

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

FOR RELEASE August 25, 1960

FURTHER VIOLATIONS CHARGED TO RE, RE & SAGARESE. The SEC has issued an order charging further violations of the Federal securities laws by Re, Re & Sagarese ("Respondent"), of 123 Greenwich St., New York City. A hearing is scheduled for September 19, 1960, in the Commission's Washington Office on these and charges contained in the earlier Commission order of May 12, 1960, for the purpose of determining whether the charges are true and, if so, whether Respondent's broker-dealer registration under the Securities Exchange Act of 1934 should be revoked and/or whether its members, Jerry Re and Gerard F. Re, should be suspended or expelled from membership in the American Stock Exchange (Release 34-6356).

In its earlier order, the Commission charged that Respondent and the Res had effected distributions in violation of the Securities Act registration requirement in securities in which they were specialists; violated SEC Rule 10b-6 by purchasing these securities while effecting such distributions; violated the anti-fraud provisions of the Securities Act by delivering prospectuses for certain of the securities which contained false and misleading information and by making purchases of a stock on the basis of material information not disclosed to the sellers which would have affected the price of such stock; executed as specialists discretionary orders in connection with certain of these distributions; effected short sales in the stock of one issuer in violation of the short-selling rule; and violated certain provisions of the Commission's bookkeeping rules.

In the amended order, the Commission charges that in connection with a distribution of convertible preferred and common stock of Thompson-Starrett Company, Inc., in October 1954 and of the said common stock during the period January through June 1959, Respondent and the Res violated the anti-manipulative provisions of the Exchange Act by effecting a series of transactions in Thompson-Starrett common stock on the Exchange "creating actual and apparent active trading in such security and raising the price of such security, for the purpose of inducing the purchase and sale of such security to others."

The amended order further alleges that in connection with the 1959 distribution of the Thompson-Starrett common stock, Respondent and the Res (1) violated SEC Rule 10b-2 by paying and offering and agreeing to pay compensation to certain persons for soliciting others to purchase shares of such stock on the Exchange; and (2) violated Section 11(b) of the Exchange Act by effecting transactions as specialists in such stock upon the Exchange other than upon market or limited price orders; and (3) violated the Securities Act anti-fraud provisions by representing that such stock was being sold "at the market" when, in fact, Respondent and the Res knew and omitted to state that the prices paid by the purchasers were not prices established on a free, open and competitive market but were prices artificially established by Respondent and the Res through their market activities.

WILES & COMPANY REGISTRATION REVOKED. In a decision announced today (Release 34-6354), the SEC revoked the broker-dealer registration of Wiles & Company, 2114 North Akard, Dallas, for misappropriation of customers' funds and violation of the Commission's record-keeping requirements.

The Commission found Dewey Vernon Wiles, a partner of the firm, to have been a cause of the revocation order. The firm and Wiles entered into a stipulation of the facts, waived a hearing and consented to the revocation order.

According to the Commission's decision, the firm and Wiles concededly induced two customers in 1958 to deposit with the firm \$2,675 in cash and \$609 in securities to cover short sales ordered by the customers, and that they appropriated such cash and the proceeds from such securities to the firm's own use (subsequently, Wiles gave one of these customers a promissory note for \$2,000 in lieu of payment of \$1,795 due the customer). It also was admitted that from September 1958 through March 1959 the firm, acting through Wiles, received from nine other customers a total of \$23,385 in payment for securities which were not delivered to such customers, the money received as payment therefor being used instead in the firm's business (two of these customers later received notes signed by the firm and Wiles to cover the balances due them. In June 1959 six customers who had deposited \$17,361 received in settlement of balances due them a deed to real estate owned by Wiles valued at \$21,775.

The Commission also found numerous violations of its record-keeping requirements between November 1957 and April 1960.

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For further details, call Worth 3-5526

INDICTMENT NAMES ROBERT TALLEN ALEXANDER. The SEC Fort Worth Regional Office announced August 23d (LR-1764) the return of an indictment by a Federal grand jury in Muskogee, Okla., charging Robert Talley Alexander with fraud in the sale of securities of American Reserve Life Insurance Company and American Reserve Life and Casualty Insurance Company.

CANADIAN RESTRICTED LIST. The SEC has added Associated Livestock Growers of Ontario to its Canadian Restricted List. The list now comprises the names of 223 Canadian companies whose securities recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide. (Release 33-4269)

PURITAN SPORTSWEAR FILES FOR SECONDARY. The Puritan Sportswear Corp., 813 - 25th Street, Altoona, Pa., filed a registration statement (File 2-16952) with the SEC on August 24, 1960, seeking registration of 120,000 outstanding shares of its common stock, to be offered for public sale by the present holders thereof through an underwriting group headed by Hayden, Stone & Co. The public offering price and underwriting terms are to be supplied by amendment. Hayden, Stone interests also will acquire from one of the selling stockholders, 5-year option warrants to purchase an additional 10,000 shares at the public offering price of the 120,000 shares. The company is engaged in the manufacture and sale of medium and higher priced men's sportswear, boys' sweaters and sport shirts, and men's and boys' walk shorts and swim wear. In addition to certain indebtedness and preferred stock, it has outstanding 600,000 shares of common stock, of which management officials as a group owned 502,174 shares (83.7%). The selling stockholders are Frank M. Titelman, president and board chairman, and Rosa K. Titelman, both of 3510 Oneida Ave., Altoona, who propose to sell 60,000 shares each of their respective holdings of 241,305 and 97,826 shares. Frank M. Titelman will option an additional 10,000 shares to the Hayden, Stone interests. Two other large blocks of stock, 130,435 shares each, are held by J. Richard Titelman and James W. Titelman, company officers.

PUBLIC SERVICE ELECTRIC AND GAS PROPOSES BOND OFFERING. Public Service Electric and Gas Company, 80 Park Place, Newark, N. J., filed a registration statement (File 2-16953) with the SEC on August 24, 1960, seeking registration of \$50,000,000 of First and Refunding Mortgage Bonds, Series due 1990, to be offered for public sale at competitive bidding. Net proceeds of the sale thereof will be added to the general funds of the company and used by it for its general corporate purposes, including payment of \$32,000,000 of about \$56,000,000 of bank loans made or expected to be made to the company and payment of a portion of the cost of its current construction program. The company's current construction program is estimated at \$220,000,000, of which \$78,000,000 has been or will be expended in the last six months of 1960.

CORRECTIONS. The debentures of Aldens, Inc., referred to in the News Digest of August 24th mature in 1980, not 1960. The number of pending registration statements as of August 18th was 316, not 20 as stated in the News Digest of August 22d.

NOTE RENEWAL PROPOSED BY PHILADELPHIA CO. Standard Gas and Electric Company and its subsidiary, Philadelphia Company, have joined in the filing of an application under the Holding Company Act for the issuance by Philadelphia to Standard Gas of a renewal promissory note in replacement of a \$2,065,000 note which will mature September 10, 1960; and the Commission has issued an order (Release 35-14274) giving interested persons until September 8, 1960, to request a hearing thereon.

NIXON-BALDWIN CHEMICALS PROPOSES DEBENTURE OFFERING. Nixon-Baldwin Chemicals Inc., Nixon, New Jersey, filed a registration statement (File 2-16954) with the SEC on August 24, 1960, seeking registration of \$4,000,000 of 6½% subordinated debentures, due October 1, 1980, and 160,000 shares of common stock. The company proposes to offer these securities in units consisting of \$500 principal amount of debentures and common shares (the number to be supplied by amendment) at a price of \$500 per unit. The underwriting terms are to be supplied by amendment. The principal underwriters are Lee Higginson Corporation and P. W. Brooks & Co., Inc. Each holds 26,250 common shares of the company acquired at \$1 per share, and each has agreed to purchase an additional 5,250 common shares at \$1 per share.

Organized under Delaware law as Baldwin Chemical Corp. in February 1960, the company adopted its present name in June 1960, when it purchased for \$6,142,752 the business and certain assets of Nixon Nitration Works, a New Jersey corporation. It is engaged in the manufacture and sale of rigid thermoplastic sheeting, rods, tubes and other forms. The financial requirements for the permanent financing of the purchase of Nixon Nitration, including the retirement of the company's 6½% promissory notes due December 1960 in the principal amount of \$5,950,000 and the retirement of \$200,000 of short term indebtedness incurred to supply necessary working capital, are \$6,150,000. These requirements are to be satisfied in part from the net proceeds from this financing. Additional funds are expected from the private sale of 152,500 shares of common stock at \$1.00 per share to present stockholders of the company and five of the company's officers, and from the sale to an insurance company for \$3,000,000 of a \$3,000,000 6½% promissory note, due 1975. Part of the proceeds of the note sale will be used for working capital.

In addition to certain indebtedness, the company has outstanding 105,000 shares of common stock, of which

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George F. Blasius, board chairman, Allen J. Baldwin, president, and Irving T. Brennan, vice president, own 22%, 20% and 8%, respectively. Additional blocks of 25% each are owned by the two named underwriting firms. According to the prospectus, all of such outstanding stock, owned by the founders of the company, is pledged as security for the \$5,950,000 loan from Grosvenor-Dale Company, Inc., in June 1960 to finance the purchase of Nixon Nitration Works. Pursuant to such agreement, the company granted Grosvenor-Dale an option to purchase 82,500 common shares for \$75,000.

YOUNGSTOWN SHEET FILES STOCK PLAN. The Youngstown Sheet and Tube Company, Youngstown, O., filed a registration statement (File 2-16956) with the SEC on August 24, 1960, seeking registration of 156,321 common shares, to be offered pursuant to its Restricted Stock Option Incentive Plans to officers and employees.

R. C. CAN FILES FOR OFFERING AND SECONDARY. R. C. Can Company, 9430 Page Boulevard, St. Louis, Mo., today filed a registration statement (File 2-16955) with the SEC, seeking registration of 230,000 shares of common stock, of which 50,000 shares are to be offered for public sale for the account of the company and 180,000 shares, being outstanding stock, by the present holders thereof. The prospectus lists Reinholdt & Gardner as the principal underwriter. The public offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture and sale of fibre bodied cans and containers of various shapes and sizes. The net proceeds from the stock sale will initially be added to the company's general funds, and will be available for working capital or for use in connection with the development of various phases of its business, including the production of plastic closures and plastic containers and of fibre bodied containers for packaging frozen juice concentrates and other products.

In addition to indebtedness, the company has outstanding 900,000 shares of common stock, of which W. L. Rutowski, board chairman, owns of record 178,838 shares and beneficially 89,286 shares, and management officials as a group own of record 337,565 shares and beneficially 231,660 shares. In addition, 133,899 shares are owned jointly of record and beneficially by officers and directors and their respective wives. Substantially all of the company's stockholders propose to sell a total amount equal to 20% of the shares held by all of the company's present stockholders.

BRUSH BERYLLIUM FILES STOCK PLAN. The Brush Beryllium Company, 5209 Euclid Avenue, Cleveland, today filed a registration statement (File 2-16957) with the SEC, seeking registration of 170,000 shares of common stock, which have been issued or reserved for issuance upon exercise of restricted stock options heretofore or hereafter granted.

INDIANAPOLIS POWER & LIGHT PROPOSES BOND OFFERING. Indianapolis Power & Light Company, 25 Monument Circle, Indianapolis, Indiana, today filed a registration (File 2-16958) with the SEC, seeking registration of \$12,000,000 of First Mortgage Bonds, due 1990, to be offered for public sale at competitive bidding. The net proceeds from the bond sale will be used to repay short-term bank loans aggregating \$3,000,000 incurred for the construction of a utility plant and the balance will be applied to the company's construction program. Such program for the years 1960-1964 contemplates expenditures of \$84,830,000. According to the prospectus, the remaining funds necessary to finance such program will be obtained from the company's treasury, from annual operating revenues, from temporary bank borrowings and from the sale of approximately \$14,000,000 of additional securities in 1963.

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