 shares of preferred stock at \$1.10 per share pursuant to notification filed in November 1959

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. The Commission's suspension orders assert a failure to comply with certain conditions of the Regulation, in that (1) Atlas Industries failed to file the required semi-annual report of stock sales and (2) C & W Enterprises failed to disclose the names and addresses of predecessors and affiliates and failed to file copies of the governing instruments defining the rights pertaining to its preferred stock as well as copies of the underwriting agreements and the signed consent and certification of the underwriters.

Moreover, according to the order with respect to C & W Enterprises, that company's offering circular is false and misleading in respect of certain material facts, by reason of which the stock offering would violate Section 17 (the anti-fraud provision) of the Securities Act. In this connection, the order charges a failure to disclose adequately and accurately the past history of the organization and operations of the issuer and the interests of officers, directors and promoters in such operations, the nature and extent of the issuer's present and projected business and planned future operations, as well as the plants or other physical properties now held or presently intended to be acquired and the nature of title under which they are held or to be held; a reasonably itemized statement of the purposes for which the net cash proceeds of the stock sale will be used; the terms of the underwriting, method of offering, identity of each underwriter and the participation of each, and the nature of any material relationship between the issuer and such underwriters, as well as the exact address of the issuer and the full names of the officers, directors and promoters; and the failure to include in the offering the 50,000 common shares into which the

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preferred stock is immediately convertible and to describe accurately and adequately on the outside front cover page of the offering circular the securities to be offered.

The orders provide an opportunity for hearing, upon request, on the question whether the suspensions should be vacated or made permanent.

MICRODOT FILES FOR OFFERING AND SECONDARY. Microdot Inc., 220 Pasadena Ave., South Pasadena, Calif., filed a registration statement (File 2-16238) with the SEC on March 11, 1960, seeking registration of 204,000 shares of capital stock, of which 60,000 shares will be offered for public sale by the issuing company. 144,000 shares are presently outstanding and will be offered for sale by the holder thereof. Underwriters for the offering will be headed by White, Weld & Co. The public offering price and underwriting terms will be supplied by amendment.

The company is engaged in the design, development, manufacture and sale of precision micro-miniature connectors, miniature cable and transformers and other components and assemblies. Net proceeds from the company's sale of new stock will be used to retire bank loans incurred for working capital purposes in the amount of \$406,000; to pay in full promissory notes held by Trustees under the will of M. H. Lewis in the amount of \$78,732, and (together with a portion of the proceeds from a bank loan) for the purchase of machinery and equipment costing \$200,000, for property additions and improvements, and for working capital.

The selling stockholder is the trust created by the will of the late M. H. Lewis and the shares to be sold constitute all of the holdings in the estate and 55% of the company's 260,955 outstanding shares.

UNION FINANCIAL PROPOSES STOCK OFFERING. Union Financial Corporation, 232 Superior Ave., Cleveland, Ohio, filed a registration statement (File 2-16241) with the SEC on March 11, 1960, seeking registration of 325,000 shares of common stock, to be offered for public sale through a group of underwriters headed by White, Weld & Co., The Ohio Company, and Sanders & Company. The public offering price and underwriting terms will be supplied by amendment.

The company was incorporated in Ohio in January, 1960. It has acquired (for \$6,058,911) and now holds 20,821 permanent shares (98.9%) of the Capital Stock of The Union Savings and Loan Company. Concurrently with the sale of new stock, the company will borrow \$1,850,000 from a bank on a 6% note due October, 1961. Net proceeds from the sale of the stock, together with proceeds from the bank loan, will be used to pay the balance of \$6,075,000 on the company's outstanding bank loan and the balance will be added to working capital. Proceeds from the outstanding bank loan were used to acquire the stock of Union Savings and Loan.

In addition to certain indebtedness the company has outstanding 106,667 shares of common stock of which 32,000 shares (30%) is owned by The Ohio Company and 25,600 (24%) is owned by Sanders & Company. The prospectus lists A. C. Findlay as president. The Ohio Company and six individuals (including three directors) are founders. The founders acquired 6,667 shares of Union Financial stock for \$100,005 (\$15 per share); and they assigned to the company an agreement to purchase the Union Savings stock, for which they received an additional 100,000 shares.

NORTH CENTRAL CO. FILES OFFERING PROPOSAL. The North Central Company, 335 Minnesota St., Saint Paul, Minn., filed a registration statement (File 2-16242) with the SEC on March 11, 1960, seeking registration of 420,945 shares of common stock. The company proposes to offer 142,860 shares for cash sale at \$7 per share. Additional shares (amount unspecified) are to be offered in exchange for outstanding shares of North Central Life Insurance Company, of Saint Paul. The rate of exchange is to be supplied by amendment.

According to the prospectus, the directors of the Insurance Company recommended the organization of North Central to acquire control of a substantial interest in other companies, primarily those engaged in the field of insurance, to enable the Insurance Company to affiliate itself with other companies by means of a holding company owning a controlling or substantial interest in each of its constituents. The new company proposes to engage primarily in the business of holding, seeking and acquiring such interests, primarily in the insurance field. The proposed exchange offer is the first step in furtherance of this purpose. The company also contemplates the purchase of interests in other insurance companies as well as the acquisition of a controlling or substantial interest in a mutual fund management company and in a fire and casualty insurance company. Net proceeds of the proposed cash sale of stock have not been definitely allocated for any specific purpose, but will initially be added to the general funds of the company.

Officers and directors of the company as a group own 6,805 shares (57.68%) of the insurance company common stock. Theodore Sanborn is listed as president. The two companies have many common officers and directors.

HALOID XEROX FILES FOR RIGHTS OFFERING. Haloid Xerox, Inc., 6 Haloid Street, Rochester, N. Y., filed a registration statement (File 2-16244) with the SEC on March 11, 1960, seeking registration of 333,213 shares of common stock. The company proposes to offer this stock for subscription by its common stockholders at the rate of one new share for each ten shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. The First Boston Corporation is listed as the principal underwriter.

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The company is engaged in the manufacture and marketing of products for xerographic and photocopy reproduction and for photographic use. In addition to certain indebtedness, it now has outstanding 3,332,137 shares of common stock and 19,400 shares of \$100 par preferred stock. A portion of the net proceeds of the sale of additional stock will be used to retire some \$4,000,000 of bank note indebtedness incurred to replenish working capital which had been reduced primarily by expenditures for tooling and development engineering in connection with the new Xerox 914 Office Copier and for inventories of equipment for leasing. The balance of the proceeds will be added to the company's general funds and will be used primarily for increased inventories of xerographic equipment for leasing, principally the new Copier.

Of the outstanding stock, management officials as a group own 139,161 shares or about 4.2% of the outstanding stock. The prospectus lists John B. Hartnett as board chairman and Joseph C. Wilson as president.

IOWA-ILLINOIS GAS PROPOSES BOND OFFERING. Iowa-Illinois Gas and Electric Company, 206 East Second St., Davenport, Iowa, today filed a registration statement (File 2-16245) seeking registration of \$15,000,000 of First Mortgage Bonds, Series due 1990, to be offered for public sale at competitive bidding. Net proceeds of the sale of the bonds will be used to retire some \$3,000,000 of bank loans incurred to finance construction costs and for additional construction expenditures. Construction expenditures for 1960 are estimated at \$23,200,000.

COMPLAINT NAMES TELEVISION INDUSTRIES, FOX. The SEC New York Regional Office announced March 11, 1960, (Lit. Release No. 1611) the filing of court action (USDC, SDNY) seeking to enjoin Television Industries, Inc., and Matthew M. Fox from further sale of Television Industries stock in violation of Securities Act registration requirement.

COMPLAINT NAMES GOLDSMITH & ROSS. The SEC New York Regional Office announced March 11, 1960, (Lit. Release No. 1612) the filing of court action (USDC, SDNY) seeking to enjoin Bertram Goldsmith, J. T. Ross and the firm of Goldsmith & Ross from further violating the anti-fraud provisions of the Securities Exchange Act, particularly in respect of their transactions in Natus Corporation stock.

ORDER ENJOINS SECURITY ADJUSTMENT CORP. The SEC New York Regional Office announced March 11, 1960 (Lit. Release No. 1613), entry of Federal court order (USDC, EDNY) preliminarily enjoining Security Adjustment Corporation from further violations of the SEC net capital rule.

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