

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 November 7, 1958

CHECKER MOTORS PROPOSES RIGHTS OFFERING

Checker Motors Corporation, 2016 North Pitcher St., Kalamazoo, Michigan, today filed a registration statement (File 2-14501) with the SEC seeking registration of 133,112 shares of its \$1.25 par Common Stock. The company proposes to offer this stock for subscription by holders of its outstanding common stock of record November 26, 1958, at the rate of one new share for each seven shares then held. The subscription price is to be supplied by amendment. No underwriting is involved.

Organized in 1923, the company's principal business has been the manufacture and sale of "built for the purpose" taxicabs, known as Checker taxicabs. It owns some 63.06% of the outstanding stock of Parmelee Transportation Company, the principal business of which is the operation through subsidiaries of taxicabs and air lines terminal transportation service in several large cities. It is about to manufacture a new passenger automobile named the "Superba," according to the prospectus, which will be introduced to the public shortly.

Net proceeds from the stock sale will be used first for the exercise by the company of its option to purchase nineteen presses and accessories leased from Checker Taxi Company Inc., at an option purchase price, after application of rentals and deposits previously made, of \$399,500. The remainder of the net proceeds has not been allocated for any particular purpose and will be added to working capital. The company has agreed that if Checker Taxi Company Inc. exercises the rights which it will receive as a stockholder and/or from Morris Markin, company president, such purchase option thereupon shall be deemed to be exercised by the company and the amount of such option purchase price will be applied toward payment of the subscription price of the common shares subscribed for.

Markin owns beneficially 409,557 shares of Checker Motors common, or some 47.24%, of which 34,641 shares are owned of record by him and 374,916 shares are owned by Checker Taxi Company Inc. wholly-owned by Markin. He may transfer his subscription rights to Checker Taxi Company Inc.

According to the prospectus, the company produced 3,970 taxicabs in 1956, 3,871 in 1957, and 2,141 in 1958 (to September 30). It was retooling for the production of its new model taxicab and its new passenger car during July, August and September of 1958 and consequently only a limited quantity of taxicabs was produced during such period. It commenced assembly line production of its new model taxicab on September 24, 1958, and is now producing approximately 20 taxicabs in one eight-hour shift per day, such production being on a limited scale due to minor delays in completion of its retooling program. It is also producing prototypes of the Superba passenger car for demonstration to the public.

After a certain quantity of taxicabs has been produced, the Corporation will also turn its production line facilities over to the manufacture of its new passenger car line. The Corporation expects to produce a minimum of 12,000 vehicles during 1959, and is prepared to increase such production if warranted by future sales orders received.

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

NEW ZEALAND FILES FOR BOND OFFERING

The Government of New Zealand today filed a registration statement (File 2-14502) with the SEC seeking registration of \$10,000,000 of Twelve Year Bonds due December 1, 1970, to be offered for public sale through an underwriting group headed by Kidder, Peabody & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the bonds will in the first instance be added to New Zealand's foreign exchange reserves. It is the present intention of New Zealand that the net proceeds will be applied toward the Government's program of capital works and expenditures. These expenditures amounted to 71.6 million pounds for the fiscal year ended March 31, 1958, and are expected to total 85 million pounds for the current fiscal year (including 20.8 million for electric development, 11.1 million for public and education buildings, and 15 million for advances to State Advances Corporation).

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American Mutual Fund Inc., Los Angeles, Calif. investment company, filed an amendment on November 6, 1958 to its registration statement (File 2-10607) seeking registration of an additional 2,500,000 shares of Capital Stock, \$1 par value.

MIDDLE SOUTH UTILITIES FILES STOCK PLAN

Middle South Utilities, Inc., Two Rector St., New York, N. Y., filed a registration statement (File 2-14500) with the SEC on November 6, 1958, seeking registration of 25,000 shares of its Common Stock, to be offered to eligible employees of the company and its subsidiaries pursuant to the Middle South Utilities Stock Purchase Plan.

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The Philadelphia-Baltimore Stock Exchange has applied to the SEC for unlisted trading privileges in the common stocks of United Merchants & Manufacturers, Inc., and Food Machinery & Chemical Corporation; and the Commission has issued orders (Release 34-5817) giving interested persons until November 25, 1958, to request hearings thereon.

SEC SEEKS TO ENJOIN UNLAWFUL SALE OF GENERAL OIL & INDUSTRIES STOCK

The SEC New York Regional Office announced November 5, 1958, the filing of a complaint in the USDC, SDNY, seeking to enjoin A. G. Bellin Securities Corp., Sidney B. Josephson et al. from further violating the registration and anti-fraud provisions of the Securities Act in sale of General Oil & Industries, Inc., stock. (LR-1358).

WINN-DIXIE STORES FILES STOCK PLAN

Winn-Dixie Stores, Inc., 5050 Edgewood Court, Jacksonville, Fla., filed a registration statement (File 2-14496) with the SEC on November 5, 1958, seeking registration of 75,000 common shares to be offered pursuant to the company's Stock Purchase Plan for Employees, and 25,000 common shares to be offered pursuant to its Executive Incentive Stock Option Plan.

MONTANA-DAKOTA UTILITIES PROPOSES BOND OFFERING

Montana-Dakota Utilities Co., 831 Second Avenue South, Minneapolis, Minn., today filed a registration statement (File 2-14503) seeking registration of \$10,000,000 of First Mortgage Bonds, Series due December 1, 1983, to be offered for public sale at competitive bidding. Net proceeds from the sale of the bonds will be applied to the payment of short-term bank loans in the amount of \$9,000,000, incurred to meet in part construction costs in 1957 and 1958. The balance will be added to the general funds of the company and applied toward payment of the company's 1958 construction program. Expenditures under this program are estimated at \$9,250,000.

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HONEGGERS' FILES FOR STOCK OFFERING

Honeggers' & Co., Inc., Fairbury, Ill., today filed a registration statement (File 2-14504) with the SEC seeking registration of 19,000 Common Shares. Of this stock, 18,000 shares are to be offered for public sale by the issuing company and 1,000 shares by a present stockholders.

The stock is to be offered for sale by the company at \$30.50 per share, with a \$2.50 per share commission to the underwriters, headed by Tabor & Co., Fusz-Schmelzle & Co., Inc., and Ellis, Holyoke & Co. The selling stockholder will offer the 1,000 shares at the same price, but not through underwriters. The selling stockholder is L. H. Fairchild, vice president.

The company is engaged in the business of manufacturing and selling formula feeds for livestock, animal and poultry, farm animal shelters and related equipment and supplies. Net proceeds of its stock sale will be added to working capital and used for general corporate purposes, including the financing of increased inventory and increased receivables. The company has undertaken a capital improvement program at an estimated cost of \$518,000 at its plants in Lincoln, Nebr., Indianola, I., and Fairbury and Taylorville, Ill., the major cost of which is being financed through a \$500,000 bank loan.

SEC WILL NOT RENEW SUSPENSION OF TRADING IN CORNUCOPIA STOCK

The Securities and Exchange Commission today announced that it will not renew the summary suspension of trading in the \$.05 par value common stock of Cornucopia Gold Mines pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934 following expiration of the last ten-day suspension order on November 11, 1958, (Release 34-5818). As a result, trading in the stock in the over-the-counter markets will be permitted, beginning November 12, 1958. Trading in the stock on the American Stock Exchange, however, previously was suspended by action of that Exchange.

Trading in Cornucopia stock was first suspended by the Commission on July 25, 1958, by reason of the alleged failure of the company to comply with the disclosure and reporting requirements of the Act, including the failure to disclose various adverse factors arising out of transactions by the management. In view thereof, the Commission concluded that suspension of trading in Cornucopia stock was necessary to prevent fraudulent, deceptive or manipulative acts or practices in connection with such trading.

During the interim, the Commission has conducted public proceedings (nearly concluded) with respect to the question whether the Cornucopia stock should be suspended or withdrawn from listing and registration on the American Stock Exchange, based upon the alleged failure of Cornucopia to comply with the Commission's disclosure and reporting requirements. There has been developed for the public record in these proceedings considerable evidence with respect to these matters. Furthermore, on October 24, 1958, the United States District Court for the Western District of Pennsylvania publicly declared Cornucopia to be bankrupt.

Under the circumstances, and particularly in view of these intervening developments, the Commission has concluded that it would not be necessary in the public interest to continue the suspension of trading in Cornucopia stock in the over-the-counter markets.

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