

# 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 August 29, 1960

Statistical Release No. 1699. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended August 26, 1960, for the composite and by major industry groups compared with the preceding week and with the high and lows for 1960, is as follows:

	1939 - 100		Percent Change	1960	
	8/26/60	8/19/60		High	Low
Composite	409.1	404.1R	+1.2	432.5	388.8
Manufacturing	482.6	477.8R	+1.0	538.9	458.2
Durable Goods	461.4	456.0	+1.2	521.6	438.8
Non-Durable Goods	492.7	488.5R	+0.9	544.4	467.1
Transportation	293.9	294.0	0.0	329.3	279.4
Utility	250.0*	244.7	+2.2	250.0	216.1
Trade, Finance & Service	467.7	462.9	+1.0	471.8	414.7
Mining	462.8	259.5	+1.3	299.7	240.7

\*New High  
R - Revised

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended August 25th, 34 registration statements were filed, 25 became effective, and 325 were pending at the week end.

TRADING IN CONSOLIDATED DEVELOPMENT (CUBA) STOCK SUSPENDED. The SEC has ordered the further suspension of trading in the common stock of Consolidated Development Corporation (formerly Consolidated Cuban Petroleum Corporation), of Havana, Cuba, on the American Stock Exchange and over-the-counter market, for the period August 30 to September 8, 1960, inclusive.

BALL PABLO & CO, ENJOINED. The SEC Washington Regional Office announced August 26th (IR-1766) the entry of a Federal court order (USDC DC) preliminarily enjoining Ball, Pablo & Co., of Washington, D. C., from violating the record-keeping requirements of the Securities Exchange Act of 1934 and Commission rules thereunder.

INTERNATIONAL INVESTMENTS HEARING SCHEDULED. The SEC has scheduled a hearing for September 26, 1960, in its Washington office for the purpose of taking evidence on the question whether the broker-dealer registration of International Investments, Inc., 1160 - 21st Street, N. W., Washington, D. C., should be revoked.

In a decision issued by the Commission under the Securities Exchange Act of 1934 on August 6, 1959, the said company's registration was suspended pending further hearing and ultimate decision by the Commission whether its registration should be revoked. An earlier order authorizing the proceedings charged that the company violated the registration requirements of the Securities Act of 1933 and the anti-fraud provisions of the said Exchange Act in connection with the offer and sale of stock of International Corporation and of Alaskan Development Corporation during the period July 1958 to June 1959. On June 11, 1959, the company's president and controlling stockholder, John K. Gibbs, was enjoined by Federal court order from continuing certain conduct or practices in connection with the sale of securities.

FIDELITY CAPITAL SEEKS ORDER. Fidelity Capital Fund, Inc., Boston investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its purchases of H. Gilbert's Sons, Inc.; and the Commission has issued an order (Release 40-3103) giving interested persons until September 9, 1960 to request a hearing thereon.

According to the application, Fidelity Capital proposes to purchase substantially all of the cash and securities of Gilbert's Sons in exchange for shares of Fidelity Capital at their net asset value. Gilbert's Sons formerly operated a retail men's clothing business but more recently has operated as a personal holding company with two stockholders. Its cash and securities having a total value approximating \$235,859 as of June 30, 1960, are to be transferred to Fidelity Capital.

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For further details, call WOrth 3-5526

**CENTURY-WEBSTER-AMERICAN MFG. MERGER PROPOSAL AMENDED.** The proposal for merger of Century Investors, Inc., and Webster Investors, Inc., New York City investment companies, with and into American Manufacturing Company, Inc., has been amended, and the SEC has issued an order (Release 40-3104) scheduling the amended plan for further hearing on September 15, 1960.

The original application, on which a hearing was held July 7, 1960, proposed that (a) each share of common stock of Century would be converted into one-tenth share of Class A stock and one and fifteen one-hundredths shares of common stock of American, (b) each share of common stock of Webster would be converted into one-half share of Class A stock and seventy-two one-hundredths share of common stock of American, (c) each share of Class A stock and common stock and options to purchase stock of American would remain outstanding, and (d) all treasury stock and intercompany holdings of the constituent companies would be cancelled.

Under the amended application, no shares of Class A stock will be issued to the stockholders of Century and Webster and instead the following allocations are proposed: (a) each share of common stock of Century will be converted into one and twenty-seven one-hundredths shares of common stock of American, and (b) each share of common stock of Webster will be converted into one and one-quarter shares of common stock of American. The only other respect in which changes are made under the amended application is that it provides for the issue of 12,179 escrowed shares of common stock of American instead of 12,821 escrowed shares as provided in the original application. A certificate of contingent interest in .03073 of a share of common stock of American would be issued to the holders of each share of common stock of Century and a certificate of contingent interest in .04570 of a share of common stock of American would be issued to the holder of each share of common stock of Webster. These changes from the original plan follow from certain changes in asset values and number of shares outstanding occurring since the adoption of the original application.

**BORROWINGS BY SOUTHERN ELECTRIC GENERATING APPROVED.** The SEC has issued an order under the Holding Company Act (Release 35-14275) authorizing Southern Electric Generating Company, subsidiary of Alabama Power Company and Georgia Power Company (of The Southern Company system) to make borrowings from banks during the period ending July 1, 1961, in amounts not exceeding \$28,000,000 in the aggregate. The funds will be used to continue the construction of the company's No. 1 Steam Plant.

**PREMIER MICROWAVE PROPOSES OFFERING.** Premier Microwave Corporation, 33 New Broad St., Port Chester, N.Y., filed a registration statement (File 2-16971) with the SEC seeking registration of 100,000 shares of common stock, to be offered for public sale by Van Alstyne, Noel & Co. on an all or none basis. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes an additional 15,000 shares acquired by the underwriter from present stockholders at 10¢ per share.

The company is engaged in the design, development and production of microwave components, specifically coaxial and waveguide components and printed circuit analogs of such components. Organized in 1940 under the name Premier Tool and Instrument Corp., its name was changed to Premier Microwave on August 25, 1960. On May 31, 1960, it acquired all the outstanding stock of an affiliate, Portchester Instrument Corp., which now is operated as a subsidiary.

In addition to certain indebtedness, the company now has outstanding 240,000 common shares. Net proceeds of the sale of additional stock will be used in part to repay some \$29,000 of bank borrowings and \$84,900 of notes payable to officers, which borrowings were made to provide additional working capital. The balance of the net proceeds will be used to supplement working capital and for other general corporate purposes.

The prospectus lists Leonard Kardon as president and Nathan Kardon as vice-president; and they own 56,250 shares each of the outstanding stock. Two additional officers and their wives own an aggregate of 112,500 shares.

**VERDE EXPLORATION FILES FOR SECONDARY.** Verde Exploration, Limited, 55 Liberty Street, New York, filed a registration statement (File 2-16972) with the SEC on August 26, 1960, seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale from time to time by the present holders thereof in the over-the-counter market, at the market price then prevailing, for standard brokerage commissions will be paid.

The company's business consists of mining exploration and geophysical research with respect to certain properties located in Arizona. It holds about 3,400 acres of patented mining claims in the Jerome mining district of Arizona, including some 500 acres of claims held by a 58%-owned subsidiary. In addition, the company holds about 1,400 acres on location, on which location work has been completed and which have been recorded or are in the process of being recorded. The properties are said to have been extensively mined and/or explored by other companies, the company having recently commenced further exploratory search for ore as part of a three-year exploration program. There are no known bodies of ore located on these properties. In December 1959 a small group of investors agreed to advance \$350,000 to the company to finance the plan and budget for exploration of the mining properties, the advances to be made over a period of three years at such times and in such amounts as the company shall designate. To date the company has borrowed \$147,000 under this agreement. Under the agreement, the company granted to the investors the option to purchase an aggregate of 562,373 common shares at 25¢ per share through July 6, 1963, the options being in proportion to advances by each. Cerro de Pasco Corporation is committed for \$200,000 of such advances and has received an option on 321,356 shares.

The company now has outstanding 437,627 common shares, of which management officials own 23%; Carl M. Loeb, Rhoades & Co., 17%; Arthur Notman, president, 13% (included in management holdings); A. P. Scott, 12%; and Lehman Bros., 11%. The 100,000 shares are to be sold as follows: Notman, 25,000; Scott, 25,000; and Golden (including relatives and associates), 50,000.

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**DREXEL DYNAMICS PROPOSES OFFERING.** Drexel Dynamics Corporation, Philadelphia, filed a registration statement (File 2-16973) with the SEC on August 26, 1960, seeking registration of 100,000 shares of common stock, to be offered for public sale at \$6 per share through a group of underwriters headed by Warner, Jennings, Manel & Longstreth, which will receive a commission of \$.60 per share.

Organized in 1957, the company engages in research, development and production operations in the fields of mechanics, electronics, optics and functional systems, embracing the mathematical and physical sciences. Its work has ranged from the production of two-ton mobile hydraulic maintenance vehicles to electro-optical flight research. It is currently engaged, among other things, in the production, under contract with the U. S. Navy, of jet engine lifting and positioning trailers, in the design, development and prototype manufacture of aircraft special weapons truck for the Navy, in the design and manufacture of direct projection system for use with existing simulation equipment in the evaluation of collision avoidance techniques for the Federal Aviation Administration, in supplying engineering services for the U. S. Transportation Command, and in the manufacture of radar antenna bearings as a sub-contractor. Net proceeds of the stock sale, estimated at \$511,740, will be used as follows: \$100,000 for continuation of product development program, \$16,000 for payment of notes, and \$395,740 as additional working capital.

In addition to the notes, the company has outstanding 215,000 common shares, of which 30.1% is owned by Warren V. Musser, board chairman, and 22% by Arthur E. Eilinsfeld, president. Another 21.5% is owned by Warner, Jennings, Mandel & Longstreth of Philadelphia, the underwriter.

**CORNET STORES FILES FOR OFFERING.** Cornet Stores, 411 South Arroyo Parkway, Pasadena, California, filed a registration statement (File 2-16975) with the SEC on August 26, 1960, seeking registration of 150,000 shares of common stock, to be offered for public sale through a group of underwriters headed by Kidder, Peabody & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company operates a chain of 125 retail variety stores in six western states of California, Hawaii, Idaho, Oregon, Nevada and Washington. In 1957 the company sold seven of its stores located in Utah, Wyoming and Arizona to Cornet 5 & 10, a corporation owned by Joe Cornet, Jr., executive vice president, and Robert F. Cornet, president, for \$107,142. During 1957 and 1958, the Cornets, who had resigned as officers of the company at the time of such purchase, operated Cornet 5 & 10 independent of the company. In 1959, the Cornets rejoined the company as executives. The company has entered into agreement with the Cornets to exchange 35,186 of its Class B common shares for all of the outstanding stock of Cornet 5 & 10. Of the net proceeds from the stock sale, \$1,100,000 will be used to repay short term loans, of which \$450,000 was borrowed from a bank and \$650,000 from members of the Cornet family and affiliated interests. The remainder of such proceeds will be added to the company's general funds and will be available for working capital and future expansion.

In addition to certain indebtedness, the company has outstanding 1,349,964 shares of Class B common stock, of which Joe Cornet, Sr., board chairman, owns 999,152 shares and holds of record 138,600 shares; Robert F. Cornet owns 171,864 shares; and Joe Cornet, Jr. owns 171,864 shares.

**AMERICAN INCOME LIFE INSURANCE PROPOSES RIGHTS OFFERING.** American Income Life Insurance Company, 5th & Franklin, Waco, Texas, filed a registration statement (File 2-16974) with the SEC on August 26, 1960, seeking registration of 90,174 shares of common stock, to be offered for subscription by common stockholders at the rate of one share for each 5-1/3 shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. The principal underwriters are listed as Ladenburg, Thalmann & Co. and Lee Higginson Corp.

The net proceeds of the stock sale will be added to and used as part of the company's general funds, said to be necessary because of an increase in the volume of life insurance premium writings. The company has outstanding 480,928 shares of common stock, of which Reinsurance Investment Corp. owns 189,495 shares and Bernard Rapoport, president, owns 59,888 shares. Management officials own 17.7% of the outstanding common stock.

**RESISTO CHEMICAL FILES FOR OFFERING.** Resisto Chemical, Inc., New Castle County Air Base, New Castle Hundred, New Castle County, Delaware, today filed a registration statement (File 2-16976) with the SEC seeking registration of 200,000 shares of common stock, to be offered for public sale at \$2.50 per share. The offering is to be made on a best efforts basis by Amos Treat & Co., Inc., for which it will receive a \$.3125 per share selling commission plus \$1,000 for expenses. The president of the underwriter has purchased an option from William J. Barrentine, company president, for \$50.00, to buy from him at 50¢ per share, 50,000 shares of common stock. Two others have acquired 7,500 shares each at 50¢ a share as a finder's fee, and the president of the underwriter has acquired 25,000 shares from the company.

Organized in December 1958, the company is primarily concerned in the development, manufacture and sale of protective coatings for packaging and fabrics, and products employed in insulation, in the resistance of extremes of temperature, and in resistance of corrosion. Since its organization the company has been engaged in the acquisition of capital, equipment of its plant and the development of its products. Net proceeds of the proposed stock sale will be used largely for working capital (\$235,348) to purchase raw materials, payment of operating expenses and general corporate purposes, with other lesser amounts going for equipment, machinery and other purposes.

The company's president, Barrentine, owns 505,700 shares (70.5%) of the 717,460 shares of outstanding stock. He and other management officials and the underwriter own all of the outstanding stock, for which they paid a total of \$106,444 to the company, in addition to services rendered and unreimbursed expenditures incurred.

**SCANTLIN ELECTRONICS FILES FOR OFFERING AND SECONDARY.** Scantlin Electronics, Inc., 2215 Colby Avenue, Los Angeles, today filed a registration statement (File 2-16977) with the SEC seeking registration of 275,000 shares of common stock, of which 175,000 shares are to be offered for public sale for the account of the company and 75,000 shares, being outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. The principal underwriters are Carl M. Loeb, Rhodes & Co. and Paine, Webber, Jackson & Curtis.

The company is engaged in the business of designing, developing, manufacturing, selling and leasing of proprietary electronic devices for specialized industrial and commercial applications. Substantially all its sales have been to Western Electric Company and associated companies; and sales of a single product, the Selector, has accounted for about 80% of total sales. The Selector is a device used in a mobile telephone unit (such as automobiles) to distinguish the call signal (telephone number) of that particular unit from other call signals which may be broadcast by the central transmitting station. The company has recently begun marketing a new product, the Quotron, a device which "memorizes" the signals carried on a stock exchange ticker wire and permits a stock broker to obtain from his Quotron desk unit a printed tape showing the last sale of a security just as it appeared on the tickertape, or if desired, a printed summary of the day's transactions in that security. Of the net proceeds from the stock sale, \$185,000 will be used for the repayment of loans from certain stockholders, and the balance will be added to the company's general funds, to be available as working capital and for general corporate purposes, including possible temporary reduction of outstanding bank loans incurred in connection with the Quotron program.

In addition to certain indebtedness, the company has outstanding 1,202,400 shares of common stock, of which John R. Scantlin, president, owns 286,500 shares and proposes to sell 37,500 shares; and Paul M. Davis owns 120,000 shares and proposes to sell from 37,500 to 62,500 shares, such amount depending upon the extent to which the underwriters exercise an option granted to them by Davis to purchase up to 25,000 shares of his stock to cover over allotments of shares made during the offering.

**CINESTAT ADVERTISING CORP. PROPOSES OFFERING.** Cinestat Advertising Corporation, 30 West Monroe St., Chicago, filed a registration statement (File 2-16970) with the SEC on August 26, 1960, seeking registration of 15,000 shares of Class B capital stock, to be offered for public sale at \$100 per share. The offering is to be made by the company under direction of its president, Mel G. Herreid. No underwriting commissions are to be paid; but the company has agreed to transfer to Herreid 1,001 Class A shares for certain services rendered by him, part of which shall consist of selling the Class B stock.

The company was organized in 1960 under Delaware law for the primary purpose of exploiting, distributing and marketing certain advertising and display devices of particular use in commercial advertising. The company is said to be essentially a marketing enterprise which will be engaged in the selling or leasing, or both, of multiple image pictures on a single panel, illuminated in selected order in display boxes, bill-boards, magazines, newspapers or other media. Net proceeds of the sale of the Class B stock are to be used to set up the business and to begin operations.

The process for developing the advertising and display devices makes use of certain inventions of Victor Elvestrom. The company has entered into an agreement with Cinestat Corporation to obtain from it full license and right under the Elvestrom inventions, for the use of which rights it will make compensation to Cinestat Corporation and Elvestrom at a total rate of 7% of the gross selling price of the manufacturing products. It also has entered into an agreement whereby it may obtain 50% of the stock of Cinestat Corporation in return for which the company has agreed to reimburse that company by a payment of \$150,000 prior to April 11, 1963, if the company exercises its rights to buy.

**CONGRESS STREET FUND FILES FOR OFFERING.** Congress Street Fund, Inc., 35 Congress Street, Boston, today filed a registration statement (File 2-16978) with the SEC, seeking registration of 500,000 shares of capital stock. Organized August 12, 1960, the Fund proposes to offer its shares to the owners of securities of the type which the Fund proposes to acquire for its portfolio, pursuant to the terms of a Subscription-Escrow Agreement. Under the agreement, such securities may be deposited in escrow during the offering period, at the close of which the escrow will be discharged and the deposited securities exchanged for Fund shares. Unless at least \$10,000,000 of the securities are so deposited during the offering period, the escrow will be terminated, the exchange will not take place, and the deposited securities will be returned to their owners.

The prospectus lists Edward C. Johnson 2d as president of the Fund. The Fund employs Fidelity Management & Research Company as adviser; and Johnson owns 63.2% of the stock of the adviser. The Fund has entered into separate underagreements with Hornblower & Weeks and with The Crosby Corporation.

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