

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 March 21, 1960

Statistical Release No. 1666. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended March 18, 1960, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1959 - 1960, is as follows:

	1939 = 100		Percent Change	1959 - 1960	
	3/18/60	3/11/60		High	Low
Composite	396.5	391.2	+1.4	441.3	391.2
Manufacturing	479.0	472.0	+1.5	554.2	472.0
Durable Goods	458.9	453.4	+1.2	527.7	453.4
Non-Durable Goods	488.3	479.9	+1.8	570.1	479.9
Transportation	295.1	293.7	+0.5	371.6	292.6
Utility	225.6	224.0	+0.7	231.8	207.1
Trade, Finance & Service	427.0	417.1	+2.4	447.3	382.7
Mining	268.8	266.5	+0.9	360.4	266.5

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended March 17, 1960, 41 statements were filed, 26 became effective, one was withdrawn, and 307 were pending at the week end.

SILVER SHIELD MINING REGISTRATION WITHDRAWN. The SEC today announced the issuance of a decision (Release 34-6214) ordering withdrawal from listing and registration on the Salt Lake Stock Exchange of the common stock of Silver Shield Mining and Milling Company, of Salt Lake City, for non-compliance with the disclosure and reporting requirements of the Securities Exchange Act of 1934.

According to the Commission's decision, a new board of directors was elected in December 1956 by the then existing board pursuant to a plan whereby certain oil property was to be transferred to Silver Shield Mining and company stock held by the existing board was to be sold by them to a new group. The new board was selected and was controlled by D. E. Kivett, who was in control of the board until January 1958 when a different board was elected. Silver Shield Mining failed to file a current report for December 1956 disclosing that Kivett had gained control and thus became a parent of the company, and its annual reports for 1956 and 1957 falsely stated that it had no parents. Moreover, no report was filed for January 1958 showing that Kivett had ceased to be a parent and describing the transactions by which his parent relationship was terminated.

The Commission also ruled that Silver Shield Mining's claim to an exemption from the Securities Act registration requirement in respect to its issuance and sale of three blocks of stock was invalid. In August 1956, 200,000 shares were reserved for L. E. Stein, then a vice president, for expenses and services of Stein and others in negotiating the construction of certain facilities for the company, said shares to be issued to Stein upon request. In a report for that month, it was stated that the shares had been issued to Stein and were exempt from registration. However, at Stein's direction, the shares were issued to one Jack L. Cayias, who had presented to Stein the plan which resulted in the transfer of control to the Kivett group. No valid basis existed for the claimed exemption.

In a report for March 1957, Silver Shield Mining claimed an exemption from registration, based upon a purported "private offering," for 465,152 shares issued for certain oil interests, the report stating that the recipients took the shares for investment and not for the purpose of redistribution. The record shows, however, that pursuant to an arrangement with Kivett and Cayias, one Nick Vitalakis and an associate had purchased the oil interests and resold them to the company in exchange for the stock. Vitalakis sold 50,000 shares to one Joe Burns and certificates for such shares were issued directly to him. Vitalakis and his associate then transferred 150,000 shares to Kivett and 133,000 to Cayias; and in February 1958 Burns caused the company to reissue his stock in 1,000-share certificates and entered an order to sell with his broker, which sold 2,000 shares. Here again, the Commission stated, the claim to exemption was invalid.

Pursuant to an offer in the Fall of 1958, Silver Shield Mining offered stock in lieu of cash to stockholders in payment of a refund of an assessment of 3¢ per share which was later cancelled; and 92 stockholders accepted the offer, receiving 423,520 shares in lieu of \$4,235.20 in cash. In its reports the company stated

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that such shares were accepted for investment, with all certificates bearing a stamped legend to that effect. However, according to the Commission, the offering and distribution to stockholders clearly constituted a public offering requiring registration.

A report for March 1957 stated that Silver Shield Mining stock was non-assessable, when in fact the stock was assessable, as was so reported in an amendment to that report filed in August 1957.

MAYO-BRISTOL SECURITIES REGISTRATION REVOKED. In a decision announced today (Release 34-6210), the SEC revoked the broker-dealer registration of Frederic R. Mayo, doing business as The Bristol Securities Company, 130 South Main St., Fall River, Mass., for fraud in the sale of securities and failure to file the required reports of financial condition.

The Commission found that John P. Hanley, a salesman for Mayo and in charge of one of his offices, was a cause of the revocation order. Mayo and Hanley waived a hearing, agreed to a stipulation of the facts, and consented to the revocation order and the finding as to Hanley.

According to the decision, Mayo and Hanley offered and sold securities during the period September 1954 to November 1956 by means of schemes to defraud and to obtain money and property by means of materially untrue and misleading statements. In the course of such conduct Hanley offered and sold bonds of National Finance Company on the representation that they would be redeemed at any time at face value while omitting to state that the bonds, which matured in ten years, would have to be held to maturity and that there was no obligation on the part of National to redeem them prior to maturity.

Mayo also admitted a failure to file the required reports of financial condition for the years 1956, 1957 and 1958.

COURT ORDER ENJOINS FOX. The SEC New York Regional Office announced March 17, 1960 (Lit. Release No. 1621) entry of a federal court order (USDC, SDNY) permanently enjoining Matthew M. Fox, president and board chairman of Television Industries, Inc., from further sales of Television Industries stock in violation of the Securities Act registration requirement.

AMERICAN DRYER STOCK SALES ENJOINED. The SEC New York Regional Office announced March 17, 1960 (Lit. Release No. 1622) entry of a Federal court order (USDC, SDNY) permanently enjoining American Dryer Corporation, William F. Kane, Jack S. Corson and Vivian W. Holden from further sales of American Dryer stock in violation of the Securities Act registration requirement.

SILVERMAN EMPLOYMENT CLEARED. The SEC has issued a decision (Release 34-6215) granting a petition of the National Association of Securities Dealers, Inc., for permission to continue Dorsey and Company, Inc., in NASD membership while employing Daniel N. Silverman, Jr. as a registered representative. A disqualification existed by reason of the expulsion of D. N. Silverman Co., Inc., from NASD membership in January 1958 on the grounds that Silverman Co. had engaged in the securities business while insolvent and in violation of the SEC net capital rule and had failed to keep required books and records.

NEES SYSTEM BORROWINGS APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14194) authorizing various subsidiaries of New England Electric System, Boston holding company, to issue from time to time during 1960 their unsecured promissory notes to banks and/or NEES in amounts not to exceed \$44,105,000 at any one time outstanding. The proceeds are to be used to pay then outstanding notes due to banks and/or to NEES (\$29,085,000 outstanding at January 1, 1960), to make sinking fund conversion loan payments of \$558,000, and to provide new money (estimated at \$14,462,000 for the year 1960) for construction expenditures or to reimburse company treasuries therefor.

POTOMAC EDISON FILES PROPOSAL. The Potomac Edison Company, Hagerstown, Md., holding company, has joined with two of its subsidiaries in the filing of a proposal with the SEC under the Holding Company Act for additional equity investments by the parent in the subsidiaries; and the Commission has issued an order (Release 35-14195) giving interested persons until April 4, 1960, to request a hearing thereon.

Under the proposal, Potomac Edison would make additional investments during 1960 in Northern Virginia Power Company and South Penn Power Company in amounts not exceeding \$1,000,000 and \$600,000, respectively. The subsidiaries will use the funds to finance in part their 1960 construction requirements, estimated at \$2,052,750 for Northern Virginia and \$925,150 for South Penn.

LOUISIANA P & L BOND OFFERING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14196) authorizing Louisiana Power & Light Company, New Orleans, to issue and sell at competitive bidding \$20,000,000 of First Mortgage Bonds, Series due 1990. Net proceeds will be used for property additions and improvements, the payment of \$11,480,000 of bank loans, and other corporate purposes.

ALTERMAN-BIG APPLE FILES FOR OFFERING AND SECONDARY. Alterman-Big Apple, Inc., 933 Lee St., S. W., Atlanta, Ga., filed a registration statement (File 2-16275) with the SEC on March 18, 1960, seeking registration of 403,310 shares of common stock, of which 60,000 shares are to be offered for public sale on behalf of the issuing company. Of the remaining 343,310 shares (all outstanding), 168,310 are to be offered by Bankers

Securities Corporation and 175,000 by certain other individuals. The offering is to be made at \$18 per share through a group of underwriters headed by Van Alstyne, Noel & Co., which will receive a commission of \$1.25 per share. Under an agreement with Bankers Securities, the company has guaranteed to Bankers Securities that the net proceeds of its stock sale will aggregate not less than \$2,858,419.31. In order to fulfill such guaranty, the company will be required to pay \$39,237.97 to Bankers Securities and to relieve it of all expenses of the sale of its stock.

The company and its subsidiaries operate a retail food chain under the name "Big Apple" within a 120 mile radius of Atlanta. It also processes preserves, jellies, mayonnaise and salad dressing for sale in its own markets and other stores. Simultaneously with its sale of the additional 60,000 common shares the company will \$1,250,000 of 6% notes to an institutional investor. The company has a commitment for an additional \$1,250,000 of such notes, approximately \$350,000 of additional funds from increased mortgages upon its real estate, prior to June 30, 1960, and is negotiating to borrow additional funds by the mortgaging of other properties. From the proceeds of the sale of stock and the \$1,250,000 of notes, the company is obligated to pay a \$1,000,000 indebtedness to Bankers Securities, which was incurred for the purpose of financing store operations and expansion of store and warehouse facilities, and to pay Bankers Securities the \$39,237.97. In addition the company expects to pay off all indebtedness to banks incurred for the purpose of financing store operations and expansion (amounting to \$800,000 at Mar. 16). The balance of the proceeds of the financing program will in the first instance become working capital which may be applied to any corporate purpose but which may be applied to or reimburse the company for the expense of constructing three new super markets and a warehouse extension now in process, with the remainder used with other funds and additional bank borrowings for additional inventories, opening additional super markets and expansion.

In addition to certain indebtedness, the company now has outstanding 673,238 common shares, of which Bankers Securities owns 168,310. Isidore Alterman and Simon Moltack, board chairman and president, respectively, are proposing the sale of 55,202 and 27,304 shares, respectively, two other officers, George and Sam Alterman, propose to sell 40,608 shares each, and Dave and Max Alterman propose to sell 5,639 shares each. After such sales, the six officers will continue to own 310,496 shares (42.3%).

GENERAL ATRONICS PROPOSES STOCK OFFERING. General Atronics Corporation, One Bela Avenue Bldg., Bala-Cynwyd, Pa., filed a registration statement (File 2-16276) with the SEC on March 18, 1960, seeking registration of 155,660 shares of common stock. The stock is to be offered for public sale at \$3.50 per share through an underwriting group headed by Harrison & Co., which will receive a commission of 35¢ per share. The company also has agreed to sell to the underwriters at 5¢ each, five-year warrants for the purchase of 15,500 common shares at the public offering price.

The company is a research and development organization concerned with the generation, exploration and introduction of new ideas and advanced techniques in electronics, in the physical, mathematical and managerial sciences, and in the design of systems to satisfy significant functional needs in these areas. Its subsidiary is in the business of designing and making products and equipment in the information handling field. David E. Sustein, president and board chairman, owns 181,200 shares (35.3%) of its outstanding stock and Phyllis Sustein 79,000 (15.5%). Net proceeds of the sale of additional stock will be used as follows: \$60,000 of additional laboratory and production equipment, \$80,000 for additional developmental engineering and sales promotion of materials handling equipment, \$80,000 for investment in Atronic Learning Systems, Inc., \$93,000 for repayment of bank loans, and \$157,859 for working capital. The company is in the process of forming Atronic Learning Systems, Inc., to carry forward a learning system involving the use of a mechanical learning device for use in industrial and governmental organizations.

HALOID XEROX SHARES IN REGISTRATION. Haloid Xerox, Inc., 6 Haloid St., Rochester, N. Y., filed a registration statement (File 2-16277) with the SEC on March 18, 1960, seeking registration of 132,962 shares of common stock. Under a January 1956 agreement with The Battelle Development Corporation, Columbus, O., Haloid Xerox on April 1, 1960, will issue 15,306 shares to Battelle Development and is obligated to issue during the period April 1, 1961 through April 1, 1966, up to an additional 117,656 shares. Upon receipt of the shares, Battelle Development will transfer 40% thereof to Chester F. Carlson, of Rochester, N. Y., who has indicated he might then transfer some or all the shares to others.

The company is engaged in the manufacture and marketing of products for zerographic and photocopy reproduction and for photographic use. Zerography is a dry electric process which creates images and permits their reproduction on ordinary, unsensitized paper or other materials. Certain processes were acquired from Battelle Development in 1956.

METAL GOODS PROPOSES OFFERING. Metal Goods Corporation, 8800 Page Blvd., St. Louis, filed a registration statement (File 2-16278) with the SEC on March 18, 1960, seeking registration of 100,000 shares of common stock, to be offered for public sale through an underwriting group headed by G. B. Walker & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the warehousing and distribution to industry of various metal products. It has outstanding 343,864 common shares in addition to various indebtedness. Net proceeds of the sale of additional stock will be used for expansion of warehouse facilities at St. Louis and Dallas and for other corporate purposes including the financing of additional inventories and receivables.

The prospectus lists Robert E. Grote as president and board chairman. Members of the Grote family own in the aggregate 265,064 shares (77.2%) of the outstanding stock.

BRUNSWICK-BALKE-COLLENDER TO ACQUIRE UNION HARDWARE. The Brunswick-Balke-Collender Company, 623 South Wabash Ave., Chicago, filed a registration statement (File 2-16279) with the SEC on March 18, 1960, seeking registration of 92,139 shares of common stock, to be issued in the acquisition of substantially all the properties of Union Hardware Company. The proposed sale of assets (to be followed by dissolution of Union) must be approved by holders of at least 75% of the outstanding common and preferred stock of Union. Upon dissolution, the stock would be distributed to Union's common and preferred stockholders.

On the closing date of the agreement, Brunswick will deliver 84,188 shares of its stock to Union for its assets, plus such additional number of shares, computed at the rate of \$42.76 per share, as shall equal any portion of the \$340,000 reserved cash which Union may elect to deliver to Brunswick. If the full amount of the reserved cash is delivered to Brunswick, an additional 7,951 shares of the latter's stock will be delivered to Union.

Union manufactures and sells sidewalk roller skates, ice skate outfits, fishing rods and other sporting goods. Its acquisition by Brunswick is believed by the company to be advantageous because it will afford the company an opportunity to enter these new product fields. Union has outstanding 9,795 shares of \$100 preferred and 126,000 shares of common stock. E. Morris Jack and Thomas W. Bryant, president and executive vice president, respectively, of Union, and members of their families as a group, own 68,300 shares (53%) of the Union common.

NATIONAL GYPSUM FILES STOCK PLAN. National Gypsum Company, 325 Delaware Ave., Buffalo, N. Y., filed a registration statement (File 2-16280) with the SEC on March 18, 1960, seeking registration of 100,000 shares of its common stock, to be issued pursuant to the company's restricted common stock option plan as amended 1960.

AMERICAN INVESTORS, OIL & GAS HEARING POSTPONED. The SEC has authorized a further postponement from March 22, 1960, to May 23, 1960, of the hearing in stop order proceedings under the Securities Act of 1933 to determine whether the registration statements filed by Oil, Gas & Minerals, Inc., and American Investors Syndicate, Inc., comply with the Securities Act disclosure requirements and, if not, whether they should be suspended.

INDICTMENT NAMES FOUR. The SEC announces the return of an indictment March 15, 1960 (USDC, Pittsburgh) charging Earl Belle, together with Edward Murray and Burton Talenfeld, with violating the anti-manipulative provisions of the Securities Exchange Act in connection with transactions in Cornucopia Gold Mines stock, filing and causing to be filed false statements with the Commission and other Federal offenses.

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