

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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Washington 25, D.C.

FOR RELEASE April 11, 1960

Statistical Release No. 1671. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended April 8, 1960, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1960, is as follows:

	1939 = 100		Percent Change	1960	
	4/8/60	4/1/60		High	Low
Composite	404.3	398.2	+1.5	432.5	391.2
Manufacturing	487.1	479.2	+1.6	538.9	472.0
Durable Goods	468.7	458.8	+2.2	521.6	453.4
Non-Durable Goods	494.6	438.6	+1.2	544.4	479.9
Transportation	294.6	290.7	+1.3	329.3	290.7
Utility	233.3	230.3	+1.3	233.3	216.1
Trade, Finance & Service	435.8	431.8	+0.9	446.5	414.7
Mining	264.7	264.7	0.0	299.7	264.7

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended April 7, 1960, 23 statements were filed, 31 became effective, one was suspended by stop order, and 403 were pending at the week end.

CEMEX (ARIZONA) HEARING REQUEST GRANTED. At the request of Cemex of Arizona, Inc., 3720 E. 32nd St., Yuma, Arizona, the Securities and Exchange Commission has scheduled a hearing for April 18, 1960, on the question whether to vacate, or make permanent, a prior order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Cemex. The hearing will be held at the State A.S.C. Committee Conference Room, 1001 N. First Street, Phoenix, Arizona.

In a notification filed in November 1958, Cemex proposed the public offering of 300,000 common shares at \$1 per share pursuant to the conditional exemption from registration provided by Regulation A. On February 16, 1960, the Commission issued an order temporarily suspending the exemption because its offering circular failed to disclose certain litigation against an officer of the company.

WASSERMAN, FIRST SECURITIES HEARING ORDERED. The SEC has scheduled a hearing for April 18, 1960, in its Boston Regional Office in 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 to deny an application for broker-dealer registration filed by Frank L. Wasserman, doing business as First Securities Company, both of One State Street, Boston, Mass.

The Commission's order of January 21, 1960, instituting these proceedings asserted that Registrant (of which Wasserman has been a partner since November 1958) was enjoined by Federal court order in December 1959 from engaging in or continuing certain conduct in connection with the sale of securities, violated the Commission's net capital rule, and hypothecated certain securities of customers under circumstances which permitted their commingling with securities of Registrant under a lien for a loan made to Registrant in violation of Commission rules.

TRADING SUSPENDED IN CONSOLIDATED DEVELOPMENT STOCK. The SEC has issued an order (Release 34-6234) temporarily suspending trading on the American stock Exchange and the over-the-counter market in the common stock of Consolidated Development Corporation (formerly Consolidated Cuban Petroleum Corporation), of Havana, Cuba, for a further ten-day period April 12 to April 21, 1960, inclusive.

CIVIL & MILITARY FUND PETITION DENIED. The SEC today announced the issuance of a decision (Release 40-3008) denying a petition of Civil and Military Investors Mutual Fund, Inc., Washington investment company, for modification of a June 1953 decision and order of the Commission which held that the company's name, and

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specifically the words "Civil and Military Investors," are deceptive and misleading and thus violative of the Investment Company Act.

The earlier decision was based on a Commission finding that the Fund's name implied that it would provide special investment and other advantages for governmental and military personnel, to whom sales were to be directed, whereas such advantages did not in fact exist. The Commission was "unable to find that government personnel constitute a homogeneous group with a peculiar investment need or with characteristics which would give financial advantages to a mutual fund directed to them" or that a "special common stock investment program for so diverse a group" was suitable for them. The petition for modification of the prior order was based on new evidence assertedly indicating certain interests of government personnel who own mutual fund shares and on certain changes in the terms of the proposed offering.

The latter included the elimination of the proposed sales charge of 7½% in the sale of the Fund's shares. The Fund also called attention to a more recent study which assertedly establishes that civil and military personnel who invest in mutual fund shares have a particular interest in accumulation plans of the type which will be featured by the Fund.

The Commission concluded that it could not find that either the changed terms of the proposed offering or the asserted interest of government personnel in accumulation plans renders not deceptive or misleading the implication which is inherent in the Fund's name that the Fund is particularly suited to meet the investment needs of such personnel.

SEC ORDER CITES INVESTMENT BANKERS OF AMERICA. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether provisions of that Act and rules of the Commission thereunder have been violated by Investment Bankers of America, Inc., 1522 Connecticut Ave., N. W., Washington, D. C., and, if so, whether its registration as a broker-dealer should be revoked.

According to the Commission's order, Investment Bankers has been registered with the Commission since March 1958. Conrad L. Berman is president and Sidney Spector is vice president; and each is a director and owner of 10% or more of the company's outstanding stock. The company is a member of the National Association of Securities Dealers, Inc; and the proceedings also involve the question whether Investment Bankers should be suspended or expelled from NASD membership.

In its order the Commission asserts (1) that during the period January 31 to February 26, 1960, Investment Bankers conducted a securities business in violation of the Commission's net capital rule; (2) that it engaged in acts and practices "which would and did operate as a fraud and deceit upon certain customers," in that the company induced certain customers to purchase and sell securities upon representations that it was acting as agent for said customers in effecting such transactions when in fact it acted as principal for its own account; (3) violated the Commission's confirmation rule by sending confirmations of purchase and sale transactions with customers which falsely stated the capacity in which it acted; and (4) made false and misleading entries in certain of its books and records.

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

COLGATE-PALMOLIVE FILES STOCK PLAN. Colgate-Palmolive Company, 300 Park Avenue, New York, filed a registration statement (File 2-16445) with the SEC seeking registration of \$3,000,000 of participations in its Employees Savings and Investment Plan, together with 54,237 shares of common stock which may be acquired pursuant to said plan.

EDWARDS ENGINEERING FILES FOR OFFERING AND SECONDARY. Edwards Engineering Corporation, 715 Camp St., New Orleans, filed a registration statement (File 2-16446) with the SEC on April 8, 1960, seeking registration of 85,000 shares of common stock, of which 70,000 shares are to be offered for public sale by the company and 15,000 shares, being outstanding stock, by the present holders thereof. The offering is to be made at \$3.50 per share on an "all or nothing best efforts" basis by Sandkuhl & Company, Inc., for which a commission of \$.4375 is to be paid. In addition, two-year stock purchase warrants for the purchase of 30,000 common shares are to be sold to the president of the underwriter at 1¢ per warrant, exercisable at the offering price. Also included in the registration statement are 2,000 common shares to be sold by the company to F. S. Schwerin & Co. at \$1 per share as a finders fee.

The company is engaged principally in the design, assembly, sale, testing and installation of hydraulic equipment, particularly of the Edwards Hydraulic System for sugar mills, but also hydraulic equipment of general industrial types. It now has outstanding 100,000 common shares. Of the net proceeds of the company's sale of the additional stock, \$30,000 will be used to pay salaries for one year of new personnel, \$15,000 for sales promotional purposes, \$25,000 for adapting The Edwards Hydraulic System for other uses, \$25,000 for research, \$5,000 to move into new quarters, and the balance for general corporate purposes.

Of the outstanding stock, 45,125 shares each are owned by two directors, Clarence M. Schwerin, III, and Joseph Faggioli; and they propose to sell 15,000 shares to the underwriter.

STANDARD OIL FILES STOCK PLAN. The Standard Oil Company (Ohio), Midland Building, Cleveland, filed a registration statement (File 2-16477) with the SEC on April 8, 1960, seeking registration of \$2,960,000 of interests in the Sohio Employees Investment Plan, together with 35,000 shares of common stock and 10,000 shares of preferred stock (cumulative, Series A, 3-3/4%, \$100 par), which may be acquired pursuant thereto.

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ZENITH RADIO FILES STOCK PLAN. Zenith Radio Corporation, 6001 West Dickens Ave., Chicago, filed a registration statement (File 2-16448) with the SEC on April 8, 1960, seeking registration of 180,000 shares of common stock, being the shares presently issuable which may be delivered on exercise of options which have been or may be granted in the future under the company's Employee Stock Purchase Plan I. Of this stock, 12,450 shares remain available for options under the Plan.

INTERCHEMICAL CORP. FILES STOCK PLAN. Interchemical Corporation, 67 West 44th St., New York, filed a registration statement (File 2-16449) with the SEC on April 8, 1960, seeking registration of 97,750 shares of common stock, being shares which may be purchased under the company's Employee Stock Option Plan.

TELECOMPUTING CORP. FILES FOR SECONDARY. Telecomputing Corporation, 915 North Citrus Ave., Los Angeles, today filed a registration statement (File 2-16450) with the SEC seeking registration of 100,000 outstanding shares of its common stock, to be offered for sale by the present holder thereof through an underwriting group headed by Dean Witter & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company through its various divisions and subsidiaries is engaged in the business of designing, developing, manufacturing and selling aircraft and missile valves and control devices, gyroscopes and allied instruments for use on missiles and aircraft, electronic data analysis equipment, nuclear weapon test equipment, and various electronic components. In addition to certain indebtedness, the company now has outstanding 3,420,372 shares of common stock. The selling stockholder is Carrier Corporation, which will continue to own \$500,000 of convertible notes after sale of the 100,000 shares.

The registration statement also includes an additional 15,000 shares reserved for issuance upon the exercise of an option granted in March 1956 to Blyth & Co., the option price being \$7 per share. Of the outstanding stock, Wm. R. Whittaker, president and board chairman, owns 461,510 shares (13.54%) and management officials an aggregate of 23.73%. In February 1960 all the outstanding stock of Narmco Industries, Inc., were acquired by the company in exchange of two shares of the company's common for each share of Narmco common. In this transaction, the company issued a total of 496,286 shares, of which Glenn G. Havens, an officer, received 224,788 shares and certain members of his family an aggregate of 143,254 shares.

BRUSH BERYLLIUM FILES FOR OFFERING AND SECONDARY. The Brush Beryllium Company, 5209 Euclid Avenue, Cleveland, Ohio, today filed a registration statement (File 2-16451) with the SEC seeking registration of 410,206 shares of common stock, including 260,000 shares which will be offered for public sale by the company and 150,206 shares which are outstanding and will be offered by the holders thereof. The shares will be offered through a group of underwriters headed by Kuhn, Loeb & Co. and McDonald & Company. The offering price and underwriting terms will be supplied by amendment.

The company produces and sells beryllium copper and beryllium metal products. It also manufactures and sells beryllium oxide and certain other beryllium compounds and alloys and engages in research and development work primarily for the U. S. Government and its contractors. In addition, as a minor phase of its business, the company engages in the re-rolling of stainless steel, nickel, silver, brass and phosphor bronze. Of the proceeds from the company's sale of new stock, \$6,000,000 will be used to finance the expansion of facilities at its Elmore plant for the production of beryllium metal. The remainder of the proceeds will be used to finance expansion of the company's fabrication facilities.

The capitalization of the company includes, in addition to certain indebtedness, 1,615,214 shares of common stock, adjusted to reflect a recent 2-for-1 split. Officers and directors own an aggregate of 362,692 shares (22.5%). The selling stockholders are three companies and three individuals, including Bengt R. F. Kjellgren, board chairman and C. Baldwin Sawyer, chairman of the executive committee. Kjellgren will sell 10,000 shares of 18,976 held and Sawyer will sell 20,000 of 103,578 shares. Other selling stockholders are Clevite Corporation, 40,000 of 75,790 shares; Mather Iron Company, 13,344 of 33,344 shares; Mid-Continent Securities Company, 57,498 of 117,498, and John Sherwin, officer and director of Mather Iron and Mid-Continent, 4,364 of 10,004 shares. Sherwin is a member of a partnership which owns all the outstanding stock of Mather Iron; and he is also a substantial shareholder of Mid-Continent.

COMPLAINT NAMES CORWIN & CO. The SEC New York Regional Office announced April 6th (Lit. Release 1639) the institution of Federal court action (USDC SDNY) seeking to enjoin T. C. Corwin & Co., 30 Broad Street, New York, and its general partner, Theodore C. Corwin, from further violating the anti-fraud, net capital and bookkeeping provisions of the Securities Exchange Act. Appointment of a receiver also is sought.

TEXAS EASTERN TRANSMISSION FILES FOR DEBENTURE OFFERING. Texas Eastern Transmission Corporation, Memorial Professional Bldg., Houston, today filed a registration statement (File 2-16452) with the SEC seeking registration of \$25,000,000 of Debentures due 1980, to be offered for public sale through an underwriting group headed by Dillon, Read & Co., Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company's principal business is the transmission of natural gas. The net proceeds of the debenture sale will be used in part to retire indebtedness under the company's revolving credit agreement and the balance used in connection with its construction program. The 1960 construction program involves expenditures estimated at about \$90,000,000.

SEC FILES REPORT ON HUDSON & MANHATTAN PLAN. The SEC today announced the filing with the United States District Court for the Southern District of New York of a Supplemental Report, pursuant to Section 172 of Chapter X of the Bankruptcy Act, on a modified plan of reorganization for Hudson & Manhattan Railroad Company proposed by Herman T. Stichman, Trustee. Hudson & Manhattan Railroad Company owns and operates the Hudson Terminal Buildings in downtown Manhattan and the Hudson Tubes, an interurban rapid transit electric railroad between New York City and points in New Jersey. The Commission concluded that the modified plan is fair and equitable and feasible and recommended its approval by the Court.

The modified plan represents a change in but one aspect of the Trustee's plan as to which the Commission had filed an Advisory Report in December 1958. The modification involves a change in the method of distribution of the proceeds of a sale of the railroad properties among the new Class A and Class B stockholders; no other provision of the plan is altered. As previously provided the Debtor will continue as a Real Estate Company to own and operate the Hudson Terminal Buildings, and a wholly-owned subsidiary, Railroad Company, will acquire and operate the railroad. First Mortgage bondholders and Refunding Mortgage bondholders will receive on a parity new \$10,038,100 of 20 year 6 percent First Mortgage Bonds and 590,476 shares of Class A stock of the Real Estate Company; Adjustment Income bondholders will receive 58,849 shares of Class B common stock representing about 9% of the equity of the Real Estate Company.

As in its earlier report, the Commission approved the exclusion from participation under the plan of the preferred and common stockholders of the debtor, in view of the fact that the debtor's assets are insufficient to meet the over \$70,000,000 of claims of creditors.

The Class A and Class B stocks will share pro rata in the earnings and assets of the Real Estate Company and, in the event of a sale of the railroad properties will share pro rata in the first \$18,500,000 (previously \$17,000,000) of the proceeds of the sale. Should the proceeds of the sale exceed \$18,500,000 the Class B stock will receive 90% of the excess and the Class A stock 10% of the excess up to July 1, 1964 (previously July 1, 1963). Should excess proceeds develop thereafter the Class B stock will receive a diminishing percentage and the Class A stock an increasing percentage of the excess proceeds until December 1, 1977 (previously March 1, 1970). Thereafter the Class A and B stock will share pro rata in all proceeds of the sale of the railroad.

COURT ORDER ENJOINS AMERICAN PROGRAMMING. The SEC San Francisco Regional Office announced April 7, 1960 (Lit Release 1640) entry of a Federal court order (USDC, Los Angeles) permanently enjoining American Programming Corporation and Karl C. Vesper, its president, of Beverly Hills, Calif., from further violation of the SEC net capital rule.

SEC COMPLAINT NAMES AMERICAN TELEVISION. The SEC Chicago Regional Office announced April 6, 1960 (Lit. Release 1641) the filing of a Federal court action (USDC, St. Paul, Minn.) seeking to enjoin American Television & Radio Co. and Albert A. Goffstein, its president from further violating the anti-fraud provisions of the Securities Act in the offer and sale of American Television debentures and common stock.

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