

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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FOR RELEASE November 9, 1959

Statistical Release No. 1640. The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended November 6, 1959, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1959, is as follows:

	1939 = 100		Percent Change	1959	
	11/6/59	10/30/59		High	Low
Composite	420.3	419.1	+0.3	441.3	400.1
Manufacturing	523.9	522.3	+0.3	554.2	490.7
Durable Goods	499.6	500.4	-0.2	527.7	457.8
Non-Durable Goods	535.9	532.3	+0.7	570.1	510.5
Transportation	330.8	332.8	-0.6	371.6	324.8
Utility	213.1	212.8	+0.1	231.8	207.1
Trade, Finance & Service	432.8	429.3	+0.8	433.0	382.7
Mining	287.8*	296.1	-2.8	360.4	287.8

*New Low

FINANCIAL FEDERATION FILES FOR STOCK OFFERING. Financial Federation, Inc., 5150 Wilshire Blvd., Los Angeles, Calif., filed a registration statement (File 2-15811) with the SEC on November 6, 1959, seeking registration of 235,000 shares of capital stock to be offered for public sale by an underwriting group headed by Kidder, Peabody & Co. The price to the public and the underwriting terms are to be supplied by amendment.

The company was incorporated under the laws of Delaware in March 1959 and owns a majority, or more, of the outstanding guarantee stock (equity securities) of each of eleven savings and loan associations, operating in the state of California. The company and its subsidiaries have outstanding 1,081,165 shares of capital stock, \$1 par, and indebtedness in an amount of \$9,354,000. Approximately \$8,128,700 of the proceeds from the sale of the stock will be used to repay short term notes issued in connection with the acquisition of certain of the subsidiary companies, including \$1,140,800 contributed to the capital of the subsidiaries. The balance of the proceeds will be used for working capital.

FED-MART PROPOSES DEBENTURE OFFERING. The Fed-Mart Corporation, 8001 Othello St., San Diego, Calif., filed a registration statement (File 2-15812) with the SEC on November 6, 1959, seeking registration of \$3,000,000 of 6% Subordinated Debentures, due December 1, 1979 (convertible through November 30, 1969), to be offered for public sale through an underwriting group headed by Eastman Dillon, Union Securities & Co. The conversion price and underwriting terms are to be supplied by amendment. The prospectus states that the company has no immediate specific requirement for the funds to be obtained from the sale of the debentures but is engaging in the financing to provide itself with funds for its anticipated medium and long term capital requirements. The company intends to acquire additional land, buildings, and fixtures for one or more new stores and is also considering the expansion of its life insurance subsidiary, Fed-Mart Life Insurance Company. In October 1959 the company entered into an agreement to purchase 20 acres of land, at \$25,000 per acre, in Anaheim, Calif., for a new Fed-Mart store. However, no other specific plans for acquisitions or expansion have as yet been formulated. Pending use of the money for such purposes, the company intends to reduce its short term debt, but, notwithstanding this, the company may from time to time in the future make additional borrowings under existing lines of credit or otherwise.

AMERICAN MUTUAL FUND FILES FOR ADDITIONAL SHARES. American Mutual Fund, Inc. (File 2-10607), Los Angeles investment company, filed an amendment on November 6, 1959, to its registration statement under the Securities Act, seeking registration of 3,000,000 additional shares of capital stock, \$1 par value.

OVER

For further details, call ST. 3-7600, ext. 6526

CENTRAL AND SOUTH WEST PROPOSES STOCK SPLIT. Central and South West Corporation, Wilmington, Delaware, has applied to the SEC for an order authorizing an amendment to its charter to cause a split of its authorized common stock on a two-for-one basis without changing the aggregate par value thereof, and the Commission has issued an order (Release 35-14084) giving interested persons until November 20, 1959, to request a hearing thereon. Under the proposal, each of the company's 12,000,000 presently authorized shares of common stock, \$5 par value, both issued and unissued, is to be changed into two shares of common stock of the par value of \$2.50 each, and the total number of authorized shares of common stock is to be changed from 12,000,000 shares of \$5 par stock to 24,000,000 shares of \$2.50 par stock. The company has called a special meeting of its stockholders to be held on December 22, 1959, to consider and vote upon the adoption of the amendment to the charter and also upon the adoption of a proposed Employees' Thrift Plan for employees of Central and its subsidiaries. The proxy soliciting material in connection with these matters has been submitted to the Commission for approval.

VIOLATIONS CHARGED TO SANO & CO. The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of Sano & Co., 15 William Street, New York, N. Y.

Sano & Co. became registered with the Commission as a broker-dealer on August 1, 1957. According to the Commission's order, Sano & Co. and Anthony J. Sano, general partner, are permanently enjoined by decrees of the Supreme Court of the State of New York, County of New York, and the United States District Court for the Southern District of New York, both entered on or about July 1, 1959, from engaging in or continuing certain conduct and practices in connection with the purchase and sale of securities. The Commission's complaint in the District Court action alleged that Sano had violated the Commission's net capital rule and the anti-fraud provisions of the Securities Exchange Act, and the District Court's decree permanently enjoined further such violations. The defendants consented to the judgment.

The Commission's order for proceedings asserts that information developed in an investigation conducted by its staff tends, if true, to show that Sano & Co. wilfully violated Section 15(c)(3) of the Securities Exchange Act in that it made use of the mails and of the means and instrumentalities of interstate commerce to effect transactions in, and to induce the purchase and sale of, securities, otherwise than on a national securities exchange, while it permitted its aggregate indebtedness to all other persons to exceed 2,000 per centum of its net capital, in violation of the Commission's Rule 15c3-1, and that Anthony J. Sano aided, abetted, counseled, commanded, induced, and procured such violation.

A hearing will be held at a time and place to be announced later, for the purpose of taking evidence on the foregoing matters and to determine whether it is necessary or appropriate in the public interest to revoke the broker-dealer registration of Sano & Co. and whether Anthony J. Sano should be found to be a cause of any order of revocation which may be entered.

SECURITIES VIOLATIONS CHARGED TO R. G. WILLIAMS & CO. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether R. G. Williams & Co., Inc., 149 Broadway, New York, N. Y., has engaged in the conduct of a securities business in violation of the Commission's rules governing net capital and record keeping and, if so, whether Williams' registration as a broker-dealer should be revoked and whether Robert G. Williams, president, treasurer, director, and owner of 75% of the common stock of the registrant, should be found to be a cause of any order of revocation which may be entered.

Williams & Co. became registered as a broker-dealer on June 12, 1959. According to the Commission's order, information developed in an investigation by its staff tends, if true, to show that Williams & Co. engaged in the conduct of a securities business during a period when its aggregate indebtedness to all other persons exceeded 2,000 per centum of its net capital, in violation of the Commission's Rule 15c3-1, and that the company did not make and keep current the required books and records.

A hearing for the purpose of taking evidence in the proceedings will be held at a time and place to be announced later.

BIESEL BROKER-DEALER HEARING POSTPONED. The SEC has postponed until further order the hearing scheduled to commence this date in consolidated proceedings under the Securities Exchange Act of 1934 ordered by it to determine whether the broker-dealer registrations of Biesel, Way & Company, Coudersport, Pa., and William H. Biesel, doing business as William H. Biesel Company, Buffalo, N. Y., should be revoked and whether registration as a broker-dealer should be denied to Biesel & Co., Inc., Coudersport, Pa. The postponement was ordered following the consent of Biesel & Co., Inc., to the postponement of the effective date of its registration pending final determination by the Commission of the question of denial of registration. Biesel & Co., Inc., requested the postponement of the hearing.

AL-DUN AMUSEMENT CO. STOCK 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 Al-Dun Amusement Co., West Point, Georgia, by reason of the failure of the company to file a final report of stock sales as required by the Regulation.

Regulation A provides a conditional exemption from registration for public offerings of securities not exceeding \$300,000 in amount. In a notification filed in December 1958, Al-Dun proposed the public offering of 250 shares of its Class A preferred stock at \$100 per share and 500 shares of its common stock at \$100 per share.

A hearing will be held, upon request, on the question whether the suspension order should be vacated or made permanent.

GARDEN LAND COMPANY PROPOSES COMMON STOCK OFFERING. Garden Land Company, Ltd., 17315 Sunset Blvd., Pacific Palisades, Calif., today filed a registration statement (File 2-15813) with the SEC seeking registration of 200,000 shares of common stock, \$1 par value, to be offered for public sale through an underwriting group headed by Hill, Darlington & Co. The public offering price and underwriting terms are to be supplied by amendment. The company has also agreed to sell to Hill, Darlington & Co. warrants evidencing the right to purchase 20,000 shares of common stock (also at a price to be supplied by amendment). Hill, Darlington has advised the company that it intends to offer such warrants by a separate prospectus to a limited number of persons, including persons associated with Hill, Darlington, all of whom will represent that they will hold the warrants, and the shares issuable upon their exercise, for investment and not with a view toward distribution to the public within the meaning of the Securities Act of 1933.

The principal business of the company is the improvement and sale of its landholdings which are located in and around the City of Los Angeles. As of August 31, 1959, it had outstanding 1,297,130 shares of common stock and indebtedness in an amount of approximately \$2,700,000. Of the net proceeds from the stock offering \$960,000 will be used for the improvement and conversion of land in the Brentwood, Pacific Palisades, and Yorba Linda areas into residential lots, and the balance of the proceeds will be added to working capital for general corporate purposes.

MIDWESTERN FINANCIAL FILES FOR COMMON STOCK OFFERING. Midwestern Financial Corporation, 2015 13th St., Boulder, Colorado, today filed a registration statement (File 2-15814) with the SEC seeking registration of 250,000 shares of common stock, \$1 par value, to be offered for public sale through an underwriting group including William R. Staats & Co., Boettcher and Company, and Bosworth, Sullivan & Company, Inc. The public offering price and underwriting terms are to be supplied by amendment.

Incorporated in Colorado on August 2, 1957, under the name of Surplus Insurance Underwriters, Inc., the company changed its name to its present name in August 1958. Its principal business consists of the ownership and operation of the following subsidiaries: (1) three Colorado savings and loan associations, namely, Boulder Savings and Loan Association in Boulder, Majestic Savings and Loan Association in Denver, and Fremont Savings and Loan Association in Florence and Canon City; (2) a Kansas savings and loan association, Commerce Savings and Loan Association in Atchison; (3) a Colorado mortgage loan company, Inglis Mortgage Co., which maintains offices serving Denver, Boulder, Colorado Springs, and Pueblo, all in Colorado, the greater Kansas City area and Albuquerque, New Mexico; (4) a Missouri land development and residential construction company, Craftmark Industries, Inc., which serves the greater Kansas City area; (5) a Kansas abstract, real estate sales and general insurance agency, Commerce Investment Company, located in Atchison; (6) through Inglis Mortgage Co., a Colorado industrial bank, Home Security Industrial Bank, located at Security, near Colorado Springs. In addition the Company operates as a general insurance agency in Colorado and New Mexico. As of September 30, 1959, the company had outstanding 288,244 shares of common stock, \$1 par value, of which 50,000 shares are to be reserved for issuance upon exercise of options to be granted under the company's stock option plan. It also had outstanding indebtedness in an amount of approximately \$2,700,000. H. Sanford Weaver, president of the company, owns 19,289 shares of the common stock; John L. Tracy, executive vice president, owns 115,689 shares; and Mid-Continent Realty Investments, Inc., a company controlled by Mr. Weaver, owns 114,209 shares.

Of the net proceeds from the stock offering, the company will use \$1,360,000 to pay the balance of its obligation to Majestic Mortgage Company incurred in connection with the company's acquisition from Majestic of all of the outstanding stock of Majestic Savings and Loan Association, and approximately \$51,000 to repay the principal and interest on a short term bank loan incurred in October 1959 for the purpose of meeting certain expenses incurred in connection with this offering and making advances to certain of its subsidiaries to supplement their operating capital. The company also intends to use approximately \$650,000 for capital contributions to its savings and loan associations and for loans to other subsidiaries. The balance of \$55,000 will be used to provide the company with additional working capital.