

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.

September 4, 1956

FOR RELEASE

Statistical Release No. 1401

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended August 31, 1956, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1956, is as follows:

	<u>(1939 = 100)</u>		<u>Percent Change</u>	<u>1956</u>	
	<u>8/31/56</u>	<u>8/24/56</u>		<u>High</u>	<u>Low</u>
Composite	350.9	355.2	- 1.2	366.2	319.0
Manufacturing	448.0	453.9	- 1.3	468.6	398.6
Durable Goods	425.6	429.1	- 0.8	437.6	369.4
Non-Durable Goods	468.8	476.9	- 1.7	500.8	425.2
Transportation	319.4	324.6	- 1.6	353.0	312.8
Utility	157.7	158.8	- 0.7	161.5	152.4
Trade, Finance & Service	306.9	308.9	- 0.6	325.5	294.7
Mining	359.3	368.0	- 2.4	383.2	326.8

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J. Victor Loewi, Hamilton Pell, and Arlen G. Swiger, of New York, Voting Trustees for common stock of Compo Shoe Machinery Corporation, filed a registration statement (File 2-12751) with the SEC on August 30, 1956, seeking registration of voting trust certificates representing 8327 shares of the \$1 par common stock of Compo, when issued against deposit under the voting trust agreement of an equivalent number of common shares, as follows: (a) 6,946, the maximum number of shares which may be issued in payment of a 2% common stock dividend payable on September 15, 1956, to stockholders of record August 28, 1956; and (b) 1381 additional shares which may be issued upon the exercise of Preferred Stock conversion privilege.

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Lincoln Associates, New York, filed a registration statement (File 2-12755) with the SEC on August 31, 1956, seeking registration of \$2,100,000 of 4% Notes due November 1, 1971, and \$1,400,000 of Limited Partnership interests. These securities are to be offered for public sale in units priced at \$100,000, each consisting of a \$60,000 note and a capital contribution of \$40,000. No underwriting is involved.

Lincoln Associates is a partnership. Its nominee has entered into a contract to purchase and lease-back to the seller, the land and building known as Hotel Lincoln,

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located on Eighth Avenue between West 44th and West 45th Streets in New York. Associates will cause the nominee to complete the transaction on its behalf. The purchase price of the Hotel will be \$3,500,000, of which \$400,000 has already been deposited under the purchase contract and \$600,000 is due at the closing of title. The balance will be paid by taking title subject to a mortgage or mortgages. Simultaneously with the purchase, the property will be leased back to the seller, 9113 Corporation, New York, which is a wholly-owned subsidiary of Webb & Knapp, Inc.

The total proceeds of \$3,500,000, together with \$500,000 loaned and contributed by the general partners, will be applied as follows: \$1,000,000 to the purchase price of the Hotel; \$1,800,000 to escrow fund for reconditioning and renovating the Hotel; and \$1,200,000 for loan to lessee for refurbishing the Hotel.

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The American Insurance Company, Newark, N. J., filed a registration statement (File 2-12756) with the SEC on August 31, 1956, seeking registration of 1,750,000 shares of its \$2.50 par Capital Stock. These shares are to be offered to the holders of all of the 1,750,000 shares of capital stock of American Automobile Insurance Company, of St. Louis, Mo., on a share for share basis; and the offer is conditioned upon at least 1,400,000 shares of capital stock of American Automobile Insurance being tendered for exchange. Kidder, Peabody & Co., has agreed to use its best efforts to form and manage a group of dealers to solicit tenders of American Automobile Insurance stock in acceptance of the exchange offer. According to the prospectus, the managements and boards of directors of both companies believe that integration of their managements and operations, with resulting interchange of experience and operational techniques, will give added strength and balance to each company at this time when, for competitive reasons, it is increasingly desirable that full multiple line facilities be offered on a nation-wide basis.

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Wall Street Investment Programs, Boston investment company, filed a registration statement (File 2-12757) with the SEC on August 31, 1956, seeking registration of \$8,000,000 of Systematic Investment Program and Systematic Investment Program with Group Creditor Life Insurance Protection, and \$2,000,000 of Single Payment Investment Program. The company was organized under Massachusetts law on April 6, 1956. Wall Street Planning Corporation is sponsor and distributor of the programs. Josiah H. Child, Jr., is board chairman of the latter and owner of all its outstanding stock.

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The Heritage Fund, Inc. (formerly Spencer Green Fund, Inc.), New York investment company, filed an amendment on August 31, 1956, to its registration statement (File 2-10428) seeking registration of an additional 200,000 shares of its common stock.

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Venezuela Diamond Mines, Inc., Miami, filed a registration statement (File 2-12758) with the SEC on August 31, 1956, seeking registration of 1,500,000 shares

CONTINUED ON PAGE 3

of its 20¢ par common stock, to be offered for public sale at 20¢ per share. The offering is to be made on a best efforts basis by Columbia Securities Commission, which will receive a selling commission of 4¢ per share. In addition, the underwriter will receive expenses of \$10,000 and warrants to purchase 250,000 shares at 20¢ per share.

The company was organized under Florida law on June 28, 1955, for the purpose of acquiring, exploring, developing, mining and selling diamonds and gold from properties in Venezuela. Robert L. Taube of Venezuela is founder, promoter and chief executive officer. The company proposes immediately upon the completion of this financing to commence exploration and mining operations on its properties, using approximately \$224,000 of the proceeds, the mining operation being in the exploratory stage. In the event the present financing is successful, Mr. Taube and other promoters and their associates will own, at a cost to them of \$26,500 including the time and services of Mr. Taube and the \$20,000 spent by him, 42.86% of the stock, whereas purchasers of the 1,500,000 shares will have invested \$300,000 or approximately 92% of the capital and will own 42.86% of the stock. The balance of the stock is to be held in the company's treasury, subject to warrants.

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Atlas Sewing Centers, Inc., Miami, filed a registration statement (File 2-12741) with the SEC on August 27, 1956, seeking registration of 180,000 shares of its \$1 par Common Stock. Of these shares, 60,000 are to be offered for public sale by Atlas and 120,000 by certain selling stockholders. The public offering price and underwriting terms are to be supplied by amendment. R. S. Dickson & Company is named as the principal underwriter.

Atlas is engaged in the sale at retail of sewing machines and vacuum cleaners. Net proceeds of its sale of 60,000 shares will be used as additional working capital.

The selling stockholders are Herbert Kern and Leo Kern, president and board chairman, respectively. They now hold 192,813 shares each, or an aggregate of 80.34% of the outstanding shares; and they each propose to sell 60,000 shares.

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United Cuban Oil Inc., Los Angeles, filed a registration statement (File 2-12746) with the SEC on August 29, 1956, seeking registration of 2,573,625 shares of its 10¢ par Common Stock. Of this stock, 2,000,000 shares are to be offered for public sale at \$1.25 per share through an underwriting group headed by S. D. Fuller & Co., for which a selling commission of .1875 is to be paid. In addition, United Cuban is exchanging 573,625 shares, on a share for share basis, for the capital stock of companie de Fomento Petrolero Ted Jones, S. A. not now controlled by United Cuban. These shares are held by Dr. Miguel R. Gomez Bustillo, a director.

United Cuban was organized under Delaware law on January 9, 1956, by Ted Jones, president, to consolidate production, development and exploration of oil and gas on concession rights controlled by him in and around the north coast of Cuba. Assuming the sale of the 2,000,000 shares, the public will have provided \$2,500,000, or 82% of the total invested capital and will hold 34% of the outstanding stock. Jones and his

associates, S. D. Fuller and Co. and certain others, have invested \$534,694 or 18% of the capital and will hold 66% of the outstanding stock upon completion of the financing.

United Cuban intends to use the proceeds of the financing to the extent of about \$965,000 for further drilling on and development of its Cuban concessions and about \$144,000 for the purchase of additional drilling equipment and supplies. It also intends to use about \$80,000 for the purpose of exploratory drilling on its New Mexico oil leases. The excess of the proceeds estimated at approximately \$865,000 has not been allocated for particular purposes but would be used in the discretion of the management for either additional drilling and development in Cuba and New Mexico, as needed, or for the purchase of proven production in the United States.

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American Mutual Fund, Inc., Los Angeles investment company, filed an amendment on August 31, 1956, to its registration statement (File 2-10607) seeking registration of an additional 750,000 shares of Capital Stock, \$1 par value.

Investment Company Act Release No. 2405

The SEC has issued an exemption order under the Investment Company Act of 1940 upon application of Gibco, Inc. (Greenville, Michigan, investment company), with respect to an exchange offer proposed by it. On April 30, 1956, Gibco sold substantially all of its assets to Hupp Corporation in exchange for cash and securities of Hupp. Gibco has offered its shareholders the opportunity to tender their Gibco stock for Hupp securities and cash. Hupp owns 359,200 of the 600,000 outstanding common shares of Gibco and will not accept the offer. Under the exchange offer, all shareholders who tender all their Gibco shares will receive for each such share $1\frac{1}{2}$ shares of Common Stock of Hupp, $\frac{1}{4}$ share of 5% Series A Preferred Stock of Hupp, and \$1 in cash.

Securities Exchange Act Release No. 5357

The Securities and Exchange Commission today announced the issuance of a decision revoking the broker-dealer registration of Bartlett and Weikel, Los Angeles broker-dealer firm, for sale of stock in violation of the registration and anti-fraud provisions of the Securities Act of 1933 and for violation of Commission rules governing the maintenance of proper records.

According to the Commission's decision, the firm sold stock of Acteon Gold Mines, Ltd., a Canadian corporation, during the period April 7, 1951, and January 13, 1955, without prior registration of the stock with the Commission. The firm and one W. W. Geminder, a former partner of the firm, were the promoters of Acteon. The Commission rejected contentions of the respondents that the firm did not effect any sales of Acteon stock but merely sought to test the prospects of sale while awaiting the effectiveness of a registration statement which was filed in April 1953 and withdrawn about three months later, and that such sales as did take place were private sales by Arthur J. Duran and Paul Henry Kroger, partners of the firm, of their holdings.

The Commission also held that, in the offer and sale of Acteon stock, the firm, aided and abetted by Malcolm H. Biddle Weikel and Kroger, made false and misleading representations concerning the value of Acteon's properties, orders for the purchase of Acteon stock, and the indicated market value of the stock. Such misrepresentations, the Commission stated, constituted wilful violations of the anti-fraud provisions of the Securities Act. Failure to make and keep certain books and records, and the making of false and fictitious entries in other books and records, also were found by the Commission.

The Commission concluded that, in view of these wilful violations of law, revocation of the broker-dealer registration of Bartlett and Weikel was necessary in the public interest. Weikel and Kroger were each held to be a cause of such revocation.