

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 March 7, 1961

ORDER EXEMPTS REINSURANCE INVESTMENT CORP. In a decision under the Investment Company Act announced today (Release IC-3209), the SEC granted an application of Reinsurance Investment Corporation, Jersey City, N. J., for exemption from all provisions of the Act for a period of one year. As of September 30, 1960, the company had total assets valued at \$5,596,722 and consisting of 1,152,000 shares of Loyal American Life Insurance Co., Inc. valued at \$3,312,000 and 189,495 shares of American Income Life Insurance Co. valued at \$1,184,950, with the balance of its assets consisting mainly of government securities and cash. According to the decision, the company has majority voting control, although not majority ownership, of American; Loyal American until recently was a majority-owned subsidiary and the company intends to acquire sufficient additional shares of Loyal American within one year to make it a majority-owned subsidiary; and, in such latter event, the company may no longer fall within the definition of an investment company and may qualify for the requested exemption.

BROAD STREET INVESTING ACQUISITION CLEARED. The SEC has issued an exemption order under the Investment Company Act (Release IC-3208) authorizing Broad Street Investing Corporation, New York investment company, to issue its shares at their net asset value for substantially all the cash and securities of The Jessel Corporation. Jessel is a Tennessee corporation whose stock is owned by six persons with a seventh having a beneficial interest in its stock. Its assets amounted to \$3,625,771 as of December 31, 1960. The shares of Broad Street issued for the said assets will be distributed to the Jessel shareholders.

L J MACK & CO. HEARING ORDERED. The SEC has scheduled a hearing for March 21, 1961, in its New York Regional Office in the proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of L. J. Mack & Company, Inc., 41 Kathwood Road, Yonkers, N. Y., should be revoked.

In its order of June 29, 1960, authorizing these proceedings, the Commission asserted, among other things, that Mack & Company and its president, Lloyd Mack, offered and sold shares of Comstock, Limited, in violation of the registration and anti-fraud provisions of the Securities Act of 1933.

CONSOLIDATION COAL FILES INVESTMENT PLAN. Consolidation Coal Company, 436 Seventh Avenue, Pittsburgh, filed a registration statement (File 2-17680) with the SEC on March 6, 1961, seeking registration of \$3,000,000 of Participations in its Investment Plan for Salaries Employees, together with 100,000 shares of common stock which may be acquired pursuant thereto.

INVESTORS SYNDICATE FILES FOR OFFERING. Investors Syndicate of America, Inc., Investors Bldg., Minneapolis, filed a registration statement (File 2-17681) with the SEC on February 27, 1961, seeking registration of three series of Fully Paid Face Amount Certificates aggregating \$9,330,600 in amount, together with four series of Installment Face Amount Certificates aggregating \$269,000,000 in amount.

MAX FACTOR FILES FOR OFFERING AND SECONDARY. Max Factor & Co., 1655 North McCadden Place, Hollywood, Calif., filed a registration statement (File 2-17678) with the SEC on March 6, 1961, seeking registration of 400,000 shares of Class A stock, of which 200,000 shares are to be offered for public sale by the company and 200,000 shares, being outstanding stock, by the present holders thereof. Blyth & Co., Inc., heads the list of underwriters. The public offering price will be related to the current market price of the Class A stock on the American Stock Exchange immediately prior to the offering. The underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged principally in the development, manufacture and sale of a general line of cosmetics. Of the net proceeds from the company's sale of additional stock, \$2,000,000 will be used to purchase land and construct and equip a distribution center and warehouse in Chicago during the next nine months; \$500,000 for the expansion of the company's executive office building in Hollywood; \$275,000 to re-model another company-owned building in Hollywood to provide additional office space; \$200,000 for equipment for the principal manufacturing plant in Hawthorne, Calif; and the balance for additional working capital.

In addition to certain indebtedness, the company had outstanding on December 31, 1960, 1,193,947 shares of common stock and 1,005,866 shares of Class A stock. The common stock is convertible in Class A stock on a share for share basis. A 4% stock dividend was paid in January 1961; and in March 1961 200,000 common shares will be converted into 200,000 Class A shares, which are the subject of this secondary offering. Of such Class A shares, Max Factor, Jr., president, owns 42,817 shares and proposes to sell 42,500 shares; Freda Factor Shore owns 55,117 shares and proposes to sell 42,500 shares; and Davis Factor, board chairman, Anna Factor, and Max Firestein, executive vice-president, own 44,502, 26,054 and 28,370 shares, respectively, and propose to sell 17,500 shares each. The prospectus lists five other selling stockholders, all of whom are members of the Factor family. Said family owns about 75.3% of the outstanding voting stock of the company and will own after this offering about 61.2% of such stock.

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ESSEX FUND FILES FOR OFFERING. Essex Fund, Inc., 35 Congress Street, Boston, Mass., filed a registration statement (File 2-17679) with the SEC on March 6, 1961, seeking registration of 1,000,000 shares of capital stock, to be offered to bona fide residents of Massachusetts, at \$10 per share, for a period of three months, during which time no underwriting discounts or commissions will be paid. After termination of said three months, the shares are to be offered for public sale at their net asset value plus a sales charge of 8-3/4%.

The Fund is a diversified open-end investment company which was organized under Massachusetts law in March 1961 by Fidelity Management & Research Company, its investment adviser. The Crosby Corporation, a wholly owned subsidiary of the investment adviser, is the Fund's Distributor. The stated purpose of the Fund is to seek possible growth of capital primarily through a portfolio of securities not listed on a national securities exchange but traded in the "over-the-counter" market. Edward C. Johnson 2d is listed as board chairman and president of the Fund, and as president and vice president, respectively, of the Fund's adviser and distributor.

INVESCO COLLATERAL CORP. PROPOSES DEBENTURE OFFERING. Invesco Collateral Corporation, 511 Fifth Ave., New York, filed a registration statement (File 2-17683) with the SEC on March 6, 1961, seeking registration of three series of 6% Registered Subordinated Debentures amounting to \$300,000 each and due June 30, 1965, 1966 and 1967, respectively. The company proposes to offer the said securities for public sale in units of \$5,000, and at an offering price of \$4,315, \$4,190 and \$4,079, respectively. No underwriting is involved.

The company, a wholly-owned subsidiary of Investors Funding Corporation of New York, was organized under New York law in June 1960. Its primary business is that of purchasing, investing in and selling real estate mortgages, although it may from time to time purchase, invest in and sell other types of securities. The net proceeds from the debenture sale will be used primarily for the purchase of mortgage notes and bonds, and from time to time, to purchase other types of securities.

The company has 200 common shares outstanding which are owned by its parent. Jerome Dansker, Norman Dansker and Dr. Raphael M. Dansker are listed as president, executive vice president, and vice president, respectively, of the company and of its parent. Management officials as a group own 43.56% of the outstanding common stock of Investors Funding Corp.

OHIO OIL FILES STOCK PLAN. The Ohio Oil Company, 539 South Main Street, Findlay, Ohio, filed a registration statement (File 2-17682) with the SEC on March 3, 1961, seeking registration of \$14,700,000 of Participations in The Ohio Oil Company Thrift Plan, together with 334,090 shares of common capital stock which may be acquired pursuant thereto.

BUCKEYE PIPE LINE FILES STOCK PLAN. The Buckeye Pipe Line Company, 30 Broad Street, New York, filed a registration statement (File 2-17684) with the SEC on March 6, 1961, seeking registration of \$375,000 of interests in its Thrift Plan for Employees, together with 6.250 shares of common stock which may be acquired pursuant thereto.

INDICTMENT NAMES LOWELL BIRRELL, OTHERS. The SEC announced March 2 (LR-1929) the return of a Federal court indictment (USDC SDNY) charging violations of the anti-fraud provisions of the Federal securities laws, as well as violations of the National Stolen Property Act and the Mail Fraud Statute, in connection with the purchase and sale of Doeskin Products, Inc., stock in 1957 and 1958 by Lowell M. Birrell, Samuel T. Smiley, Fred Tabah, Louis A. Schneider, Joseph Leznoff, Luis J. Botifoll, Hector Rivero, Jose M. Capmany, Harry Workman, Jay F. Fisher, Sol R. Kurlander, Synta Corporation Ref. Trust, Darian Compania De Inversiones Y. Finanzas, S.A., Charles Holdings, Inc., and Pan American Investment Corporation.

SALE OF RESOURCES CORP. & BELMONT TRUST SHARES ENJOINED. The SEC Seattle Regional Office announced February 21st (LR-1930) the entry of a Federal court order (USDC, Boise, Idaho) permanently enjoining Geoffrey P. Williams of Boise, Andrew L. Rhubottom of St. Petersburg, Fla., Resources Corporation of America, a Nevada corporation, and Belmont Trust, an Idaho trust, from further sale of Resources Corp. stock and units in the Trust in violation of the Securities Act registration requirement.

SECURITIES ACT REGISTRATIONS. Effective March 7: Guild Musical Instrument Corp. (File 2-17229); The New Western Underwriting Corporation (File 2-17231); Bowling and Construction Corporation (File 2-17337); Polychrome Corporation (File 2-17427); Beatrice Foods Co. (File 2-17507). Withdrawn March 7: Consolidated Realty Investment Corporation (File 2-16510). Effective March 7: Jonker Business Machines, Inc. (File 2-17144).

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