

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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FLORIDA CAPITAL CORPORATION FILES FOR OFFERING. Florida Capital Corporation, 1201 Harvey Building, West Palm Beach, Florida, filed a registration statement (File 2-16685) with the SEC on June 9, 1960, seeking registration of 500,000 shares of common stock, through a group of underwriters headed by A.C. Allyn and Company, Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized under Florida law in June 1959 as an investment company. It intends to specialize in investments in small business concerns engaged either in activities related to the development of land or in the electronics industry. As a Federally licensed small business investment company, it will participate in small business concerns by purchasing their convertible debentures and other equity securities by making long term loans to such concerns, and by furnishing consulting and advisory services. The proceeds of this offering will be added to the other general funds of the company and will be used to finance the company's small business investment company activities.

The company has outstanding its subordinated debenture to the Small Business Administration in the principal amount of \$150,000. In addition, the company obtained a commitment for an operating loan from the SBA in the aggregate amount of \$150,000, of which \$50,000 has been actually borrowed and an additional \$50,000 has been requested. The company also has outstanding 26,664 common shares, 24,442 or 91.67% of which are owned by all officers and directors as a group. The prospectus lists Alfons Landa as board chairman and Jack A. Mitchell as president.

COMMERCIAL CREDIT PROPOSES OFFERING. Commercial Credit Company, 300 St. Paul Place, Baltimore, filed a registration statement (File 2-16682) with the SEC on June 9, 1960, seeking registration of \$50,000,000 of Notes due July 1, 1979, to be offered for public sale through a group of underwriters headed by The First Boston Corporation and Kidder, Peabody & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of this financing will be used to increase or maintain the working capital of the company, for application to the general purposes of its finance, insurance and manufacturing subsidiaries. The prospectus lists E.L. Grimes as board chairman and C.C. Green as president. Management officials as a group own 99,582 shares (1.95%) of the outstanding common stock.

MIDGIE PURVIS CO. FILES FOR OFFERING. Midgie Purvis Company, 234 West 44th St., New York, filed a registration statement (File 2-16683) with the SEC on June 9, 1960, seeking registration of \$150,000 of Limited Partnership shares, to be offered for sale in \$3,000 units. No underwriting is involved.

The company is a limited partnership to be formed for the purpose of producing the play entitled "Midgie Purvis," an original stage play written by Mary Chase. The producers are now negotiating with Mary Chase to acquire the right to produce the play. The promoters, general partners and producers are Robert Fryer, Lawrence Carr and Theodore J. Ritter. Ritter is an officer and employee of Theatrical Interests Plan, Inc., and has assigned to that company his share as general partner, of the net profits of the partnership, and that company will serve as co-producer of the play together with Messrs. Fryer and Carr.

The producers believe that the total cost of offering the play in the United States will not exceed \$150,000; if additional money is required they have a right to call upon the limited partners to make an additional contribution of up to 20% of the initial contribution. No contribution of less than \$500 will be accepted except upon consent of the producers. Proceeds of the contributions (or sale of partnership shares) will be applied to various purposes related to the production. According to the prospectus, it is contemplated that Tallulah Bankhead will star in the play and that it will be directed by Jose Ferrer, but "nothing herein is to be deemed a commitment" to that effect.

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

NATIONAL CAPITAL CORP. PROPOSES OFFERING. National Capital Corporation, 350 Lincoln Road, Miami Beach, Florida, filed a registration statement (File 2-16684) with the SEC on June 9, 1960, seeking registration of 240,000 shares of Class A common stock, to be offered for public sale at \$5 per share. The offering is to be made on a best efforts basis by a group of underwriters headed by J.A. Winston & Co., Inc., and Netherlands Securities Company, Inc., for which a 75¢ per share selling commission is to be paid plus an allowance of 12½¢ per share for expenses. Officials of the underwriters own 18,900 shares of the Class A stock and 27,000 shares of Class B common recently acquired from a principal stockholder for \$62,910; and David F. Cerf, who has been retained as financial adviser, has similarly acquired 2100 Class A and 3,000 Class B shares for \$6,990.

The company was organized under Florida law in February 1959 under the name Washington Finance Corporation and assumed its present name on April 29, 1960. Through subsidiaries it is engaged in such diversified activities in the field of finance as commercial banking, the small loan business and the business of financing retail sales. These activities are being conducted in Florida. The company also proposed to engage, through a newly-organized subsidiary, in the conduct of a commercial banking business in the City of Nassau on the Island of New Providence, Bahama Islands; and another subsidiary will apply to the Federal Housing Administration for authorization to act as a mortgagee under the National Housing Act.

Of the proceeds of the proposed stock sale, \$192,400 will be applied to the payment of certain bank indebtedness; \$150,000 will be loaned for purposes of the Nassau bank; \$100,000 will be loaned to the subsidiary which proposes to make application to FHA; and the balance will be used as working capital, to be used to increase the small loan and retail financing business of the company.

In addition to certain indebtedness, the company has outstanding 127,785 shares of \$1 par Class A common and 100,000 shares of Class B common (10¢ par). The prospectus lists Martin D. Von Zamft as president and board chairman and Harold P. Kravitz as treasurer. They own 19,000 and 18,500 shares, respectively, of the Class B stock; and management officials as a group own 56,500 Class B shares and 15,152 Class A shares.

ARKANSAS VALLEY INDUSTRIES FILES FINANCIAL PROPOSAL. Arkansas Valley Industries, Inc., Dardanelle, Ark., filed a registration statement (File 2-16686) with the SEC on June 9, 1960, seeking registration of \$600,000 of 6% Convertible Subordinated Sinking Fund Debentures due June 1970 and 30,000 shares of common stock, \$3 par. The company proposes to offer \$400,000 of the debentures and the 30,000 common shares for public sale through an underwriting group headed by A.G. Edwards & Sons, on an all or none basis, the offering prices and underwriting terms to be supplied by amendment. The principal underwriter also has purchased 5,000 common stock purchase warrants for \$250.

The company was organized in December 1958 for the purpose of acquiring other companies, and thus creating an integrated poultry business, including hatching, growing, feeding and processing and marketing operations. It now has twelve subsidiaries. Of the net proceeds of this financing, estimated at \$520,000, \$450,000 will be used to retire current bank loans and the balance to increase the company's working capital.

The remaining \$200,000 of debentures are to be issued to Arkansas Valley Feed Mills, Inc. in partial payment of the company's note for \$210,000 held by it, the balance to be paid in cash. The company now has outstanding, in addition to certain mortgage and other indebtedness, 97,212 shares of common stock.

The prospectus lists R. Harold Snyder as president and founder; and he is also president of Arkansas Valley Feed Mills Inc., whose properties were acquired in June 1959. He is listed as owner of 36.89% of the outstanding common stock. He and members of his family received about 48,000 shares in exchange for their holdings of subsidiary company stocks.

ILLINOIS BELL TELEPHONE PROPOSES BOND OFFERING. Illinois Bell Telephone Company, 212 W. Washington St., Chicago, today filed a registration statement (File 2-16687) with the SEC seeking registration of \$50,000,000 of First Mortgage Bonds, Series G, due 1997, to be offered for public sale at competitive bidding. Net proceeds of the sale thereof will be used to reimburse the company for expenditures made for property additions and improvements. These expenditures were financed initially through advances from American Telephone and Telegraph Company, parent, and from internal sources. Following reimbursement of the company's treasury as aforesaid, the company intends to repay advances to the parent, which are expected to approximate \$40,000,000, and to use the balance of the proceeds for general corporate purposes, including property additions and improvements.

LOUISIANA GAS SERVICE SHARES IN RIGHTS OFFERING. Louisiana Gas Service Company, 1233 West Bank Expressway, Harvey, La., today filed a registration statement (File 2-16688) with the SEC seeking registration of 670,000 outstanding shares of its common stock. This stock, constituting all the outstanding common shares, is owned by Louisiana Power & Light Company, a subsidiary of Middle South Utilities, Inc. Louisiana Power acquired 605,010 shares (and a \$4,900,000 note) in exchange for all of its non-electric properties which were transferred to Louisiana Gas in September 1958 under and pursuant to a plan for divestment of such properties approved by the SEC under provisions of the Holding Company Act. An additional 64,890 shares were acquired by Louisiana Power to provide funds for construction and other corporate purposes.

Louisiana Power proposes to offer the 670,000 shares of Louisiana Gas stock for subscription by common stockholders of Middle South Utilities at the rate of one share of Louisiana Gas stock for each 25 shares of Middle South Utilities stock. The record date and subscription price are to be supplied by amendment. No

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underwriting is involved. Proceeds of the sale of the securities will be paid to Louisiana Power and none will be received by Louisiana Gas.

NAESS & THOMAS FUND SEEKS ORDER. Naess & Thomas Special Fund, Inc., newly-organized investment company of Baltimore, Md., has applied to the SEC for an order of exemption from certain provisions of the Investment Company Act; and the Commission has issued an order (Release 40-3042) giving interested persons until June 28, 1960, to request a hearing thereon. The Fund has filed a registration statement under the Securities Act proposing the public offering of 1,000,000 shares of its capital stock. It proposes to enter into an investment advisory contract with Naess & Thomas. Its first annual meeting of stockholders is fixed by its by-laws as February 20, 1961; and it is proposed to take appropriate stockholder action at that time with respect to an investment advisory contract, the election of directors, and the selection of the Fund's independent public accountants. The Fund seeks an exemption so that it may operate for a limited period without such stockholder approval until the said meeting of stockholders.

PRUDENTIAL OIL ENJOINED. The SEC Boston Regional Office announced June 7th (Litigation Release 1698) entry of a Federal court order (USDC, Conn.) preliminarily enjoining Prudential Oil Corporation and Edward J. Willey from further violations of Securities Act registration requirement in sale of oil interests. Defendants consented to order.

GIBBS AND COMPANY ENJOINED. The SEC Boston Regional Office announced June 7th (Litigation Release 1699) entry of a Federal court order (USDC, Mass.) permanently enjoining G. Wayne Gibbs, Sr. and Richard W. Gibbs, partners doing business as Gibbs and Company, from further violating anti-fraud provisions of Securities Exchange Act and Regulation T thereunder. Defendants consented to order.

AUTOMATION-ENGINEERING STOCK OFFERING SUSPENDED. The Securities and Exchange Commission 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 stock by Automation-Engineering Corporation ("issuer"), 719 N. Carson St., Carson City, Nev.

Regulation A provides a conditional exemption from registration for public offerings of securities not exceeding \$300,000 in amount. In a notification filed October 7, 1959, the issuer proposed the public offering of 150,000 shares of capital stock at \$2 per share pursuant to such an exemption. The Commission's suspension order asserts that certain terms and conditions of the Regulation were not complied with, that the issuer's offering circular is false and misleading by reason of its failure to disclose certain information, and that the stock offering would violate Section 17 (the anti-fraud provision) of the Securities Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

According to the order of the Commission, the issuer failed to disclose in its notification that S & M Lamp Co., Advanced Manufacturing, Inc., and Flasher Electronics Corp. are its affiliates; and its offering circular fails to disclose adequately the relationship of the issuer and its management officials with the three affiliates and with Northwest Land & Timber, Inc., fails to set forth profit and loss statements of the three affiliates, fails to include consolidated financial statements of the issuer and its wholly-owned subsidiary, Northwest Land & Timber, Inc., fails to disclose cash investments in the latter by the issuer's president, and is misleading in respect of the valuation of assets of the subsidiary.

FLOYD E. DUZAN PLEADS GUILTY. The SEC Chicago Regional Office announced June 7th (Litigation Release No. 1700) that Floyd E. Duzan entered a plea of guilty in Mankato, Minn. (USDC, Minn.) to two counts of a three-count indictment charging violations of anti-fraud provisions of Securities Act through diversion of customers' funds to his own use.

TRADING SUSPENDED IN CONSOLIDATED DEVELOPMENT (CUBA) STOCK. The SEC has ordered the further suspension of trading on the American Stock Exchange and the over-the-counter market in the common stock of Consolidated Development Corporation (formerly Consolidated Cuban Petroleum Corp.), of Havana, Cuba, for the period June 11 to June 20, 1960, inclusive (Release 34-6287).