

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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)



Washington 25, D.C.

FOR RELEASE February 1, 1960

Statistical Release No. 1658. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended January 29, 1960, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1959 - 1960, is as follows:

	1939 = 100		Percent Change	1959 - 1960	
	1/29/60	1/22/60		High	Low
Composite	403.2	416.9	-3.3	441.3	400.1
Manufacturing	495.7	514.6	-3.7	554.2	490.7
Durable Goods	474.4	495.6	-4.3	527.7	457.8
Non-Durable Goods	505.5*	522.1	-3.2	570.1	505.5
Transportation	313.8*	321.2	-2.3	371.6	313.8
Utility	216.1	219.8	-1.7	231.8	207.1
Trade, Finance & Service	414.7	434.2	-4.5	447.3	382.7
Mining	284.7	287.1	-0.8	360.4	283.8

*New Low

PROFESSIONAL LIFE & CASUALTY FILES FOR OFFERING. Professional Life & Casualty Company, 720 N. Michigan Ave., Chicago, filed a registration statement (File 2-16068) with the SEC on January 29, 1960, seeking registration of 180,000 shares of common stock (and interim receipts therefor), to be offered for public sale at \$10 per share. The offering is to be made on a best efforts basis by Professional Casualty Agency Company, for which it will receive a selling commission of \$1.50 per share.

The company is engaged in the life insurance and health and accident insurance business. The Howard E. Nyhart Company, Inc., of Indianapolis has served as manager since January 1959, under direction of the board of directors. The prospectus states that an initial offering of shares was made at \$10 per share, commencing in November, 1955, pursuant to which 64,445 shares having an approximate book value of \$5 per share at December 31, 1959, are now outstanding. Net proceeds of the sale of additional stock will be used for the company's insurance business, including management and other expenses and working capital for the procurement of insurance business.

SUPRONICS CORP. FILES FOR STOCK OFFERING. Supronics Corporation, 224 Washington Street, Perth Amboy, N.J., filed a registration statement (File 2-16069) with the SEC on January 29, 1960, seeking registration of 120,000 shares of common stock to be offered for public sale at \$6 per share by an underwriting group headed by Standard Securities Corp., Herzig, Farber & McKenna, Irving Weis & Co. and Bruno-Lenchner, Inc. The underwriting terms include a selling commission of 75¢ per share, expenses of \$20,000, and the purchase of 20,000 stock purchase warrants at 1¢ per warrant. The warrants are not exercisable until 60 days after the issue and entitle the holder to purchase one share per warrant at \$6 per share on or before March 31, 1963. The underwriters will accept the issue on an all-or-none basis.

In addition to the 120,000 shares to be offered, the registration statement also covers the warrants and stock issuable upon exercise of the warrants, plus 14,000 shares of common stock of the company owned by Standard Securities (acquired from the other shareholders at 10¢ per share).

The company, formerly known as O. K. Electric Supply Co., Inc., is a wholesale distributor of electrical supplies and equipment. Of the proceeds from the sale of the stock, \$50,000 is to be applied to the reduction of short term bank loans obtained principally to carry accounts receivable. The balance of the proceeds will be used for general corporate purposes, principally for the expansion of its business. According to the prospectus, in order to provide "bondability" sufficient to permit the company to bid or negotiate for contracts in addition to those on which it is presently engaged, approximately \$450,000 will be retained in the form of working capital assets.

According to the prospectus, management officials (including Sol and Lester G. Kaufman, board chairman and president, respectively) own 167,666 shares (86%) of the outstanding stock.

OVER

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

ELECTRONIC RESEARCH PROPOSES EXCHANGE OFFER. Electronic Research Associates, Inc., 67 Factory Place, Cedar Grove, New Jersey, filed a registration statement with the SEC on January 29, 1960, seeking registration of 216,254.5 shares of Class A Capital Stock to be offered in exchange for an equal number of shares of Class B Capital Stock on a share for share basis. The company has been informed that certain stockholders may subsequently offer their Class A shares to the public at prevailing market prices at the time such offerings are made.

The company, which was organized in 1953, and its subsidiaries are engaged in the development, manufacture, and sale of highly technical and specialized transistorized devices, packaged circuits, miniaturized components, test equipment, magnetic solid state power devices, electronic marine accessories, audio and ultra-sonic transponders and accessories used in the manufacture of both commercial and military electronic equipment and related products. The company now has outstanding 120,340 shares of Class A stock in addition to the 216,254.5 Class B shares. Principal holders of the Class B shares are Noah J. Gottfried, vice president (48,775 shares), Diana H. Grieg, North Caldwell, N. J. (44,875) and Ruth B. Moskowitz (45,362.5). Officers and directors are a group own 900 Class A shares (.7%) and 64,812.5 Class B shares (29.9%). The prospectus lists 25 holders of the Class B shares.

LEFCOURT REALTY FILES FOR SECONDARY. Lefcourt Realty Corporation, 375 Park Ave., New York, filed a registration statement (File 2-16071) with the SEC on January 29, 1960, seeking registration of \$2,000,000 of Six Year 6% Subordinated Debentures, due January 15, 1966, and Warrants to purchase 300,000 common shares at \$5 per share. In December 1959 the company entered into an agreement with George Friedland and Max Kettner and their respective associates pursuant to which the company borrowed \$2,000,000 and issued to the Friedland-Kettner group the \$2,000,000 of debentures and 300,000 stock purchase warrants. The debentures and warrants (or shares received upon exercise of the warrants) may be offered for sale (at market) on or after July 30, 1960, by the lenders. The funds received by the company from the sale of these securities and additional proceeds from the sale of stock upon exercise of the warrants, have been or will be used for payment of a \$750,000 bank loan and for general corporate purposes. Friedland is a brother of Samuel Friedland, board chairman, and another of the lenders, Louis Stein, is the brother of Samuel Stein, a director.

The registration statement also includes an additional 128,159 common shares issued to Buena Vista Development Corporation and Mellon Land Corporation in connection with the acquisition of certain property by the company, and 61,250 shares issued to Jack Marqusee for services.

ELCO CORP. WARRANT SHARES IN REGISTRATION. Elco Corporation, M St. and Erie Ave., Philadelphia, Pa., filed a registration statement (File 2-16072) with the SEC on January 29, 1960, seeking registration of 88,135 shares of common stock reserved for issuance upon the exercise of outstanding warrants. The warrants were issued in part (50,000 shares) to S. D. Fuller & Co., at 1¢ per warrant, in connection with the latter's underwriting of a stock offering in 1954. Fuller & Co. transferred 9,090 warrants to certain dealers and the balance to partners of the firm and members of their families. Other warrants were issued to Benjamin Fox, president, and certain other key personnel.

The company is engaged in the manufacture of basic components used in electronic and electrical equipment. It has outstanding 447,941 common shares and certain indebtedness, of which stock management officials own 26.8%.

NEW HAVEN CLOCK FILES FOR OFFERING AND SECONDARY. The New Haven Clock and Watch Company, 140 Hamilton St., New Haven, Conn., filed a registration statement (File 2-16073) with the SEC on January 29, 1960, seeking registration of (1) 1,462,320 common shares, to be offered for subscription at \$2 per share by common stockholders at the rate of three new shares for each five shares held on the record date (to be supplied by amendment); (2) 250,000 common shares to be offered for public sale (along with shares not subscribed for by shareholders pursuant to the rights offering), at a price to be supplied by amendment; (3) 700,000 of outstanding shares which may be offered for sale by the present holders thereof; (4) 719,667 shares to be offered to holders of warrants and convertible short term notes; and (5) 92,500 shares issuable to key management officials under the company's stock option plan. A total of 2,384,201 common shares were outstanding at December 31, 1959.

The company was reorganized pursuant to Federal court order in February 1958. During reorganization its activities were limited to the production on a minor scale of pocket watches, pedometers, condensers, power pack supplies, and other related items in the "Condenser Products Division" of the company. Certain government orders were also completed during the period of reorganization. After reorganization, the production of these items was expanded. In addition, the company commenced the manufacture of certain fuses under U. S. Army ordnance contract. In April 1959 the company issued \$800,000 of 6% Debentures with warrants; in May 1959 William L. Pfeiffer and four others were elected directors at the suggestion of the debenture holders, Pfeiffer becoming board chairman and president.

In December 1959, the management of the Company decided that it was impossible to continue any manufacturing operations other than those of the Condenser Products Division on a profitable basis. As a result, all other manufacturing activities were discontinued. The gross sales of the Condenser Products Division have accounted for approximately 15% of the total sales of the Company.

In January 1960, a contract was entered into for the sale, with minor exceptions, of all machinery and equipment and certain work in process other than that used by the Condenser Products Division. The consideration to be received for the machinery and equipment, which is subject to mortgages of the Office of Defense Lending and the Internal Revenue Bureau, is \$500,000.00. Of this amount, \$470,000.00 is to be paid to the Office of Defense Lending in reduction of its mortgage, and \$30,000.00 is to be paid to the City of New Haven in settlement of taxes owed. In addition, the Company received \$25,000.00 for the work in process which is not subject to the aforementioned mortgages. It is expected that the Company will liquidate and sell all of its raw materials and finished products other than those of the Condenser Products Division of the Company, which will be moved from its present location in New Haven, Conn., to Brooksville, Fla., where the Company's proposed real estate development is located. The Condenser Products Division of the Company will be the only remaining manufacturing division of the Company. Its 1959 sales were approximately \$254,000.00. It manufactures capacitors, power supplies and pulse-forming networks.

In April 1959 the company acquired certain assets and properties of Citizens Credit Corporation, Kensington, Md., consisting primarily of real estate and options to purchase real estate in the vicinity of Brooksville, Fla. It also has acquired an interest in the operation of the Brooksville Airport by Gulf Coast Industries, Inc., and other property on which Gulf Coast has a lease.

Of the net proceeds of the proposed stock sale, some \$961,000 is to be applied to the payment of various indebtedness, including obligations incident to land purchases in Florida and indebtedness to the Office of Defense Lending and the Internal Revenue Service. \$50,000 will be used for moving and establishing the company's Condenser Products Division on the company's property in Florida. Some \$1,000,000 is to be used in the first phase of the development of the company's Florida lands; \$300,000 is set aside for use in meeting the 1961 mortgage payments on such properties; and the balance will be used for various general corporate purposes, including acquisition of other businesses, construction of multi-family rental dwellings, and further development of the Condenser Products Division.

STERLING ALUMINUM PRODUCTS FILES FOR EXCHANGE OFFER. Sterling Aluminum Products, Inc., 2600 North Third St., St. Charles, Mo., filed a registration statement (File 2-16074) with the SEC on January 29, 1960, seeking registration of 49,991 shares of its common stock. The company proposes to offer this stock in exchange for the common stock of Rich Manufacturing Corporation on the basis of 42/100 shares of Sterling stock for each share of Rich common, subject to no less than 95% of the outstanding Rich common being tendered in acceptance of the exchange offer as per an agreement between Sterling and 19 holders of an aggregate of 97,362 of the 119,025 outstanding shares of Rich common.

Rich's offices are located in Battle Creek, Mich. It manufactures and sells poppet valves for all types of internal combustion engines.

SURETY LIFE INSURANCE PROPOSES STOCK OFFERING. Surety Life Insurance Company, 1935 South Main St., Salt Lake City, Utah, filed a registration statement (File 2-16075) with the SEC on January 29, 1960, seeking registration of 10,000 shares of common stock, to be offered for public sale on a best efforts basis by J. A. Hogle and Company. The public offering price and underwriting terms are to be supplied by amendment.

Surety Life offers a variety of life, annuity, accident and health, and hospital insurance policies. It now has outstanding 59,200 shares of common stock. Net proceeds of the sale of additional stock will enable the company to expand its business. Of the outstanding stock, Lewis T. Ellsworth and other officials own 43.81%.

INTRA STATE TELEPHONE PROPOSES RIGHTS OFFERING. Intra State Telephone Company, 100 North Cherry St., Galesburg, Ill., filed a registration statement (File 2-16076) with the SEC on January 29, 1960, seeking registration of 4,175 shares of common stock. The company proposes to offer 3,675 shares for subscription at \$100 per share by common stockholders at the rate of one new share for each four shares held of record February 20, 1960. The balance of the shares are to be offered to employees at not less than 85% of the fair market value on March 29, 1960, pursuant to an employee stock option plan. No underwriting is involved.

Net proceeds of the stock sale will be used for payment of some \$275,000 of bank loans obtained for construction purposes, and for general corporate purposes.

HIGHWAY TRAILER FILES FINANCING PROPOSAL. Highway Trailer Industries, Inc., 250 Park Ave., New York, filed a registration statement (File 2-16077) with the SEC on January 29, 1960, seeking registration of \$3,000,000 of Convertible Subordinated Debentures, due August 1975, to be offered for public sale at \$100 per \$100 debenture through an underwriting group headed by Allen & Company and Van Alstyne, Noel & Co. The interest rate, underwriting terms are to be supplied by amendment. For their services in connection with the private placement of a \$3,200,000 loan with two insurance companies and for general financial services, the company also will sell the two underwriting firms at 10¢ per warrant share, five-year warrants to purchase 125,000 common shares (at a price to be supplied by amendment).

The net proceeds of the sale of the debentures and of the insurance company loan will be used to discharge a \$2,325,983 obligation to Trailco Corp.; for machinery, equipment, inventory and start-up expenses for a new plant which the company intends to build in an as yet undetermined location or expansion of present facilities; and for working capital and other general corporate purposes.

GODDARD INC. PROPOSES STOCK OFFERING. Goddard, Inc., 1309 North Dixie Highway, West Palm Beach, Fla., filed a registration statement (File 2-16078) with the SEC on January 29, 1960, seeking registration of 153,000 shares of common stock, to be offered for public sale at \$3.25 per share. The offering is to be made on a best efforts basis by Robert L. Ferman & Co., Inc., and Godfrey, Hamilton, Magnus & Co., Inc., for which they will receive a selling commission of \$.4875 per share. The two underwriting firms also have purchased 11,300 shares and 6,000 shares, respectively, from Ned Goddard, company president, at 10¢ per share; and an additional 6,150 shares were acquired from Goddard by Delson, Levin & Gordon, counsel for the company.

The company was organized under Delaware law in November 1959. On January 23, 1960, it acquired, in exchange for 135,450 common shares, all the outstanding stock of four affiliated corporations engaged in the business of selling electronic parts and equipment to industrial users, educational institutions and installations of the U. S. armed forces, selling to dealers and service men a line of electronic parts and equipment necessary to repair and maintain television sets, radios and other electronic products, and selling selected consumer electronic products to consumer outlets. It now has outstanding 165,450 common shares. Most of the net proceeds of the sale of additional stock will be made available to the subsidiaries by means of loans or equity investments. The subsidiaries will use the funds to discharge some \$300,000 of indebtedness and for general corporate purposes.

Of the 165,450 shares of outstanding stock, 76,975 shares are owned by Ned Goddard and 55,728 by E. A. Goddard, vice president.

SOUTHWEST FOREST FILES FINANCING PROPOSAL. Southwest Forest Industries, Inc., 444 First National Bank Building, Phoenix, Ariz., filed a registration statement (File 2-16079) with the SEC on January 29, 1960, seeking registration of not to exceed an aggregate of \$13,500,000 of Subordinated Income Debentures due 1985 and common stock, to be offered for public sale in units of debentures and common shares through an underwriting group headed by White, Weld & Co. The dollar amount of debentures and number of shares to be sold, the interest rate on the debentures, the composition of the units, and the public offering price and underwriting terms are to be supplied by amendment.

Formerly known as Southwest Lumber Mills, Inc., the company is engaged primarily in the logging and processing of Ponderosa pine. In recent months, as part of its diversification program, the company acquired five California corporations engaged in the processing and distributing of paper products. Proceeds of the sale of the units will be added to general funds and will be used for working capital and for the construction of paper and pulp plant and related facilities to be located near Snowflake in east central Arizona about 25 miles south of Holbrook. Cost of construction (also to be supplied by amendment) will be financed in part also by the sale of first mortgage bonds to institutional investors.

CALVERT GAS & OILS FILES FOR SECONDARY. Calvert Gas & Oils Limited, 79 East Don Roadway, Toronto, filed a registration statement (File 2-16080) with the SEC on January 29, 1960, seeking registration of 350,000 shares of its outstanding common stock. The shares are held by Morris Mizel, of Tulsa, Okla., company president, who owns 817,375 shares (37.15%) of the outstanding stock. According to the prospectus, the shares may be offered for sale from time to time by Mizel on the Toronto Stock Exchange or off said Exchange, at prices related to the current market for the stock at the time of offering. The company will receive no part of the proceeds.

The company and its subsidiary, Bedford American Petroleum Corporation, are engaged in the oil and gas business.

JOHN MORRELL FILES FOR EXCHANGE OFFER. John Morrell & Co., 208 South LaSalle St., Chicago, today filed a registration statement (File 2-16081) with the SEC seeking registration of 15,625 shares of capital stock. The company proposes to offer this stock in exchange for outstanding shares of Class A and Class B stock of Foxbilt, Inc., of Des Moines, Iowa, at the rate of 1 $\frac{1}{4}$ shares of Morrell stock for each four shares of Class A common, or for each four shares of Class B common, of Foxbilt.

The exchange offer is to be made pursuant to an agreement with the holders of all the outstanding Class A common of Foxbilt and with the holders of 35,625 shares of its Class B common, or about 78% of the outstanding Class A and B shares. The shares of Foxbilt stock to be acquired, together with shares now owned by Morrell, will represent about 80% of the outstanding Foxbilt stock.

Foxbilt is primarily engaged in the manufacture and sale of concentrates and pre-mixes for animal feeds, the development of hybrid chickens, and the development and leasing of inbred hogs for breeding purposes. Morrell proposes to operate it as a subsidiary under Foxbilt's present management.

RESERVE INSURANCE FILES FOR OFFERING AND SECONDARY. Reserve Insurance Company, 180 West Adams St., Chicago, today filed a registration statement (File 2-16082) with the SEC seeking registration of 70,000 shares of capital stock, of which 30,676 shares are to be offered for public sale in behalf of the insurance company and the balance by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Walter C. Gorey Co. and four other firms are named as underwriters.

The company now has outstanding 257,324 shares of stock. Net proceeds of its sale of the 30,676 additional shares will be added to its general funds and used to finance a larger volume of underwriting and to

carry out its plans for qualifying to transact business in the states of Massachusetts, New Jersey, Pennsylvania and Rhode Island. According to the prospectus, the company is giving consideration to the sale of The Summit Fidelity and Surety Company of Akron, Ohio, which is engaged in writing court bonds and which was acquired in January 1956.

The prospectus lists nine selling stockholders, who own an aggregate of 89,537 shares. Holders of the largest blocks are Allan S. Blank, president (32,314 shares); and Megh & Co. (18,750 shares); and they propose to sell 9,701 and 8,750 shares, respectively.

VIOLATIONS CHARGED TO WILES & COMPANY. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Wiles & Company, a registered broker-dealer of 2114 North Akard, Dallas, Texas, "engaged in acts, practices and a course of business which would and did operate as a fraud and deceit" upon its customers and, if so, whether its broker-dealer registration should be revoked.

Wiles & Company is a partnership which has been registered with the Commission as a broker-dealer since February 1952. Dewey Vernon Wiles is a general partner thereof. According to the Commission's order, information developed in an investigation conducted by its staff tends if true to show that the partnership and Wiles induced certain customers to effect transactions involving the purchase and sale of securities upon the representation that funds deposited with the firm would be used to pay for securities purchased for or sold to the customers, and that the proceeds of securities deposited for sale would be remitted to the customers, when in fact the partnership and Wiles intended not to use the deposited funds in payment for securities or to remit to customers the proceeds of securities sold, but intended to and did appropriate the monies and securities so deposited to their own use and benefit.

The order further asserts that Wiles & Company has failed to make and keep current certain of the books and records regarding the conduct of its securities business, as required by Commission rules.

A hearing will be held for the purpose of taking evidence with respect to the foregoing matters, at a time and place later to be announced.

(NOTE TO PRESS. Copies of foregoing available in SEC Fort Worth Office.)

TELLURIDE POWER STOCK SALE CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14152) authorizing Telluride Power Company to issue and sell additional securities to its parent, Utah Power & Light Company of Salt Lake City, Utah. Telluride proposes to sell to the parent from time to time during the period ending June 30, 1961, up to \$1,900,000 of promissory notes and 300,000 shares of \$1 par common stock (at \$2.25 per share). It will use the proceeds to redeem its 3,000 outstanding shares of 6% cumulative preferred stock, \$100 par, held by the public, and to carry forward its construction program into 1960 (estimated at \$2,400,000).

CONSOLIDATED NATURAL GAS DEBENTURE OFFERING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14153) authorizing Consolidated Natural Gas Company, New York, N. Y., to issue and sell at competitive bidding \$25,000,000 of Debentures due February 1, 1985. Net proceeds will be used to repay a \$10,000,000 bank loan and the balance to finance in part the 1960 construction program of subsidiaries, estimated to aggregate \$64,500,000.

SEC COMPLAINT NAMES AMERICAN DRYER. The SEC New York Regional Office announced January 28, 1960, the filing of a complaint (USDC, SDNY) seeking to enjoin American Dryer Corporation and certain individuals and firms from further violations of Securities Act registration requirements in the offering and sale of American Dryer stock. (Lit. Release 1570)

COURT ORDER ENJOINS JACWIN & COSTA, BILTMORE SECURITIES. The SEC New York Regional Office announced January 28, 1960, that a court order of preliminary injunction (USDC, SDNY) has been issued against Jacwin & Costa, Inc., Biltmore Securities Corp., and certain individuals, enjoining further violation of anti-fraud provisions of the Securities Act in the sale of Shelton-Warren Oil Company stock. (Lit. Release 1571)

COURT ORDER ENJOINS CAMBRIDGE RESEARCH, BRYANT. The SEC Boston Regional Office announced January 29, 1960, that Cambridge Research and Investment Corp. and Arthur J. Bryant, its president, had been enjoined by Federal court order (USDC, Mass.) from further violations of anti-fraud provisions of the Investment Advisers Act of 1940 in the solicitation of subscribers and the sale of a weekly publication known as Investment Chronicle. (Lit. Release 1572)

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