

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

(In ordering full text of Releases from Publications Unit, cite number)

FOR RELEASE December 19, 1958

## HILTON CREDIT FILES STOCK OFFERING

Hilton Credit Corporation, Beverly Hills, Calif., filed a registration statement (File 2-14617) with the SEC on December 18, 1958, seeking registration of 1,942,570 shares of Common Stock, to be offered for subscription by the holders of common stock of Hilton Hotels Corporation at the rate of one share of Hilton Credit stock for each two shares of Hilton Hotels stock. The record date, subscription price and underwriting terms are to be supplied by amendment. Carl M. Loeb, Rhoades & Co. is listed as the principal underwriter.

Hilton Credit was organized on October 14, 1958, for the purpose of taking over the existing Hilton Hotels credit card activities and expanding them into a "universal" or "all purpose" domestic and foreign credit card business. On December 17, 1958, Hilton Hotels transferred to Hilton Credit its credit card list, addressograph plates, credit files, right to the trade name "Carte Blanche", and furniture and fixtures used in its Central Credit Department in consideration of the issuance to Hilton of 1,000,000 shares of Hilton Credit common stock. Present Hilton credit card holders are said to number approximately 870,000. Net proceeds of the stock offering will, together with the proceeds of bank loans, comprise the operating funds of Hilton Credit and will be used for general corporate purposes and to finance the company's purchase of charge accounts from Hilton Hotels and other establishments who may agree to honor Carte Blanche cards. Hilton Hotels has agreed to spend \$1,000,000 for promotion and development of the credit card business. Hilton Credit has arranged a line of credit with seven banks under which it may borrow \$22,000,000 in the aggregate, to be used to finance the acquisition of charge accounts from Hilton Hotels and other establishments.

The prospectus lists Conrad N. Hilton as board chairman and president and Barron Hilton (both of Beverly Hills) as Executive Vice President. As owner of 798,000 shares (20.7%) of the outstanding common stock of Hilton Hotels, Conrad N. Hilton intends to exercise his right to purchase 399,000 shares of the Hilton Credit stock.

## INJUNCTION SOUGHT AGAINST CHRISTOPHER CORP.

The SEC Atlanta Regional Office announced December 17, 1958, that a complaint had been filed (USDC, at Miami) seeking to enjoin Christopher Corporation of Miami from further violations of the SEC net capital rule. A temporary restraining order was issued by the court (Lit. Release No. 1378).

## INJUNCTION ENTERED IN FRANKLIN ATLAS CASE

The SEC New York Regional Office announced December 17, 1958, that a permanent injunction had been issued by USDC, SDNY prohibiting Franklin Atlas Corporation, 80 Wall Street, New York, John L. deLyra and Walter Elmatti, from further violations of Securities Act registration and anti-fraud provisions in offering and sale of Franklin Atlas common stock. (Lit. Release No. 1377).

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

## AMERICAN-SOUTH AFRICAN INVESTMENT STOCK PURCHASES CLEARED

The SEC has issued an exemption order (Release 40-2809) under the Investment Company Act permitting American-South African Investment Company, Limited, of Johannesburg, South Africa, to increase its present holdings in St. Helena Gold Mines Limited and in Stilfontein Gold Mining Company Limited by purchasing an additional 35,000 shares of St. Helena stock and an additional 42,000 shares of Stilfontein stock. Such purchases are to be made from certain subsidiaries of Engelhard Industries, Inc., a majority of whose outstanding stock is owned by Charles W. Engelhard, board chairman of the Investment Company.

## HOUSEHOLD FINANCE PROPOSES DEBENTURE OFFERING

Household Finance Corporation, Prudential Plaza, Chicago, today filed a registration statement (File 2-14618) with the SEC seeking registration of \$30,000,000 of Sinking Fund Debentures, due 1984, to be offered for public sale through a group of underwriters headed by Lee Higginson Corporation, White, Weld & Co. and William Blair & Company. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the debentures will be used to reduce short-term bank loans which were incurred under the company's established line of credit to provide additional funds for lending to customers in the usual course of business.

## TWO EXCHANGES SEEK UNLISTED TRADING IN ATLANTIC &amp; PACIFIC STOCK

The Boston and Philadelphia-Baltimore Stock Exchanges have applied to the SEC for unlisted trading privileges in the common stock of The Great Atlantic & Pacific Tea Company; and the Commission has issued orders giving interested persons until December 26, 1958, to request a hearing thereon. (Release 34-5840).

## UNLISTED TRADING IN DEERE COMMON GRANTED

The Commission has granted an application of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in the common stock of Deere & Company (Del.) (Release 34-5840).

## SUBURBAN TRUST STOCK DELISTED

The SEC has granted an application of the Philadelphia-Baltimore Stock Exchange to strike from listing and registration the capital stock of Suburban Trust Company, effective at the close of the trading session on December 23, 1958. (Release 34-5840). The application was filed at the request of Suburban Trust by reason of the small volume of trading in the stock.

## CESSNA AIRCRAFT STOCK WITHDRAWN FROM PACIFIC COAST EXCHANGE

The SEC has granted an application of Cessna Aircraft Company to withdraw its common stock from listing and registration on the Pacific Coast Stock Exchange (effective December 31, 1958), due to the small volume of trading therein. The stock remains listed and registered on the New York Stock Exchange. (Release 34-5840).

## EFFECTIVE DATE OF INVESTMENT COMPANY SALES LOAD RULE EXTENDED

The Securities and Exchange Commission has extended to March 20, 1959, the effective date of its Rule N-22D-1 under the Investment Company Act of 1940 governing permissible reduction in the sales load of redeemable securities offered for public sale by registered investment companies.

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As adopted under date of December 2, 1958 (Investment Company Act Release No. 2798), Rule N-22D-1 was to have become effective January 20, 1959. However, the Commission has received requests for postponement of the effective date in order to allow additional time for the revision of current prospectuses being used in the sale of such securities to conform to the requirements of the new rule. A large number of investment companies have fiscal years ending December 31, 1958, and would normally revise their prospectuses during February or shortly thereafter. The Commission's action will make it possible to incorporate the changes made necessary by the rule in the regular annual revision of the prospectuses of these companies.

Rule N-22D-1 is not retroactive, and variations in the sales load of redeemable securities of investment companies heretofore granted pursuant to an established practice reflected in the prospectus of such a company are not invalidated by the rule. Moreover, the Commission will raise no objection to the completion of presently outstanding Letters of Intent (under which quantity discounts are allowed if a stated amount of shares is purchased within a prescribed period) which do not conform to the rule, provided the purchase commitment is completed within 13 months of the date of the agreement. However, investment companies, underwriters and dealers are henceforth expected not to enter into new group or quantity purchase arrangements, whether or not pursuant to Letters of Intent, which are inconsistent with the rule.

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