

# 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)



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**PROGRESS ELECTRONICS OFFERING SUSPENDED.** The SEC 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 Progress Electronics Corporation, of 12293 Saticoy St., Van Nuys, California.

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 May 25, 1960, Progress Electronics proposed the public offering of 200,000 common shares at \$1.50 per share. The Commission asserts in its suspension order that the company's offering circular is false and misleading in respect of certain material facts and that its stock offering is being made in violation of Section 17 (the anti-fraud) provision of the said Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

The alleged misrepresentations relate to the following: (1) the failure to disclose that Dr. P. Marie D'Aigle, principal promoter and stockholder, is the wife of Napoleon J. Daigle, director and vice president of the underwriter; (2) the statement that Mrs. D'Aigle paid \$42,000 in cash for her shares; (3) the failure to disclose that Mr. Daigle is devoting nearly his full time to the issuer and is retained as its "financial advisor;" (4) the failure to disclose the relationship between the issuer and its underwriter; (5) statements concerning the issuer's receipt of cash for the issuance of shares and the disbursement of cash for equipment and products; and (6) statements concerning the issuer's intended use of the proceeds of the stock sale. (NOTE TO PRESS. Copies of foregoing also available in SEC San Francisco Office)

**CANADIAN RESTRICTED LIST.** The SEC has added Trans-Oceanic Hotels Corp. Ltd. and Tyndall Explorations Ltd. to its Canadian Restricted List. The list now comprises the names of 231 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 33-4295)

**DELISTING OF TWO STOCKS PROPOSED.** The SEC has issued orders (Release 34-6411) giving interested persons until November 18, 1960, to request a hearing upon applications of the New York Stock Exchange to delist the capital stocks of Central Violeta Sugar Company, S.A. (transfer facilities for which are no longer available in New York City), and The Charles E. Hires Company (90% of which stock has been acquired by Consolidated Foods Corporation).

**UNLISTED TRADING IN FOUR STOCKS REQUESTED.** The SEC has issued orders (Release 34-6411) giving interested persons until November 18, 1960, to request a hearing upon an application of the Pacific Coast Stock Exchange for unlisted trading privileges in the common stocks of Bell International Corporation and Fairchild Camera and Instrument Corp., and of the Midwest and Philadelphia-Baltimore Stock Exchanges for such privileges in the common stocks of Ling-Temco Electronics, Inc., and Philadelphia & Reading Corp. (NY), respectively.

**UNLISTED TRADING GRANTED IN THREE STOCKS.** The SEC has issued orders (Release 34-6411) granting applications of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in the common stocks of Continental Industries, Inc., and Lionel Corporation, and of the Cincinnati Stock Exchange for such privileges in common stock of McGraw Edison Company.

**ATLANTA GAS LIGHT PROPOSES BOND OFFERING.** Atlanta Gas Light Company, 243 Peachtree Street, N. E., Atlanta, Ga., filed a registration statement (File 2-17263) with the SEC on November 1, 1960, seeking registration of \$9,000,000 of First Mortgage Bonds due 1985, to be offered for public sale at competitive bidding. The net proceeds from the bond sale will be applied to the reduction of bank loans made for construction purposes, which are expected to aggregate \$10,200,000 at the time of the sale of the new bonds. In September 1960, the company sold 109,186 shares of common stock and applied the net proceeds thereof (\$3,800,000) to the reduction of bank loans then outstanding. The company expended \$8,658,000 for construction in the fiscal year ended September 30, 1960, and estimates that such expenditures for the fiscal year ending September 30, 1961 will approximate \$9,477,000, which will be financed by funds generated from operations and by short term bank borrowings, a portion of which will be retired with the proceeds from the sale of the new bonds.

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For further details, call Worth 3-5526

**STANDARD AND SHELL HOMES FILES FINANCING PROPOSAL.** Standard and Shell Homes Corporation, 940 Lincoln Road, Miami Beach, Fla., filed a registration statement (File 2-17262) with the SEC on November 1, 1960, seeking registration of 210,000 shares of common stock, \$350,000 of 9% Subordinated Sinking Fund Debentures, due November 1, 1985, and warrants. These securities are to be offered for public sale in units consisting of six shares of common stock, one \$10 debenture and two warrants. The warrants will be exercisable through 1963, and each two warrants will entitle the holder thereof to receive as a unit one \$10 par 9% debenture due November 1, 1985 and six shares of common stock at the unit price of \$17.50 plus accrued interest. The underwriters are listed as Aetna Securities Corp., Roman & Johnson, and D. Gleich Co. The public offering price of the units and the underwriting terms are to be supplied by amendment. The prospectus also includes 20,000 shares of outstanding common stock which were sold for 25¢ per share in August 1960 to Ira Krupnick, the principal stockholder of the managing underwriter, by Milton J. Saffir, president and board chairman of the company.

The company (formerly known as Guaranty Mortgage Co. of Miami, Inc.) and its wholly owned subsidiary, Standard Homes, Inc., of Florida, are engaged in the customized home building and mortgage business in southern Florida. The company builds homes only on land owned by prospective home owners. It builds only completed homes, but it is said to be making plans to enter the business of constructing "shell homes", or homes completed only on the exterior with the interior left for finishing by the home owner. Of the net proceeds of this financing, \$50,000 will be expended for the construction of additional model home sales offices in other areas, \$250,000 will be used to hold mortgages on homes constructed by the company, either on a permanent basis or prior to their sale to financial institutions, and the balance, estimated at \$200,000, will be added to the general funds and will be used as working capital and in the expansion of its business into other areas.

In addition to certain indebtedness, the company has outstanding 57,868 warrants and 434,962 shares of common stock, of which latter Saffir owns 121,857 shares, Albert W. Fenton, executive vice president, owns 87,852 shares, and management officials as a group own 276,528 shares. Of the outstanding warrants, 6,000 each were purchased from the company in August 1960, at 1¢ each by Saffir, Fenton, Irving S. Nager, Richard M. Saffir and M. L. Goldman, company directors; and on the same date 20,000 warrants were purchased by Raymond L. Wise, a director and special counsel, for 1¢ per warrant. On August 31, 1960, an aggregate of \$314,700 of outstanding 8% debentures were surrendered in exchange for 251,760 shares of common stock at the rate of \$1.25 in debentures for each share of stock; and the debenture holders also received one warrant for each \$40 of debentures exchanged for stock, or 7,868 warrants.

**DEVONSHIRE STREET FUND, INC. FILES EXCHANGE PLAN.** Devonshire Street Fund, Inc., 80 Federal Street, Boston, filed a registration statement (File 2-17264) with the SEC on November 1, 1960, seeking registration of 2,000,000 shares of common stock. The Fund was organized in October 1960 for the purpose of providing investors who hold securities having relatively low tax bases with a method of diversifying their holdings "without realizing gain or loss for federal income tax purposes at the time of exchange of such securities for shares of the Fund." The Fund has retained Trust Management Corp. of Boston as its investment adviser. Robert L. Moore is listed as board chairman and Ralph S. Henry as president; and Bache & Co. is the dealer manager. Shares of the Fund will be offered to investors in exchange for securities of the general nature specified in the companies list of securities or other securities acceptable to the Fund, subject to a \$15,000 minimum deposit of securities for exchange. The offering price of the Fund's shares will be their net asset value at the date of issue, which is expected to be \$12.50 per share.

**ORDER ISSUED ON AMERICAN ART METALS.** The SEC has issued an order under the Trust Indenture Act (Release 39-148) finding that trusteeship of Citizens & Southern National Bank under indentures for two debenture issues of American Art Metals Company is not likely to involve a material conflict of interest. One of the indentures relates to \$1,250,000 of 6¢ Convertible Subordinated Debentures due 1968 and issued under an indenture dated December 1, 1958. The other relates to \$500,000 of 6% Convertible Subordinated Debentures due 1970 and to be issued under an indenture dated as of September 1, 1960.

**SEC COMPLAINT NAMES HEIN COMPANY.** The SEC New York Regional Office announced October 28th (LR-1822) the filing of court action (USDC SDNY) seeking to enjoin Miriam G. Hein, doing business as Hein Company, 150 Broadway, from further violations of the anti-fraud provisions and net capital rule under the Securities Exchange Act.

**SEC COMPLAINT NAMES REED HUTCHINSON & CO, INC.** The SEC New York Regional Office announced October 31st (LR-1823) the filing of court action (USDC SDNY) seeking to compel Reed, Hutchison & Co., Inc., of 122 East 42d St., New York, and Edgar A. Reed, Freeman Koo and Mary Jane Lawson, its officers, to permit Commission representatives to inspect its books and records.

**COURT ORDER ENJOINS RALPH MINEO.** The SEC New York Regional Office announced October 31st (LR-1824) the entry of a court order (USDC SDNY) permanently enjoining Ralph Mineo, 99 Wall St., New York, from further violating the net capital rule and anti-fraud provisions of the Securities Exchange Act.