

# 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 31, 1960

Statistical Release No. 1681. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended May 27, 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	
	5/27/60	5/20/60		High	Low
Composite	394.8	398.1	-0.8	432.5	388.8
Manufacturing	470.6	477.4	-1.4	538.9	464.5
Durable Goods	455.1	461.9	-1.5	521.6	446.5
Non-Durable Goods	475.8	482.5	-1.4	544.4	472.1
Transportation	289.1	294.2	-1.7	329.3	286.2
Utility	233.9	231.8	+0.9	237.6	216.1
Trade, Finance & Service	443.5	438.3	+1.2	446.5	414.7
Mining	248.4	260.0	-4.5	299.7	243.5

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended May 26th, 26 registration statements were filed, 41 became effective, 5 were withdrawn, and 358 were pending at the week end.

SAV - A - STOP PROPOSES OFFERING. Sav-A-Stop, Incorporated, 2202 Main St., Jacksonville, Fla., filed a registration statement (File 2-16642) with the SEC on May 27, 1960, seeking registration of 100,000 shares of common stock. The stock is to be offered for public sale at \$4.50 per share by Pistell, Crow Inc. on an all or none basis, for which it will receive a commission of \$.45 per share. Also included in the registration statement are an additional 5,000 shares acquired by the underwriter at 10¢ per share from the principal stockholders of the company.

The company and subsidiaries operate as a distributor of non-food items in retail food markets in Florida, Alabama, Georgia and South Carolina. It now has outstanding 121,500 shares of common stock and 7,174 shares of \$20 par preferred. Net proceeds of the sale of the additional stock will be added to the working capital of the company. It is expected that \$300,000 of the proceeds will be utilized for both the purchase of additional display fixtures for customer exhibition of products supplied by the company, and to increase inventory of products handled. The balance will be used for further expansion and additional working capital.

KIMBALL SECURITIES REGISTRATION REVOKED. In a decision announced today (Release 34-6274), the SEC ordered revocation of the broker-dealer registration of Kimball Securities, Inc., ("Registrant") 40 Exchange Place, New York.

The Commission's decision was based upon a final judgment of permanent injunction of the United States District Court for the Southern District of New York, entered February 6, 1959, in an action filed by the Commission. That judgment enjoined Registrant Frank S. and Joseph C. Kimball, and Michael M. Ackman, in connection with the sale of Perry Oil Company common stock, from engaging in any transactions, practices, or course of business which operate or would operate as a fraud or deceit upon purchasers, including fraudulent representations concerning the listing of Perry stock on an exchange and with respect to a merger between Perry and another company, the book value of the Perry stock, and the amount of earnings and the market value per share of such stock. Both the corporate and individual defendants in said action, after filing an answer to the complaint in which they denied the allegations of violations, consented to the entry of the judgment. The two Kimballs serve as president and secretary-treasurer, respectively (and are controlling stockholders), and Ackman as sales-manager of Registrant.

In view of the "serious nature of the conduct which the injunction against registrant prohibits," the Commission ruled, "we find that it is in the public interest to revoke registrant's registration." The Commission also held that each of the three individuals is a cause of the order of revocation.

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For further details, call ST. 3-7600, ext. 5526

R. G. WILLIAMS & CO., REGISTRATION REVOKED. In a decision announced today (Release 34-6276), the SEC ordered revocation of the broker-dealer registration of R. G. Williams & Co., Inc., 1949 Broadway, New York, for violations of the Federal securities laws.

Williams & Co. and Robert G. Williams, its president and majority stockholder, admitted the violations and consented to issuance of the revocation order. Williams was held to be a cause of said order.

According to the decision, on various dates from July 31 to November 20, 1959, Williams & Co. (which registered with the Commission in June 1959) engaged in the conduct of a securities business in violation of the Commission's net capital rule. On certain of these dates the net capital deficiency ranged from \$9,616 to \$63,175.

Furthermore, from August 31 to November 20th Williams & Co. solicited and accepted deposits of money and securities from customers under the implied representation that it was solvent, when in fact it was unable to meet its current liabilities in the ordinary course of business. The Commission ruled that the company's failure to disclose to customers its inability to meet its obligations violated the anti-fraud provisions of the Federal securities laws.

In addition, Williams & Co. failed to make and keep certain records as required by rules of the Commission and therefore violated those rules.

BABY-FUND 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 stock offering by Baby-Fund, Inc., of Detroit Lakes, Minn.

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 March 5, 1957, Baby-Fund proposed the offering of 100,000 common shares at \$1 per share pursuant to such an exemption. The Commission's suspension order asserts that the company failed to comply with conditions of the regulation requiring the filing of semi-annual reports of stock sales under the exemption and the filing of a revised offering circular despite repeated requests for such filings. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

CONSOLIDATED RESEARCH AND MFG., PROPOSES OFFERING. Consolidated Research and Manufacturing Corporation, 1184 Chapel St., New Haven, Conn., filed a registration statement (File 2-16643) with the SEC on May 27, 1960, seeking registration of 50,000 Class A and 50,000 Class B shares. The company proposes to offer these shares in units of one share of each class, and at \$6.50 per unit. The offering is to be made on a best efforts, all or none basis by Bertner Bros., for which a 65¢ per unit commission is to be paid. If all the units are sold, the underwriter will acquire an additional 6,250 units for \$12,500. It also will receive \$10,000 for expenses.

The company's business is the development, production and marketing of chemical specialty products in the consumer and industrial fields. It was organized in June 1959 to take over the development of certain chemical specialty products which had been under study and development by Marvin Botwick, president and a promoter of the company. Botwick assigned to the company all his interest in the development of certain of the products, a pressure-packed aerosol temporary anti and deicing compound, an aerosol pressure-packed temporary anti-fogging compound, and a polyethylene compound for prevention and removal of minor snowfall accumulation. In consideration therefor the company issued to Botwick and S. A. Cuomo, a promoter and executive vice-president, 121,000 Class B shares, and to Maurice C. Hill, another promoter, \$10,000 of debentures. The debentures were converted into 34,000 Class B shares by Hill, who had advanced funds to Botwick. Other processes later were assigned by the company to Botwick, in consideration for which the latter received a 5-year option to purchase 100,000 Class B shares at \$1 per share. In connection with these assignments, 75,550 Class A shares were issued to 28 individuals together with warrants for the purchase of an additional 45,330 Class A shares under which warrants 42,330 Class A shares have been issued. All said Class A shares were issued at \$1 per share. 35,000 Class B shares were also issued in lieu of monetary compensation for services.

Net proceeds of the sale of the units will be used for equipment, sales expansion, increased advertising and marketing program budget, research, and working capital and general expansion. According to the prospectus, the company now has outstanding 127,380 Class A and 190,000 Class B shares. Principal holders of the Class B stock are Botwick, Cuomo and Hill.

GULF POWER FILES FINANCING PROPOSAL. Gulf Power Company, 75 North Pace Blvd., Pensacola, Fla., filed a registration statement (File 2-16644) with the SEC on May 27, 1960, seeking registration of \$5,000,000 of first mortgage bonds due 1990 and 50,000 shares of \$100 par cumulative preferred stock, to be offered for public sale at competitive bidding.

Net proceeds of the sale of these securities, and \$2,000,000 received in January 1960 from the sale of additional common stock to The Southern Company, parent, will be used for property additions and improvements and for payment of \$3,092,800 of bank loans incurred for such purposes. The company anticipates expenditures of about \$45,159,197 during 1960, 1961 and 1962 for construction or acquisition of property.

PAULEY PETROLEUM FILES FOR OFFERING. Pauley Petroleum Inc., 717 No. Highland Ave., Los Angeles, filed a registration statement (File 2-16645) with the SEC on May 27, 1960, seeking registration of \$10,000,000 of subordinated debentures (convertible) due 1976, to be offered for public sale through an underwriting group headed by William R. Staats & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

CONT INUED

The company is primarily engaged in the acquisition, exploration and development of oil and gas properties, the production and sale of oil and gas, and the operation of a refinery. In addition to certain indebtedness, it has outstanding 1,945,393 common shares. Of the net proceeds of the sale of debentures, \$7,000,000 will be applied to the payment of bank borrowings incurred in connection with the company's Mexican Tidelands operations and to the reduction of current liabilities. The balance will be added to the general funds of the company and will be available for general corporate purposes. The company anticipates substantial expenditures in 1960 and 1961 in connection with its drilling program in Mexico and on the Tideland Leases in California. Of the outstanding common stock, 51% is owned by Edwin P. Pauley, president.

ST. REGIS PAPER FILES EXCHANGE OFFER. St. Regis Paper Company, 150 E. 42nd St., New York, filed a registration statement (File 2-16646) with the SEC on May 27, 1960, seeking registration of 293,036 common shares. According to the prospectus, the company proposes to offer 291,236 shares in exchange for all of the 485,392 outstanding shares of common stock of American Sisalkraft Corporation on the basis of 6/10 of one share of St. Regis common for each share of Sisalkraft common. An additional 1800 shares are reserved for issue on exercise of an option granted by Sisalkraft to its president, Spencer P. Higgin, in December 1958.

In the event not less than 95% of the Sisalkraft stock is acquired by St. Regis, the latter intends to merge Sisalkraft with St. Regis, in which event the business previously conducted by Sisalkraft will be conducted as a division of St. Regis and managed by substantially the present management of Sisalkraft. Sisalkraft and its associated companies are engaged in the manufacture and/or sale of reinforced paper. Its largest plant is at Attleboro, Mass.

ROTO AMERICAN FILES FOR OFFERING AND EXCHANGE. Roto American Corporation, 93 Worth St., New York, filed a registration statement (File 2-16647) with the SEC on May 27, 1960, seeking registration of 75,000 common shares, to be offered for cash sale to the public, and 44,283 shares to be issued in exchange for common and preferred shares of subsidiaries, Roto Industries, Inc., Walgan Machine Corporation, Conapac Corporation, and Lawson Packaging Corporation. Morris Cohon & Co. heads the list of underwriters for the public offering. The registration statement also includes 30,000 stock purchase warrants to be issued in place of options heretofore granted the said underwriter and 7500 warrants issuable to the underwriters (together with the underlying shares in each case).

Roto American through its six subsidiaries is in the business of manufacturing, selling, leasing and servicing a diversified line of machines and equipment for the production of bags and for the packaging of products. Its founders include Frank L. Walton, board chairman and president, and four other management officials. Management officials now own 118,000 shares (59.3%) of the outstanding stock; and their holdings will be increased through the exchange offer referred to above.

Net proceeds of the cash sale of shares will be largely for reduction of accounts payable, as well as for new tooling, research, repayment of an officer's loan, and general corporate purposes.

KEELER BLDG. REALTY PROPOSES OFFERING. Keeler Building Realty Company, 285 Madison Ave., New York, filed a registration statement (File 2-16648) with the SEC on May 27, 1960, seeking registration of 196 units of additional limited partnership interests, to be offered for sale at \$5,625 per unit.

The Realty Company is a partnership organized under Michigan law in May 1960; its general partners consist of Herbert Tenzer, Louis Greenblatt and Nathaniel R. Kaplan and its limited partner Herbert Berman. The partnership holds a contract to purchase the fee title to the Keeler Building at 60 N. Division Ave. in Grand Rapids, Mich., which the partnership intends to own and operate. The purchase price is \$2,012,444, payable \$1,060,000 cash and by taking title subject to a \$952,444 mortgage. A deposit of \$106,000 has been made.

The total partnership capital will be \$1,125,000, of which the four named partners have each contributed \$5,625; and the partnership is offering the additional 196 partnership interests at \$5,625 each. The purchase contract was acquired by assignment from Herlon Realty Associates, a partnership consisting of the four named partners and others. In consideration of its assignment, the partnership paid to Herlon Realty the sum of \$106,000, the amount of the latter's deposit on the purchase contract and agreed to pay it a percentage of the net cash receipts of the partnership, provided the sum of \$112,500 annually has been first paid by Keeler Building Realty Company to its partners on a cumulative basis.

THOMPSON RAMO WOOLDRIDGE SHARES IN REGISTRATION. Thompson Ramo Wooldridge, Inc., 23555 Euclid Ave., Cleveland, today filed a registration statement (File 2-16649) with the SEC seeking registration of 31,322 shares of common stock.

According to the prospectus, the company on April 29, 1960, acquired 17,700 shares of common stock of Good-All Electric Mfg. Co., representing about 83.6% of its outstanding shares, in exchange for 26,184 shares of the company's stock. It desires to acquire the remaining outstanding shares of Good-All stock and proposes to offer to the 47 remaining holders thereof an aggregate of 5,138 shares of its stock in exchange for the 3,465 shares of Good-All stock held by them.

HEFT, KAHN HEARING POSTPONED. The hearing scheduled for May 31, 1960, in the SEC New York Regional Office on the question whether the broker-dealer registration of Heft, Kahn & Infante, Inc., Rockville Center, N. Y., should be revoked, has been postponed on request of respondent's counsel until June 3d. Postponement was requested in order to allow further time for pre-trial conferences.

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SEC COMPLAINT NAMES MONTE CRISTO URANIUM. The SEC Denver Regional Office announced May 23, 1960 (Lit. Release 1690) the filing of court action (USDC, U.) against The Monte Cristo Uranium Corporation, Salt Lake City, and certain officials, seeking a mandatory injunction to compel the filing of past-due annual reports by the said company.

TRADING SUSPENDED IN CONSOLIDATED DEVELOPMENT STOCK. 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 ten-day period June 1 to June 10, 1960, inclusive.

CANADIAN RESTRICTED LIST. The SEC has added Burbank Minerals Limited and Monitor Gold Mines Limited to its Canadian Restricted List, and dropped Tamara Mining Limited from 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 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. The list now comprises the names of 259 such companies.

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