

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington 25, D.C.

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T. J. CAMPBELL INVESTMENT REGISTRATION REVOKED. In a decision announced today (Release 34-6290), the SEC revoked the broker-dealer registration of T. J. Campbell Investment Company, Inc., 2711 South Main St., Houston, for fraud in the sale of securities and other violations of the Federal securities laws.

The Commission found Theodore John Campbell, president, Robert G. Trimble, vice president, and Mrs. Patsy Ruth Campbell each to be a cause of the revocation order. Campbell Investment and each of the three individuals waived a hearing, admitted the allegations in the order for proceedings, and consented to the revocation order.

According to the decision, during the period January 1958 to October 1958, the three individuals caused Campbell Investment to induce 43 customers to purchase securities and to turn over to the company \$44,877 in cash and securities of a value of \$2,364 for such purchase. Campbell Investment failed to deliver any of the securities so purchased by the customers and appropriated to its own use the funds and securities received from the customers.

Furthermore, during the period October 10 to 16, 1958, Campbell Investment and the three individuals solicited securities transactions and accepted deposits of money and securities from customers upon the false representation that the company was solvent, when in fact it was unable to meet its current liabilities in the ordinary course of business and its liabilities exceeded its assets, thus violating the anti-fraud provisions of the securities laws.

The Commission also ruled that Campbell Investment engaged in the conduct of a securities business in violation of the SEC net capital rule, its net capital deficiency ranging as high as \$75,885 on October 11, 1958; that it extended credit in violation of Regulation T in connection with thirty-six purchase transactions, by reason of the delay in payment for securities which exceeded the seven day maximum permitted under the Regulation (in one instance there was a 112-day delay in payment); and failed to make and keep current certain of the books and records required by Commission rules.

On October 16, 1958, in a Federal court action in Houston filed by the Commission, Campbell Investment and the three individuals were permanently enjoined from violating the anti-fraud provisions of the Federal securities laws and a receiver of all the company's assets was appointed.

PLOMATOS-HELLENE SECURITIES REGISTRATION REVOKED. In a decision announced today (Release 34-6289), the SEC revoked the broker-dealer registration of Angelo Plomatos, doing business as Hellene Securities, 1210 Bergenline Ave., Union City, N. J., for failure to file the required reports of financial condition for the years 1958 and 1959. Notice of the proceeding was sent by registered mail to the address listed in Plomatos' registration application but no request for a hearing was received.

SEC COMPLAINT NAMES SECURITY CREDIT OF NEV. The SEC Denver Regional Office announced June 14th (Lit. Release 1705) the filing of court action (USDC, U.) seeking to enjoin Security Credit Corporation, a Nevada corporation, and Down & Company, a Utah corporation, from further violating the registration and anti-fraud provisions of Securities Act in the offer and sale of Security Credit stock.

McGRAW-EDISON EXCHANGE PLAN FILED. McGraw-Edison Company, Elgin, Ill., filed a registration statement (File 2-16702) with the SEC on June 15, 1960, seeking registration of 1,146,473 shares of common stock. Of this stock, the company proposes to issue 817,967 shares (excluding shares to be optioned in substitution for outstanding options granted by The American Laundry Machinery Company) in the acquisition of substantially all of the assets, subject to liabilities, of American Laundry. According to the prospectus, said shares are being registered in order that stockholders of American Laundry may offer for sale from time to time the shares of McGraw-Edison stock to be received by them upon the liquidation of American Laundry.

The remaining shares may be issued from time to time under options granted or which may be granted under McGraw-Edison's stock option plan and options granted in substitution for outstanding options to purchase American Laundry stock.

At the close of business June 17, 1960, American Laundry had outstanding 681,639 common shares. At a special meeting of its stockholders scheduled for July 2, 1960, stockholders will vote upon a plan to

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transfer its assets to McGraw-Edison in exchange for shares of McGraw-Edison common stock equal to 1.2 times the number of shares of American Laundry outstanding, to be followed by the complete liquidation of American Laundry and the distribution of McGraw-Edison shares to its stockholders on the 1.2 for 1 basis.

**CONSOLIDATED NATURAL GAS FINANCING APPROVED.** The SEC has issued an order under the Holding Company Act (Release 35-14245) authorizing Consolidated Natural Gas Company, New York holding company, to make additional bank borrowings for the purpose of aiding its subsidiaries in their 1960 construction program. Additional borrowings are to be made by Consolidated in the amount of \$25,000,000 for the construction requirements of subsidiaries, and in the amount of \$35,000,000 for their gas storage requirements. Consolidated also will renew until July 1961 its \$30,000,000 of outstanding bank notes previously authorized by the Commission. The funds derived from the sale of additional notes, together with funds from internal sources of the Consolidated system and derived in part from Consolidated's recent sale of debentures, will be made available to the subsidiaries by means of intrasystem issuances, sales and acquisitions of common stocks and short-term and long-term notes. Subject to market conditions and other circumstances, Consolidated intends to refund through long-term debt financing the \$25,000,000 of new short-term construction notes prior to their maturity and possibly in 1960 and the \$30,000,000 of extended notes before July 1, 1961.

**COMPOSITE FUND ORDER ISSUED.** The SEC has issued an exemption order under the Investment Company Act (Release 40-3047) permitting Composite Research & Management Co. to continue to serve as the investment adviser for Composite Fund, Inc., and Composite Bond and Stock Fund, Inc., under an agreement between the adviser and the Funds. The death of two persons controlling the adviser resulted in a transfer of controlling interests therein to their estates.

**UNITED SHEET METAL FILES FOR OFFERING AND SECONDARY.** United Sheet Metal Co., Inc., 883 North Cassady Avenue, Columbus, Ohio, today filed a registration statement (File 2-16703) with the SEC seeking registration of 170,000 shares of common stock, of which 85,000 shares are to be offered for public sale by the issuing company and 85,000 being outstanding shares, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. R. W. Pressprich & Co. is listed as the principal underwriter.

The company engages in the engineering, fabrication and erection of special ovens, dust-collecting, heating, ventilating and air conditioning systems and material handling devices for industrial and commercial uses; and it also manufactures and sells spiral lockseam pipe, matched pipe fittings and sound absorbers for heating, ventilating and air conditioning systems. Net proceeds of its sale of the additional 85,000 common shares will be added to working capital and used for general corporate purposes. It is contemplated that about \$200,000 will be used to acquire equipment for volume production of spiral lockseam pipe fittings in its Columbus plant and \$200,000 for further development of a sales and warehousing system.

The company has outstanding 85,000 shares of common stock and 241,338 shares of Restricted Stock (convertible share for share into common). All of such stock is owned in equal amounts by Jack Wolman, president, and James D. McGill, vice president; and they propose to sell all of their holdings of the common stock.

**AMERICAN CAN FILES FOR SECONDARY.** American Can Company, 100 Park Ave., New York, today filed a registration statement (File 2-16705) with the SEC seeking registration of 264,000 outstanding shares of its common stock and 12,000 outstanding shares of its \$25 par preferred stock. These shares constitute all of the holdings of common and preferred stock by the Estate of Paul Moore; and they are to be offered for public sale through an underwriting group headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., and three other firms. The public offering price and underwriting terms are to be supplied by amendment.

According to the prospectus, the decedent's widow, Fanny H. Moore, his son, William H. Moore, a director, and Bankers Trust Company are executors of the Estate. Mrs. Moore and William H. Moore own additional stock; and Bankers Trust is the record holder of additional stock. The company has outstanding 1,649,332 shares of preferred and 15,729,286 shares of common stock, together with various indebtedness. (SEE BELOW)

**CHICAGO MUSICAL INSTRUMENT CO. FILES FOR OFFERING AND SECONDARY.** Chicago Musical Instrument Co., 7373 North Cicero Avenue, Chicago, filed a registration statement (File 2-16701) with SEC on June 15, 1960, seeking registration of 260,000 shares of common stock, of which, 40,000 shares are to be offered for public sale by the company and 220,000, being outstanding shares, by the present holders thereof. The offering will be through a group of underwriters headed by Smith, Barney & Co. The public offering price and underwriting terms will be supplied by amendment.

The company is both a manufacturer and a distributor of musical instruments and accessories. Its principal product lines are Lowery electronic organs, the Gibson line of fretted musical instruments and electronic amplifiers, the Olds lines of band instruments, and imported accordions. The proceeds from the company's sale of 40,000 shares are to be used for normal expansion and, possibly, future acquisitions.

In addition to certain indebtedness, the company has outstanding 674,025 shares of common stock, of which, 463,915-5/8 shares (68.83%) are held by M. H. Berlin, Edward P. Morse and Thomas W. Naylor as voting trustees. M. H. Berlin is listed as president. The company's directors and officers and members of their families as a group own directly 2,500 shares and indirectly, as beneficiaries of the voting trust,

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268,878-1/8 shares. By agreement of all the beneficiaries, 139,500 shares will be sold by the voting trustees for the benefit of certain of the beneficiaries. In addition to certain other sales, A. L. Koolish will sell 60,000 shares and Dila & Co. will sell 11,500 shares.

AVNET ELECTRONICS FILES FOR DEBENTURE OFFERING AND SECONDARY. Avnet Electronics Corp., 70 State Street, Westbury, Long Island, N. Y., filed a registration statement (File 2-16700) with the SEC on June 15, 1960, seeking registration of \$2,000,000 of convertible debentures due 1975, to be offered for public sale by the issuing company, and 150,000 outstanding shares of common stock, to be offered by the present holders thereof. The offering will be made through a group of underwriters headed by Hemphill, Noyes & Co. The public offering prices and underwriting terms, as well as the interest rate on the debentures, will be supplied by amendment.

The company and subsidiaries are engaged in the business of assembling and distributing a line of electrical connectors and in distributing transistors, diodes, capacitors, transformers, and other items related to the electronics, aircraft, missile and communications industries. The net proceeds from its sale of the debentures will be utilized to repay \$600,000 of outstanding short-term bank loans, to maintain required inventories of both new product lines and those currently distributed, to stock parts and material necessary to assemble certain electrical testers, and to provide additional working capital.

In addition to certain indebtedness, the company has outstanding 1,513,200 shares of common stock, of which 1,068,672 shares (70.62%) are owned by the Avnet family and certain foundations, trusts and custodians. The prospectus lists Lester Avnet as president, Robert H. Avnet as board chairman and Charles Avnet as vice-president and treasurer. The named officials, the largest individual shareholders, are three of the seven selling stockholders. The amount of shares to be sold by each is to be supplied by amendment.

TEXTRON FILES STOCK PLAN. Textron Inc., Providence, R. I., today filed a registration statement (File 2-16706) with the SEC seeking registration of 500,000 shares of common stock, to be offered pursuant to its Employees Stock Savings Plan.

AMERICAN CAN PROPOSES DEBENTURE OFFERING. American Can Company, 100 Park Ave., New York, filed a registration statement (File 2-16704) with the SEC seeking registration of \$40,000,000 of thirty-year debentures due 1990, to be offered for public sale through an underwriting group headed by Morgan Stanley & Co. and Clark, Dodge & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the debentures will be added to the general funds of the company and applied to the reduction of short-term bank loans. The company customarily effects substantial short-term borrowings to meet its seasonal working capital requirements. In addition, it recently added to its short-term borrowings \$34,000,000, the approximate purchase price of the outstanding stock of The Allison Lumber Company, Inc.

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