

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.

FOR RELEASE September 29, 1958

Statistical Release No. 1558

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended September 26, 1958, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1958, is as follows:

	1939 = 100		Percent Change	1958	
	9/26/58	9/19/58		High	Low
Composite	366.5*	364.2	40.6	366.5	299.0
Manufacturing	460.5*	457.8	40.6	460.5	373.3
Durable Goods	421.6*	418.4	40.8	421.6	332.2
Non-Durable Goods	487.6*	485.2	40.5	487.6	402.2
Transportation	301.2*	300.1	40.4	301.2	219.7
Utility	180.2*	178.5	41.0	180.2	155.5
Trade, Finance & Service	340.3*	338.5	40.5	340.3	263.2
Mining	341.4	341.4	0.0	346.2	261.3

*New High

PUGET SOUND POWER & LIGHT PROPOSES DEBENTURE OFFERING

Puget Sound Power & Light Company, Seattle, filed a registration statement (File 2-14394) with the SEC on September 26, 1958, seeking registration of \$15,000,000 of Debentures due November 1, 1983, to be offered for public sale at competitive bidding.

Net proceeds from the sale of the debentures will be applied to the payment of outstanding bank loans, due January 31, 1959, incurred for construction purposes, which it is expected will aggregate approximately \$25,000,000 at the time of such sale. New bank loans and cash generated from operations will be used to continue the company's construction program. It is estimated that the company's 1958 construction program will require the expenditure of approximately \$32,250,000 (of which \$17,500,000 had been spent at June 30, 1958), and that the company's 1959 construction program will require expenditures of approximately \$20,000,000.

KAISER INDUSTRIES FILES STOCK OPTION PLAN

Kaiser Industries Corporation, Oakland, Cal., filed a registration statement (File 2-14395) with the SEC on September 26, 1958, seeking registration of 1,000,000 shares of its Common Stock, \$4 par value, to be offered under its Restricted Stock Option Plan for Officers and Employees.

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Scudder, Stevens & Clark Fund, Inc., Boston, Mass. investment company, filed an amendment September 26, 1958 to its registration statement (File 2-13627) seeking registration of an additional 100,000 shares of Capital Stock, \$1 par value.

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For further details, call ST. 3-7600, ext. 5526

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Scudder, Stevens & Clark Common Stock Fund, Inc., Boston, Mass. investment company, filed an amendment on September 26, 1958 to its registration statement (File 2-13628) seeking registration of an additional 300,000 shares of Capital Stock, \$1 par value.

SEC REVOKES McGRATH SECURITIES' REGISTRATION

The SEC today announced the issuance of a decision revoking the broker-dealer registration of McGrath Securities Corporation, of New York, for wilful violation of the registration requirements (Section 5) of the Securities Act of 1933. The company also was expelled from membership in the National Association of Securities Dealers, Inc.; and Robert C. Leonhardt, president and sole stockholder was found by the Commission to be a cause of the said revocation and expulsion.

According to the Commission's decision, Micro-Moisture Controls, Inc., in June 1956 issued 2,396,485 common shares to a Canadian corporation in exchange for the latter's assets, and the latter thereupon distributed such stock to its stockholders; that within a short period of time thereafter a group of these stockholders, who were then in control of Micro-Moisture, sold 710,623 shares to various broker-dealers, including 447,614 shares to McGrath Securities; and that McGrath Securities and Leonhardt sold these shares to public investors or to other broker-dealers who then resold to public investors. No registration statement covering these securities was filed with the Commission.

The Commission ruled that McGrath Securities and Leonhardt were underwriters for the stock offering and so their transactions were not entitled to an exemption from registration and that they knew or in the exercise of reasonable care should have known that they acted as underwriters and that their sales were in violation of Section 5 of the Securities Act. McGrath Securities and Leonhardt admitted the violation and consented to revocation of registration and expulsion from the NASD. On April 23, 1958, the U. S. District Court for the Southern District of New York, in an action instituted by the Commission, entered a permanent injunction enjoining them and others from further violations of the registration requirements of the Securities Act in the offering and sale of Micro-Moisture stock. This case is now pending on appeal.

UNION FINANCE FILES FOR DEBENTURE OFFERING

Union Finance Corporation, Tampa, Fla., filed a registration statement (File 2-14396) with the SEC on September 26, 1958, seeking registration of \$500,000 of 6% Twenty Year Sinking Fund Convertible Capital Debentures due October 15, 1978, to be offered for public sale through an underwriting group headed by Bell & Hough, Inc. The debentures are registered in denominations commencing with \$500 and increasing in multiples thereof. The company has agreed to pay the underwriters a commission of 2% on debentures sold by the company and a commission of 8% on debentures sold by the underwriters.

Proceeds from the sale of the debentures will be placed in the company's general fund and initially will be used to reduce bank loans and short term notes of the company due within one year. The prospectus states that, as the volume of business requires, the company may incur additional short or long term indebtedness to increase its working capital, to be used primarily to provide subsidiaries with funds to carry on their respective businesses of making loans to individuals and purchasing installment receivables.

NATIONAL SHARES FILES FOR RIGHTS OFFERING

National Shares Corporation, New York investment company, filed a registration statement (File 2-14398) with the SEC on September 26, 1958, seeking registration of 540,000 shares of its Capital Stock, \$1 par value, to be offered to the holders of its outstanding capital stock on the basis of one additional share for each two shares held of record at the close of business on Oct

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5, 1958. No underwriting is involved. The subscription price will be supplied by amendment.

Proceeds from the sale of the additional shares of capital stock will be invested in accordance with the company's investment policies.

J. I. CASE PROPOSES RIGHTS OFFERING OF DEBENTURES

J. I. Case Company, Racine, Wis., filed a registration statement (File 2-14399) with the SEC on September 26, 1958, seeking registration of \$23,000,000 of Subordinated Debentures due 1983, (Convertible until October 15, 1968), to be offered to the holders of its outstanding common stock of record at the close of business on October 14, 1958. The rate of subscription, subscription price and underwriting terms are to be supplied by amendment. Morgan Stanley & Co. and Clark, Dodge & Co. are named as the principal underwriters. Net proceeds from the sale of the debentures will be used by the company to reduce its short-term indebtedness to banks which aggregated approximately \$3,145,000 at September 24, 1958.

KENTUCKY JOCKEY CLUB PROPOSES FINANCING

The Kentucky Jockey Club, Incorporated, Louisville, filed a registration statement (File 2-14397) with the SEC on September 26, 1958, seeking registration of \$2,300,000 of First Mortgage Bonds, 6% Series due 1973, and 230,000 shares of Common Stock, \$1 par value, to be offered for public sale through an underwriting group headed by The Kentucky Company and Scherck, Richter Company. The offering is to be made only in units consisting of \$100 of bonds and 10 common shares 5 of which will not be separately transferable from the bonds to which they pertain prior to December 1, 1959). The public offering price and underwriting terms are to be supplied by amendment.

The company was organized under Kentucky laws in October 1956 and proposes to conduct thoroughbred horse racing meeting, with pari-mutuel wagering, commencing during the early Fall of 1959, prior to which time its facilities now under construction are expected to be completed. Although the company has not yet conducted any operations, a site consisting of 366 acres for a racing plant to be known as "Latonia" located near Florence, Ky., approximately 12 miles from Cincinnati, has been acquired and construction of the facilities commenced in November 1956.

According to the prospectus, prior to January 24, 1958, sixteen individuals made cash advances to the company aggregating \$1,075,000. Such advances were evidenced either as open accounts or by the issuance of common shares. Following action of the directors in accordance with authorization of the stockholders on January 24, 1958, there were issued to such individuals an aggregate of \$300,000 of 6% Subordinated Debenture Notes, due 1973, and 220,000 shares of common stock in exchange for the interests represented by the open accounts and common shares referred to. The debentures were issued on the basis of par and the common shares on the basis of \$1.25 per share. Of the 220,000 shares, 60,000 shares were issued to twelve of the sixteen persons, each of whom was serving or had served as a director of the company, and to each of whom 5,000 shares were issued. During December 1957, the company borrowed \$500,000 from a single investor, who has agreed to subordinate the loan to the bonds of the company. All of these funds have been expended upon the acquisition of the Latonia site, and on preliminary development and construction of the racing plant. Matt Winn Williamson, company president, has agreed to purchase from the company \$93,000 of 6% Subordinated Debenture Notes and 25,600 common shares, at par and \$1.25 per share, respectively.

The company also has agreed to sell to the underwriters 64,400 common shares at \$1.25 per share. Net proceeds of the public offering, and of the sale of securities to the president and the underwriters, will be utilized in the completion of the Latonia plant and for general corporate purposes. Including the cost of land, it is estimated that, as presently planned, the aggregate amount required to construct Latonia will be \$4,011,095, approximately \$1,564,605 of which has been paid to date. The balance of the total proceeds will be used for the payment of certain present liabilities not related to construction and for general corporate purposes.

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SCUDDER FUND OF CANADA FILES FOR SHARE OFFERING

Scudder Fund of Canada Ltd., Toronto, filed a registration statement (File 2-14400) with the SEC on September 26, 1958, seeking registration of an additional 3,000,000 Common Shares, to be offered for public sale through a group of underwriters headed by Lehman Brothers and William Street Sales, Inc.

MON-DAK OIL FILES FOR OFFERING

Mon-Dak Oil, Incorporated, of Sidney, Montana, filed a registration statement (File 2-14401) with the SEC on September 26, 1958, seeking registration of 6,860 shares of its Class A Voting Common Stock and 367,000 shares of its Class B Non-Voting Common Stock.

The Class A stock will be offered exclusively to landowners in exchange for oil and gas leases on the basis of one share for each \$1 value of such leases. Each landowner will be offered 20 Class A shares plus, depending upon the preference of the landowner and the availability of cash, such amount of cash or such additional shares of Class B stock at the rate of \$1 per share, or both, as are equivalent to the value of the leases as determined by the company.

Class B shares will be exchanged for oil and gas leases, will be issued in payment of salaries and services rendered, and will be sold for cash at \$1 per share. Subject to the limitation of the number of shares of Class A stock which may be held by any landowner, Class A and Class B stock may be issued to directors, officers and promoters of the company, and to associates of such persons in exchange for oil and gas leases at such valuations as the company may determine.

Net proceeds to be received from the sale and exchange of stock will be comprised of cash, oil and gas leases, and the value of services rendered. Part of the stock may be issued for short-term notes and drafts outstanding in the amount of \$24,392. Another 3,943 shares will be issued in payment of salaries and expenses already incurred and owing.

CONSOLIDATED NATURAL GAS PROPOSES BANK BORROWINGS

Consolidated Natural Gas Company, New York, has applied to the SEC for authorization to make additional bank borrowings aggregating \$5,000,000 during 1958, and the Commission has issued an order giving interested persons until October 16, 1958, to request a hearing thereon. Consolidated proposes to lend the said funds, from time to time as required, to its wholly-owned subsidiaries Hope Natural Gas Company, New York State Natural Gas Corporation, and the Peoples Natural Gas Company for use in connection with their construction programs.

FORD NAMED ASSISTANT ADMINISTRATOR IN FORT WORTH

Chairman Edward N. Gadsby of the Securities and Exchange Commission announced the appointment of John C. Ford, of Dallas, Texas, to the position of Assistant Regional Administrator of the Commission's Fort Worth Regional Office effective October 20, 1958. Mr. Ford succeeds James D. Mirabile who resigned on August 27, 1958 to return to the private practice of law in Connecticut.

Mr. Ford was born in Cooke County, Texas on April 11, 1917. He received his BBA and LL.B degrees from the University of Texas in 1941. He is admitted to practice before the United States District Court for the Northern District of Texas; the United States Court of Appeals for the Fifth Circuit; the United States Court of Military Appeals; the Supreme Court of Texas and the Supreme Court of the United States.

Since September, 1953, Mr. Ford, as an Assistant United States Attorney, has been the administrative head of the Dallas Office of the United States Attorney for the Northern District of Texas, in charge of the trial of all civil litigation. From September, 1946 to September, 1953

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he served as a tax attorney on the staff of the City Attorney of Dallas.

In August, 1941, Mr. Ford was called to active duty in the military service, and served in the United States Navy for thirty-four months in the South Pacific until his release from active duty in March, 1946. At present, he is an active member of the Naval Reserve Law Company 8-6, Dallas, Texas, with the rank of Lieutenant-Commander.

Mr. Ford is a member of the American Bar Association; the Federal Bar Association of which he is the Treasurer of the Dallas Chapter; the Texas State Bar Association; and the Dallas Bar Association. He is married to the former Vivian Kate Long of Dallas, Texas, and they have a son.

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