

# 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 9, 1960

**AVIATION EMPLOYEES CORP. FILES FOR STOCK OFFERING.** Aviation Employees Corporation, 930 Tower Bldg., Washington, D. C., filed a registration statement (File 2-16098) with the SEC on February 8, 1960, seeking registration of 2,500,000 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made on a best efforts basis by G. J. Mitchell, Jr. Co., and Ralph B. Leonard & Sons, Inc., for which a selling commission of 30¢ per share is to be paid, plus \$75,000 for expenses. The company also has agreed to grant options to the underwriters covering an aggregate of 150,000 common shares, exercisable at prices commencing at \$2.25 per share. Options covering an additional 350,000 shares may be granted to officers, directors and employees of the company.

The company was organized under Delaware law in November 1959 and, through three subsidiaries, expects to engage in (i) the writing of life insurance, accident and health insurance, and annuities, (ii) the writing of fire, casualty and multiple-peril insurance, and (iii) the automobile finance and possibly other loan business. It is contemplated that such proposed activities will be commenced in the State of Maryland. It is intended that the Corporation will seek business principally but not exclusively from potential customers who are employed in the aviation and air transportation industries. Net proceeds of the stock sale (not including the exercise of options) are estimated at slightly more than \$4,000,000 and, together with present capital funds of about \$500,000, will provide a total amount of approximately \$4,500,000. Of these funds, some \$3,400,000 will be invested in the shares of the three subsidiaries, as follows: \$1,000,000 in Aviation Employees Insurance Company, \$1,400,000 in Aviation Employees ("Casualty") Insurance Company, and \$1,000,000 in Aviation Employees Finance Company. Of the balance of the proceeds, some \$250,000 will be required for general corporate purposes during the first two years of operations and the remaining \$850,000 will be used from time to time for the purchase of all or a substantial interest in or the formation of one or more other companies engaged in the business of insurance or finance or to further supplement the funds of the three subsidiaries.

According to the prospectus, the company now has outstanding 250,000 common shares and options for an additional 500,000 shares. Of the outstanding stock, Samuel J. Solomon, president, owns 40,000 shares and his son 15,000 shares. Management officials own 83,750 shares in the aggregate. All outstanding shares were sold for cash at \$2 per share; and the outstanding options are exercisable at \$2 and \$3 per share.

**DIRECTIONAL FUND PROPOSES OFFERING.** Directional Fund, Inc., 107 East 38th St., New York, filed a registration statement (File 2-16099) with the SEC on February 8, 1960, seeking registration of 100,000 shares of capital stock.

The company was organized under New York law on November 24, 1959, and is registered with the Commission as an open-end, management type, non-diversified investment company. It is sponsored by George F. Shaskan, Jr., of the 38th Street address, who will act as Investment Adviser. Directional Management, Inc., which is owned by Shaskan, will act as distributor of the Fund's shares.

**AMERICAN STEEL FOUNDRIES FILES OPTION PLANS.** American Steel Foundries, Prudential Plaza, Chicago, filed a registration statement (File 2-16100) with the SEC on February 8, 1960, seeking registration of 122,856 shares of its common stock, issuable under its Stock Option Incentive Plan for Key Employees (1952) and its Restricted Stock Option Incentive Plan for Key Employees.

**ADRs FOR BAYERISCHE VEREINSBANK FILED.** Chemical Bank New York Trust Company, New York, filed a registration statement (File 2-16101) with the SEC on February 8, 1960, seeking registration of American Depositary Receipts for 50,000 shares of Common Capital Stock of Bayerische Vereinsbank, a German corporation.

**SKIATRON HEARING ADJOURNED.** The hearing in "stop order" proceedings pending against the registration statement filed by Skiatron Electronics and Television Corporation, New York, which was scheduled to reconvene on Wednesday, February 10th, will not resume until 10:00 A. M., Monday, February 15, 1960. The continuance was necessitated by the illness of the witness who had been scheduled to testify on February 10th.

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

**NEES HEARING RESCHEDULED.** The SEC has scheduled a hearing for May 18, 1960, in proceedings under the Holding Company Act to determine whether the gas utility properties in the New England Electric System are retainable under standards of the Holding Company Act. (Release 35-14159)

**NEW ORLEANS P. S. SURPLUS TRANSFER APPROVED.** The SEC has issued an order under the Holding Company Act (Release 35-14160) authorizing New Orleans Public Service Inc. to transfer from its earned surplus account to its capital surplus account, as of December 31, 1959, the sum of 50¢ per share on its 1,420,530 outstanding shares, or an aggregate of \$710,264. At November 30, 1959, the company had an earned surplus of \$11,113,538.

**JERSEY CENTRAL POWER STOCK SALE PROPOSED.** General Public Utilities Corporation, New York holding company, has joined with its subsidiary, Jersey Central Power & Light Company, in the filing of an application with the SEC under the Holding Company Act proposing the sale by Jersey Central of an additional 750,000 shares of its capital stock to GPU for a cash consideration of \$7,500,000; and the Commission has issued an order (Release 35-14161) giving interested persons until February 23, 1960, to request a hearing thereon. Of the proceeds of the stock sale, Jersey Central will use \$800,000 to reimburse its treasury in part for construction expenditures prior to January 1, 1960, and the remainder to prepay a portion of \$12,500,000 of outstanding bank notes.

**COLUMBIA GAS PROPOSES SURETY BOND.** The Columbia Gas System, Inc., New York holding company has applied to the SEC for an order under the Holding Company Act authorizing it to file a surety bond for its subsidiary, Amere Gas Utilities Company; and the Commission has issued an order giving interested persons until February 23, 1960, to request a hearing thereon. Amere Gas has filed an application for increased gas rates with the Public Service Commission of West Virginia, which has issued an order permitting Amere Gas to commence collection of the proposed higher rates, subject to the obligation to refund with interest any portion thereof which may ultimately be disallowed and provided that Amere Gas files a surety bond in the amount of \$250,000 to secure such refund obligation. Columbia Gas proposes to act as surety.

**WHEELABRATOR BONUS PLAN APPROVED.** The SEC has issued an order under the Investment Company Act (Release 40-2972) authorizing Wheelabrator Corporation to put into effect a key man profit-sharing plan pursuant to which bonus payments are to be made to certain designated officers, directors and employees. Wheelabrator is a subsidiary of Bell Aircraft Corporation which in turn is controlled by The Equity Corporation, a registered holding company.

**SMITH HOLLY FIRM ENJOINED.** The SEC New York Regional Office announced February 4, 1960, that a Federal court order of permanent injunction (USDC, SDNY) had been issued against Smith Holly Co., Inc., of New York and its president, Milton D. Smith, barring further violations of anti-fraud provisions of the Securities Exchange Act and net capital and record-keeping rules thereunder. The fraud charges related to transactions in stock of Sip'n Snack Shoppes, Inc., and Electro-Sonic Laboratories, Inc. (Lit. Release 1578)

**SEC COMPLAINT NAMES INVESTMENT BANKERS OF AMERICA.** The SEC Washington Regional Office announced February 8, 1960, the filing of a complaint (USDC, DC) seeking to enjoin Investment Bankers of America, Inc., 1522 Connecticut Ave., N. W., Washington, D. C., from further violations of the Commission's net capital rule. (Lit. Release 1579)

**PACIFIC PANEL FILES FOR STOCK OFFERING.** Pacific Panel Company, 1212 West 26th St., Vancouver, Wash., filed a registration statement (File 2-16102) with the SEC on February 8, 1960, seeking registration of 100,000 shares of Class A common stock, to be offered for public sale at \$4.50 per share. The offering is to be made by Frank Karasik & Co., Inc., on an "all or nothing best efforts" basis, for which the underwriter will receive a selling commission of 50¢ per share, plus \$15,000 for expenses. Also included in the registration statement are 25,000 Class A shares which present stockholders of the company have sold to Frank Karasik, controlling shareholder of the underwriter, at 50¢ per share.

The company and its subsidiaries are engaged in the manufacture and sale of prefabricated building components including kitchen fronts, cabinets, prehung doors and certain specialty items, and in the general distribution of imported and domestic plywood, doors, cabinets, hardware, prefabricated components and other items for residential, commercial and industrial construction. It now has outstanding, in addition to \$606,600 of indebtedness, 353 shares of \$100 par preferred, 25,000 Class A shares, and 200,000 Class B common shares. Of the net proceeds of the sale of additional Class A shares, \$225,000 will be applied to the reduction of payables and to strengthen the company's current position; \$75,000 will be used to finance the establishment of the first of three additional branches which the company intends to open in its western market area; \$50,000 to provide initial working capital for a new subsidiary established to make builder's loans to some of the company's customers; and the balance for working capital.

According to the prospectus, Robert T. Kordisch, president, and Ray E. Switzer, Jr., vice president, own 90,000 shares each of the outstanding Class B common; and Frank Karasik owns all of the 25,000 Class A shares outstanding.

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**ADDITIONAL INSURANCE INVESTORS FUND SHARES IN REGISTRATION.** Insurance Investors Fund, Inc., San Francisco, investment company, filed an amendment on February 8, 1960, to its registration statement (File 2-13010) seeking registration of an additional 50,000 shares of common capital stock.

**LA CROSSE COOLER FILES FOR SECONDARY.** La Crosse Cooler Company, 2809 Losey Blvd., South, La Crosse, Wis., filed a registration statement (File 2-16103) with the SEC today seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale by the holder thereof through a group of underwriters headed by Shearson, Hammill & Co. The offering price and underwriting terms will be supplied by amendment. All the shares to be offered are held by R. S. Denzer, president, who owns approximately 74% of the outstanding stock.

The stock offering will be made subsequent to an exchange whereby the company's 30,929 shares of no par value common stock will be exchanged for 352,256 shares of \$2.25 par value common stock. After the sale of the stock Mr. Denzer and his wife and certain trusts will own 55% of the outstanding shares.

The company, a successor to La Crosse Novelty Box Manufacturing Company, a sole proprietorship of Mr. Denzer, is engaged in the design, development, production and distribution of refrigerated, coin operated vending machines for bottled soft drinks, as well as various types of refrigeration equipment.

**NORTHERN INDIANA PUBLIC SERVICE PROPOSES BOND OFFERING.** Northern Indiana Public Service Company, 5265 Hohman Ave., Hammond, Indiana, today filed a registration statement (File 2-16104) with the SEC seeking registration of \$15,000,000 of first mortgage bonds, series K, due 1990, to be offered for public sale at competitive bidding.

Proceeds from the sale of the bonds will be used to finance additions to the company's utility properties, including the prepayment of \$3,500,000 of bank loans made to provide funds for construction purposes. The company estimates it will expend approximately \$33,500,000 on its construction program in 1960 and \$32,500,000 in 1961.

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