

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 July 20, 1960

TRADING IN CONSOLIDATED DEVELOPMENT (CUBA) SUSPENDED. The SEC has ordered the further suspension of trading on the American Stock Exchange and over-the-counter market in the common stock of Consolidated Development Corporation (formerly Consolidated Cuban Petroleum Corporation), Havana, Cuba, for the ten-day period July 21 to July 30, 1960, inclusive (Release 34-6323).

GUTERMA, EVELEIGH CONVICTION AFFIRMED. The U. S. Court of Appeals for the Second Circuit on July 18th affirmed the convictions of Alexander L. Guterma and Robert J. Eveleigh for violating and conspiring to violate Securities Exchange Act reporting requirements (in relation to F. L. Jacobs Co.). Guterma had received a prison sentence of 4 years and 11 months and a fine of \$160,000, which fine was reduced to \$140,000 by Court of Appeals which reversed conviction on two counts; and Eveleigh had received a prison sentence of 2 years and 11 months and a \$10,000 fine. Two companies controlled by Guterma and Eveleigh, Comfidor, Inc., and Chatham Corp., had received fines of \$120,000 and \$10,000, respectively. F. L. Jacobs Co., which entered a plea of nolo contendere to the conspiracy count, received a suspended sentence. (LR-1730)

INDICTMENT NAMES FORTUNE AND ANTHONY POPE. An indictment returned July 19th (USDC SDNY) (LR-1731) charges Fortune Pope and Anthony Pope with violating and conspiring to violate the reporting provisions of Federal securities laws in connection with the disclosure of information concerning the transactions of said defendants and their associates with Colonial Sand & Stone Co., Inc.

MAYFLOWER FINANCE 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 public offering of securities by Mayflower Finance Company, Fountain Building, Las Vegas, Nevada.

Regulation A provides a conditional exemption from registration with respect to public offering of securities not exceeding \$300,000 in amount. In a notification filed in March 1958, Mayflower Finance proposed the public offering of 200,000 common shares at \$1 per share. The Commission's suspension order asserts that the company did not comply with certain conditions of the Regulation, in that it failed to file semi-annual reports of stock sales pursuant to the exemption and failed to cooperate with the Commission in connection with the filing of a revised offering circular. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

DELISTING OF THREE STOCKS PROPOSED. The Pacific Coast Stock Exchange has applied to the SEC to delist the common stocks of Pacific Indemnity Company and Solar Aircraft Company, and the New York Stock Exchange to delist the capital stock of Miami Copper Company; and the Commission has issued order (Release 34-6324) giving interested persons until August 5, 1960, to request hearings thereon. According to the applications: (1) the request to delist the Pacific Indemnity common was made at the company's request and because of the small volume of trading thereon on the Exchange; (2) less than 11,000 shares of Solar Aircraft common are held by others than International Harvester Company; and (3) stockholders of Miami Copper have approved its liquidation.

STROLEE OF CALIFORNIA FILES FOR SECONDARY. Strolee of California, Inc., 8711 Mettler Street, Los Angeles, filed a registration statement (File 2-16818) with the SEC on July 19, 1960, seeking registration of 150,000 outstanding shares of common stock, to be offered for public sale at \$5.00 per share by the present holders thereof. The prospectus lists Federman, Stonehill & Co., Mitchum, Jones & Templeton and Schweickart & Co. as the underwriters, and they are to receive a 50¢ per share commission. The underwriters have purchased an additional 25,000 shares at \$3.00 per share from the selling shareholders, of which 1,250 shares were sold to Sylvan A. Seligman as a finder's fee.

The company is engaged in the manufacture and sale of a variety of strollers, high chairs, play pens, swings, toys and similar items for babies and children. It has outstanding 293,856 shares of common stock, of which Paul C. Smith, president and treasurer, and Leonore Goodman Smith, his wife and vice-president, own 177,878 shares and are selling 99,241 shares; Lillian Lewis, of Provo, Utah, owns 34,310 shares and is selling 19,142 shares; and six additional holders own an aggregate of 56,668 shares and are selling 31,617 shares. The company's officers and directors as a group own an aggregate of 215,196 shares.

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For further details, call WOrth 3-5526

FIRST INVESTORS FILES FOR SECONDARY. First Investors Corporation, 120 Wall Street, New York, filed a registration statement (File 2-16819) with the SEC on July 19, 1960, seeking registration of 270,000 outstanding shares of class A common stock, to be offered for public sale by the present holders thereof through a group of underwriters headed by Bache & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the distribution of shares of open-end mutual funds through the sale of "contractual plans", "single payment plans" and fund shares sold directly as such. The company is the exclusive distributor of "contractual plans" and of "single payment plans" for the purchase of shares of three separate and individually managed funds, Wellington Fund, Inc., Mutual Investment Fund, Inc., and Fundamental Investors, Inc. It has outstanding 900,000 shares of class A common stock and 10,000 shares of class B common. The prospectus lists Rowland A. Robbins, board chairman, and John D. Case, president and treasurer, as owners of 50% each of the outstanding class A and class B common shares. Each proposes to sell 135,000 shares of class A common.

SOUTHERN CALIFORNIA EDISON FILES FOR BOND OFFERING. Southern California Edison Company, 601 West Fifth Street, Los Angeles, today filed a registration statement (File 2-16820) with the SEC, seeking registration of \$60,000,000 of First and Refunding Mortgage Bonds, Series M, due 1985, to be offered for public sale at competitive bidding. The net proceeds from the sale of bonds will be used to retire all short-term bank loans incurred in connection with the company's construction program, such loans not expected to exceed \$26,000,000. The balance of such proceeds will become treasury funds. It is estimated that the gross plant additions for the years 1960-1961 will total approximately \$257,772,000. For such construction requirements, a balance of approximately \$7,022,000 was available to the company from the proceeds of securities sold early in 1960 after retiring short-term bank loans then outstanding, and the company expects to obtain approximately \$53,500,000 in new money from outside sources in addition to the net proceeds from the new bonds. The remaining requirements are expected to be obtained from internal sources.

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