

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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Washington 25, D.C.

FOR RELEASE May 9, 1960

Statistical Release No. 1677. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended May 6, 1960, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1960, is as follows:

	1939 = 100		Percent Change	1960	
	5/6/60	4/29/60		High	Low
Composite	391.2	388.8	+0.6	432.5	388.8
Manufacturing	467.5	464.5	+0.6	538.9	464.5
Durable Goods	448.9	446.5	+0.5	521.6	446.5
Non-Durable Goods	475.5	472.1	+0.7	544.4	472.1
Transportation	289.5	287.1	+0.8	329.3	287.1
Utility	230.8	229.7	+0.5	237.6	216.1
Trade, Finance & Service	430.0	426.3	+0.9	446.5	414.7
Mining	247.9*	250.8	-1.2	299.7	247.9

*New Low

SECURITIES ACT REGISTRATION STATEMENTS. During the period May 2 to 5, 1960, inclusive, 14 registration statements were filed, 18 became effective, 3 were withdrawn, and 373 were pending at the end of the period.

CANADIAN RESTRICTED LIST. The SEC today announced (Release 33-4219) the addition of Midas Mining Company Limited and South Seas Mining Limited to its Canadian Restricted List, and the deletion from the list of New Vinray Mines Ltd. The list now comprises the names of 256 Canadian companies whose securities the Commission has reason to believe are being distributed in the United States in violation of the Securities Act registration requirement, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

GENERAL AEROMATION, INC. STOCK OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a stock offering by General Aeromation, Inc., 6011 Montgomery Road, Cincinnati, Ohio.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed December 19, 1958, General Aeromation proposed the public offering of 84,450 common shares at \$3 per share pursuant to such an exemption. The Commission's suspension order asserts that certain terms and conditions of Regulation A were not complied with; that the company's offering circular contains false and misleading representations of material facts; and that the stock offering violated Section 17 (the anti-fraud provision) of the Securities Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

General Aeromation was organized to acquire certain designs and developments regarding proposed equipment for the ground movement of heavy jet aircraft and for other related functions, which designs were acquired from Henry J. Wiebe, president and controlling stockholder. In its suspension order, the Commission asserts that various informational disclosures contained in the company's offering circular are false and misleading, including statements to the effect that no satisfactory equipment for ground movement of heavy jet aircraft is available and the company knows of no direct competition to its methods of moving heavy jet aircraft, and that the results of the company's work have been checked by competent sources and the company believes its developments in this field will be successful although there is no positive assurance of success; that as new jet aircraft come into operation in increasing numbers, the company's equipment will be a requirement at major jet terminals and in commercial and military jet operations throughout the world; that the company expects (based on the number of commercial jet aircraft now ordered) to market or lease a considerable number of its units as they are manufactured and field tested, and that information from military headquarters indicates requirements of up to 1,000 units of the company's equipment; that Wiebe sold to the company, at cost, OVER

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the title and interest to certain developments, designs and patentable inventions, for \$80,000, and the failure to disclose past and proposed material transactions with the company's promoters and management officials; and the failure to make adequate disclosure in the forepart of the offering circular of certain factors regarding the speculative nature of the company's proposed business and affecting the value of its securities.

VIOLATIONS CHARGED TO M. L. SPANO. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether investors were defrauded by Michael L. Spano, doing business as Garden State Securities, of Hoboken, N. J., and Washington, D. C., in the offer and sale by Spano of Steuben Electronics Corporation stock and, if so, whether Spano's broker-dealer registration should be revoked. A hearing for the purpose of taking evidence with respect to these questions will be held at a time and place to be announced later.

The Commission's order asserts that, in connection with the offer and sale of Steuben common during the period May 13 to September 3, 1959, Spano and certain salesmen "engaged in transactions, practices, and a course of business which would and did operate as a fraud and deceit" upon the purchasers of the stock, in that they made false and misleading statements of material facts with respect to Steuben and its stock. The salesmen named in the order are Albert Lerch, a/k/a Coleman and Cole; Samuel A. Black, a/k/a Samuels, Blackwood and Blackwell; Ned Rogoff, a/k/a Rogers; and Saul Heller, a/k/a Pierce. The alleged misrepresentations related to price increases in Steuben's stock, its merger with a large electronics company and with a large company whose securities are listed on the New York Stock Exchange, contracts and orders possessed by Steuben, and dividends to be paid on its common stock.

According to the Commission's order, Spano has been registered as a broker-dealer since August 1954. He formerly occupied offices at 89 Washington St., in Hoboken. On or about November 6, 1959, Spano was permanently enjoined by the Superior Court of New Jersey from engaging in the securities business in that State. His offices were then moved to Suite 400, 1632 K Street, N. W., Washington.

MILWAUKEE GAS FINANCING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14223) authorizing Milwaukee Gas Light Company to issue and sell \$22,000,000 of first mortgage bonds due 1985 at competitive bidding, and to issue and sell an additional \$4,000,000 of common stock (333,334 shares) to its parent, American Natural Gas Company. Proceeds will be used to pay \$11,115,000 of bank notes and to provide funds for construction expenditures during 1960 and early 1961.

THOMPSON RAMO STOCK IN REGISTRATION. Thompson Ramo Wooldridge Inc., 23555 Euclid Ave., Cleveland, Ohio, today filed a registration statement (File 2-16554) with the SEC seeking registration of 124,054 shares of common stock, including 87,160 shares issued to shareholders of Radio Industries, Inc., in exchange for all of the outstanding stock of that company, and 36,894 shares which may be issued during a five-year period beginning 1961 to such shareholders, depending upon the net earnings of that company. The registration statement also includes 367,446 shares of common stock to be issued pursuant to the company's stock option plans.

The company and its subsidiaries are principally engaged in the performance of research, consulting and advisory services and the manufacture and sale of products in the electronics, missile and space fields, and the manufacture and sale of aircraft component parts and auxiliary equipment, largely for aircraft engines, a wide range of engine and other parts for automobiles, trucks and tractors, and miscellaneous other products.

In addition to certain indebtedness, the company has outstanding 87,708 shares of cumulative preferred stock and 3,119,503 shares of common stock.

LEE MOTOR FILES FOR STOCK OFFERING. Lee Motor Products, Inc., 4701 Gladstone Ave., Cleveland, Ohio, filed a registration statement (File 2-16555) with the SEC on May 6, 1960, seeking registration of 167,000 shares of Class A common stock, to be offered for public sale at \$3.00 per share through a group of underwriters headed by Godfrey, Hamilton, Magnus & Co., Inc. The underwriting commission will be 36¢ per share. In addition, Messrs. Ronald and Joseph Kumin, principal stockholders, and president and vice president, respectively, have sold to the principal underwriter 15,000 shares of Class A common stock for an aggregate price of \$7,500.

The company is principally engaged as an independent warehouse distributor of functional automotive components, including exhaust systems, ignition systems and engine components, suspension systems, and braking systems. Of the net proceeds from the sale of the stock, \$150,000 will be used to repay existing obligations to banks incurred in March of 1960 to retire trade accounts and for other working capital purposes; approximately \$50,000 will be used to finance expansion of physical warehouse facilities; and the balance of \$207,000 will be added to general funds and used as working capital.

In addition to sundry indebtedness, the company has outstanding 15,000 shares of Class A common stock (held by the underwriter) and 300,000 shares of Class B common. Joseph and Ronald Kumin own 202,500 and 97,500 shares, respectively, of the Class B stock.

CONSOLIDATED EDISON PROPOSES BOND OFFER. Consolidated Edison Company of New York, Inc., 4 Irving Place, New York, filed a registration statement (File 2-16556) with the SEC on May 6, 1960, seeking registration of \$50,000,000 of first and refunding mortgage bonds, series R, due June 1, 1990, to be offered for public sale at competitive bidding.

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Net proceeds from the sale of the bonds will become part of the treasury funds of the company and will be applied toward retirement of some \$55,000,000 of short term bank loans.

The company and its subsidiary, Consolidated Telegraph & Electrical Subway Company, are engaged in a construction program which is estimated to cost \$1,200,000,000 for the years 1960 through 1964. According to the prospectus, the company plans to finance \$800,000,000 of the cost through the sale of securities and the balance will be obtained from provisions for depreciation and retained earnings. In connection with this program, on March 3, 1960, the company sold to four institutional investors 365,000 shares of cumulative preferred stock, 5-3/4% Series A, at the \$100 par value.

MONTREAL FILES FOR DEBENTURE OFFERING. The City of Montreal (Canada) filed a registration statement (File 2-16557) with the SEC on May 6, 1960, seeking registration of \$14,000,000 of Sinking Fund Debentures for Local Improvements, due 1980, and \$14,000,000 of Sinking Fund Debentures for Public Works, due 1980. The interest rate, public offering price and underwriting terms, as well as the names of the underwriters, are to be supplied by amendment.

Proceeds of the sale of the local improvement debentures will be applied toward, or to the repayment of interim borrowings incurred to finance the cost of various condemnations of property in order to open, extend and widen certain streets and the cost of certain other permanent local improvements, consisting of sewers, pavements and side-walks. Proceeds of the sale of the public works debentures will be applied toward the cost of certain public works or the repayment of interim borrowings therefor, including \$5,500,000 for purchase of land and buildings in the Central Railway Station area in which new office buildings have been or are being constructed; \$1,700,000 for purchase of land and buildings in connection with widening and opening of l'Acadie Boulevard; and the balance for slum clearance, road and highway construction and other purposes.

LAUREL RUN DEVELOPMENT PROPOSES OFFERING. Laurel Run Development Company and Willard E. Ferrell of Philadelphia filed a registration statement (File 2-16558) with the SEC on May 6, 1960, seeking registration of \$89,600 of non-producing fractional working oil interests.

S.A.F. LTD. PROPOSES OFFERING. S.A.F., Ltd., 60 East Coral Center, Fort Lauderdale, Fla., filed a registration statement (File 2-16559) with the SEC on May 6, 1960, seeking registration of \$303,000 of partnership interests, to be offered for sale in \$500 units. S.A.F. is a limited partnership formed to acquire fee title to certain land in St. Augustine, Fla., upon which will be constructed a 54-unit Howard Johnson Motor Lodge and restaurant, swimming pool and related facilities. One of the partners, Robert Radice, has assigned to the partnership the purchaser's interest in an agreement with Howard Johnson Incorporated of Fla.; and pursuant to this agreement the partnership will pay \$60,000 in cash to Howard Johnsons and acquire fee title to the four-acre tract. Under a further agreement with Radco Associates, Inc., for a total consideration of \$700,000 (including \$360,000 to be advanced through mortgage financing), Radco will pay the partnership's organization expenses, including this financing, the construction and furnishing of the property, the placement of temporary and long-term mortgage loans, and the negotiations and preparation of a lease or operating agreement.

Of the partnership capital of \$400,000, \$30,000 will be contributed by Radice and three others, \$67,000 by original limited partners, and \$303,000 through the public offering. The partnership has entered into a lease or operating agreement with Radco Motor Lodges, Inc., which will operate the motor lodge but will sub-lease the restaurant to Howard Johnsons. Arthur and Robert Radice, two of the four general partners, are officers and stockholders of Radco Associates, Radco Motor Lodges, and Radice Securities Corp., which latter will participate in the offering of the partnership interests with Jerry Thomas & Co. Inc. Radco Associates will pay to the latter an underwriting fee of \$15,000 and has agreed to reimburse Radice Securities for its expenses.

AMERICAN PETROFINA THRIFT PLAN FILED. American Petrofina, Incorporated, 50 Rockefeller Plaza, New York, filed a registration statement (File 2-16560) with the SEC on May 6, 1960, seeking registration of \$1,200,000 of interests in its Thrift Plan for Employees, together with 185,000 shares of Class A common stock being offered pursuant thereto.

SEA-HIGHWAYS PROPOSES OFFERING. Sea-Highways, Inc., Pan-American Bank Bldg., Miami, today filed a registration statement (File 2-16561) with the SEC seeking registration of 150,000 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made on a best efforts, all or none basis by John R. Maher Associates, of New York, which will receive a selling commission of 30c per share, plus 6c per share sold for expenses. The company also has granted the underwriter a five-year option on 30,000 additional shares exercisable at \$2 per share at the rate of one share for each five shares sold, if at least 50,000 shares are sold within thirty days of the commencement of the offering and sale.

The company was organized under Delaware law in February 1960. Its business will be to inaugurate and provide a new marine freight service, with specially adapted vessels carrying loaded, and mostly refrigerated, trailers between Florida and Central America. Net proceeds of this financing, estimated at \$235,000, will be applied to working capital. The bulk of such funds, together with \$100,000 expected to be realized from the concurrent private sale of 50,000 common shares to William R. Price (also included in the registration

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tatement), will be used to lease and operate the trailers and trailer ship or ships necessary to carry on the company's business.

The company now has outstanding 55,000 shares of common stock. Dorman Sisk of Miami and Albert C. Scheuholm, Jr., of Jupiter, Fla., are listed as president and executive vice-president, respectively. Scheuholm and Franklyn Knight, Jr., treasurer, each owns 25,000 common shares. The prospectus indicates that 50,000 shares are reserved against five-year options held by Sisk and two other officials, and an additional 10,000 against an option which Price will be entitled to exercise if he purchases the 50,000 shares.

BYER-ROLNICK HAT FILES FOR SECONDARY. Byer-Rolnick Hat Corporation, 601 Marion Drive, Garland, Texas, today filed a registration statement (File 2-16562) with the SEC seeking registration of 100,000 outstanding shares of its common stock, to be offered for public sale by the holders thereof through an underwriting group headed by Dallas Rupe & Son, Inc., and Straus, Blosser & McDowell. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of men's and boys' hats under various labels, including "Resistol," "Churchill," "Bradford" and "Kevin McAndrew." It has outstanding 242,927 common shares and certain indebtedness. E. R. Byer is listed as board chairman and Harry Rolnick president. Byer proposes to sell all his holdings of 54,740 common shares and Mabel L. Byer 45,260 of her holdings of 86,925 (the latter retaining a 17.2% stock interest).

COCA-COLA FILES THRIFT PLAN. The Coca-Cola Company, 515 Madison Ave., New York, today filed a registration statement (File 2-16563) with the SEC seeking registration of \$1,050,000 of participations in its employee Thrift Plan, together with 19,311 common shares which may be acquired pursuant thereto.

SEC ACTION NAMES F. L. CARVALHO. The SEC New York Regional Office announced May 4 (Lit. Release 1676) the filing of court action (USDC, N. J.) seeking to enjoin Fred L. Carvalho of Newark from further violating the Commission's record-keeping rules. Court issued temporary restraining order and scheduled hearing for May 9th on motion for preliminary injunction.

CORRECTION. The guilty verdict in T. J. Campbell Investment case referred to in the SEC News Digest of May 6th was returned by Federal court jury in Houston (not Federal "grand" jury, as erroneously reported).

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