

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 August 11, 1960

TEMPERATURE ENGINEERING FILES FOR OFFERING. Temperature Engineering Corporation, U. S. Highway 130, Riverton, N. J., filed a registration statement (File 2-16897) with the SEC on August 10, 1960, seeking registration of 150,000 shares of common stock, of which 135,000 shares are to be offered by the company for public sale at \$3.50 per share. The offering is to be made on an all or none basis by M. L. Lee & Co., Inc., Milton D. Blauner & Co., Inc. and F. L. Salomon & Co, for which they will receive a 35¢ commission per share plus \$15,000 for expenses. The additional 15,000 shares included in the prospectus were sold to the underwriters on July 28, 1960 by Sidney H. Perlman, the company's president, at \$1.00 per share.

The company is engaged in the design, engineering, manufacture and sale of equipment to create precisely controlled conditions of temperature, humidity, pressure and cleanliness in research, production and quality control. It also produces infra-ray ovens and other galley equipment for commercial and military aircraft. Of the net proceeds from the stock sale, approximating \$390,250, \$75,000, together with approximately \$75,000 to be borrowed and secured by a mortgage, will be used to erect a building with approximately 25,000 square feet of manufacturing space; approximately \$50,000 to purchase metal-working and test equipment; \$25,000 for the preparation of a catalogue and advertising; \$25,000 for research into and, if successful, the development of products supplementary to those now produced; and the balance of \$215,250 will be added to working capital and used to purchase raw materials and components and to finance a finished goods inventory.

In addition to certain indebtedness, the company has outstanding 215,096 shares of common stock, of which Perlman owns 108,648 shares and Betty Lee Perlman, his wife and company treasurer, owns 77,280 shares.

RIGHTS OFFERING OF LOUISIANA GAS STOCK APPROVED. The SEC today announced the issuance of a decision (Release 35-14267) authorizing the offer and sale of Louisiana Power & Light Company, New Orleans, Louisiana, to stockholders of its parent, Middle South Utilities, Inc., of New York, of Louisiana Power's common stock interest in Louisiana Gas Service Company, which serves retail gas customers in Louisiana outside the City of New Orleans.

This sale is the final step in a two-part plan for compliance with a March 1953 order of the Commission under the Holding Company Act directing Middle South and Louisiana Power to divest themselves of their interests in the non-electric properties then owned by Louisiana Power. The Commission shortly will apply to the United States District Court in New Orleans for approval and enforcement of such sale.

Previously, pursuant to a Commission order of November 1957, Louisiana Power transferred all its non-electric properties (consisting principally of natural gas utility facilities) to Louisiana Gas, a newly-created company. In return, Louisiana Power received \$4,900,000 of 2-year notes and \$6,050,100 of common stock of Louisiana Gas. Subsequently, Louisiana Power received an additional \$1,100,000 of notes for advances to Louisiana Gas; and in January 1960 the \$6,000,000 of notes were retired through the application of part of the proceeds of the sale by Louisiana Gas of \$7,500,000 of bonds, leaving Louisiana Power with 605,110 shares (including 100 shares acquired upon the organization of Louisiana Gas).

It is now proposed that Louisiana Gas will sell an additional 64,890 common shares to Louisiana Power at the \$10 per share par value thereof. Thereupon, the 670,000 shares will be offered by Louisiana Power to stockholders of Middle South on the basis of one share of Louisiana Gas for each 25 shares of Middle South. In connection with this rights offering, Louisiana Gas will issue and sell, at the subscription price, such portion, if any, of an additional 40,000 common shares as may be required to satisfy a supplemental right to purchase one additional full share for the number of rights which exceed a multiple of 25 or are less than 25. The subscription price will be about equal to the per share book value of the shares, plus distribution expenses, or an estimated \$10.43 per share. The Commission has reserved jurisdiction to approve the definitive subscription price, when determined.

The Commission ruled that the proposed sale of the Louisiana Gas stock is necessary to effectuate the integration and simplification requirements of the Holding Company Act and to comply with the 1953 divestment order. Louisiana Power will use the proceeds of the stock sale for its electric utility business. The transactions also were found to be fair and reasonable to persons affected thereby and otherwise to conform to requirements of the Holding Company Act. (Copies of the full text of the Commission's decision, Release 35-14267, may be obtained upon request).

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For further details, call Worth 3-5526

INDIAN HEAD MILLS FILES FOR SECONDARY. Indian Head Mills, Inc., 111 West 40th Street, New York, filed a registration statement (File 2-16898) with the SEC on August 10, 1960, seeking registration of 60,000 outstanding shares of common stock, of which 50,000 shares are to be offered for public sale by the present holders thereof through a group of underwriters headed by Blair & Co., Inc. and F. S. Smithers & Co. The public offering price and underwriting terms are to be supplied by amendment. The additional 10,000 outstanding shares are being registered pursuant to the terms of an option agreement dated June 17, 1960, by which James E. Robison, president and one of the selling stockholders, sold a transferable option on such shares to Ernest J. Oppenheimer for \$10,000, such agreement providing for an option price of \$45 per share.

The company produces and distributes a wide range of fabrics and products for consumers and industrial users and provides dyeing, printing and finishing services for fabric converters and knitters. In addition to certain indebtedness and preferred stock, the company has outstanding 545,516 shares of common stock, of which Robison owns 112,971 shares and is selling 20,000 shares (including 10,000 shares pursuant to the option agreement); Louis C. Lerner, a director, owns 26,900 shares and is selling 6,000 shares; Victoria Investment Company, Ltd. (of which Lerner is president and substantial stockholder) owns 36,500 shares and is selling 14,000 shares; and trustees for the benefit of children of Royal Little, board chairman, hold 52,492 shares and are selling 20,000 shares.

BROAD STREET INVESTING SEEKS ORDER. Broad Street Investing Corporation, New York investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed acquisition of the assets of Linden Associates; and the Commission has issued an order (Release 40-3094) giving interested persons until August 26th to request a hearing thereon. Linden is an investment company with sixteen shareholders. Broad Street Investing has entered into an agreement to purchase substantially all of its cash and securities, having a value of about \$2,981,418 as of June 30, 1960. In exchange therefor, Broad Street Investing will issue its shares at their net asset value.

SEC COMPLAINT NAMES LEO HERSHMAN & CO., INC. The SEC New York Regional Office announced August 8th (LR-1748) the filing of Federal court action (USDC SDNY) seeking to enjoin Leo Hershman & Co., Inc., and its president and sole stockholder, Leo J. Hershman, from further violating the anti-fraud and net capital provisions of the Securities Exchange Act.

INDICTMENT NAMES ANGLO-AMERICAN SECURITIES, OTHERS. The SEC Boston Regional Office announced August 10th (LR-1749) that a secret indictment returned June 17, 1960 (USDC, Mass.) charged violations of Securities Act anti-fraud provisions and conspiracy by Anglo-American Securities, Inc. (formerly of 130 W. 42d St., New York), Mervyn J. Fischman, its former president (now of Scottsdale, Ariz), Thomas A. Palermo, Jr., and Samuel Golden, both of Brooklyn, in the offer and sale of Lexa Oil Corporation stock. Defendants pleaded not guilty and released on bail.

GIBBS & CO. HEARING POSTPONED. The SEC has granted a request of counsel for postponement to September 7, 1960, of the hearing previously scheduled for August 15 in its Boston Regional Office to determine whether to revoke the broker-dealer registration of Gibbs & Co., of Worcester, Mass.

BROOKE TEMPLE INDICTED. The SEC Atlanta Regional Office announced August 10th (LR-1750) that Brooke Temple had been apprehended in Los Angeles. He was indicted on May 18, 1960, with four others by a Federal Grand Jury in Miami on charges of violating registration and anti-fraud provisions of the Securities Act in the sale of promissory notes of DuPont Mortgage Company and J. P. Lord, Inc.

CANADIAN RESTRICTED LIST. The SEC has added Natto Mining Co., Ltd., and Sudbay Beryllium Mines Ltd., to its Canadian Restricted List, bringing to 218 the number of companies currently on the list. The list is comprised of the names of Canadian companies whose securities recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, 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.

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