

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington 25, D.C.

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)

FOR RELEASE December 15, 1958

Statistical Release No. 1573

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended December 12, 1958, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1958, is as follows:

	1939 = 100		Percent Change	1958	
	12/12/58	12/5/58		High	Low
Composite	390.6	385.9	+1.2	391.1	299.0
Manufacturing	489.4	483.5	+1.2	491.9	373.3
Durable Goods	450.0	442.4	+1.7	451.5	332.2
Non-Durable Goods	516.2	512.1	+0.8	519.7	402.2
Transportation	328.5	328.2	+0.1	332.2	219.7
Utility	193.2*	190.3	+1.5	193.2	155.5
Trade, Finance & Service	372.1*	367.8	+1.2	372.1	263.2
Mining	337.8	336.4	+0.4	347.2	261.3

*New High

PRESTON MOSS FUND FILES FOR OFFERING

Preston Moss Fund, Inc., 24 Federal St., Boston, filed a registration statement (File 2-14601) with the SEC on December 12, 1958, seeking registration of 20,000 shares of capital stock.

CHESAPEAKE INDUSTRIES AND THETA ENTERPRISES SEEK EXEMPTION

Chesapeake Industries, Inc., and its wholly-owned subsidiary, Theta Enterprises, Inc., both of New York, have applied to the SEC for a continuance of their exempt status under the Holding Company Act; and the Commission has issued an order (Release 35-13887) giving interested persons until December 29, 1958, to request a hearing thereon.

By order of December 22, 1955, the Commission exempted Chesapeake and its then subsidiaries from the Holding Company Act. Among its subsidiaries are Theta, Portsmouth Gas Company, Pathe Laboratories, Inc., and Virginia Metal Products, Inc. Theta's only significant asset is an account receivable from Chesapeake in the amount of \$1,060,000; and its principal liability is a 4½% note due in 1975 in the amount of \$1,060,000 held by Massachusetts Mutual Life Insurance Company, the payment of which is guaranteed by Chesapeake. Its only other outstanding securities are 435 shares of capital stock owned by Chesapeake. Chesapeake owns all of the 40,000 outstanding common shares and \$350,000 of first mortgage bonds of Portsmouth; and it owns 95% of the outstanding common stock of Pathe and 99% of the outstanding common stock of Virginia Metal.

OVER

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

According to the application, Chesapeake has been negotiating with Prudential Insurance Company of America for a long-term loan of \$7,000,000; and Prudential has indicated that it will loan such funds only if Chesapeake transfers to Theta all of its interests in Portsmouth, Pathe and Virginia Metal, and the loan is made to Theta. Accordingly, Chesapeake proposes to effect such transfer; and Theta proposes to issue to Prudential a promissory note in the amount of \$7,000,000, secured by the pledge of the stock and bonds of Portsmouth, and the stocks of Pathe and Virginia, and guaranteed by Chesapeake. The proceeds of the note are to be used to pay certain obligations of Chesapeake, Theta, Pathe and Virginia aggregating some \$4,000,000; and the balance will be used by Theta for future acquisitions, working capital, and the payment of the arrearages on the Chesapeake preferred stocks aggregating approximately \$381,000. Chesapeake has consented to the imposition of certain conditions in any Commission order granting its exemption application, including a condition that all existing arrearages of dividends on its preferred stock be paid and that, if dividends upon its preferred stock are at any time in default in an aggregate amount equivalent to four quarterly dividends, the preferred stockholders, as a class, shall be entitled to elect the minimum number of directors required to constitute a majority of the Board of Directors.

MANAGED FUNDS SEEKS EXEMPTION FOR PERSONAL INVESTMENT PLANS

Managed Funds, Incorporated, St. Louis investment company, has applied to the SEC for an order under the Investment Company Act providing an exemption for six of its personal investment plans from a provision of the Act prohibiting a company from making a public offering of securities unless it has a net worth of at least \$100,000; and the Commission has issued an order (Release 40-2807) giving interested persons until December 29, 1958, to request a hearing upon the application. The six plans are listed as Managed Funds Personal Investment Plan (Electric Shares) (and similarly for Metal Shares, Paper Shares, Petroleum Shares, Special Investment Shares and Transport Shares). The application states that the requested exemption may appropriately be granted since Managed Funds, Inc., has a net worth in excess of \$64,000,000 and the policy underlying the prohibition will already have been effectively carried out in the case of each unit investment trust organized solely for the purpose of selling the Fund's shares by means of periodic payment plans.

SHARES IN AMERICA PROPOSES OFFERING

Shares in America, Inc., Washington investment company, filed a registration statement (File 2-14602) with the SEC on December 12, 1958, seeking registration of 50,000 shares of common stock. The company was organized under Delaware law on December 8, 1958. Merle Thorpe, Jr., is listed as board chairman and Newton I. Steers, Jr., as president. Thorpe is president of Investment Fund Management Corporation, investment adviser and manager of the issuer, and Steers is its board chairman.

BRECKENRIDGE RECEIVES THREE-YEAR SENTENCE

Charles C. Breckenridge was sentenced on November 17, 1958 by the U. S. District Court in Coeur D'Alene, Idaho to three years' imprisonment following plea of nolo contendere to count one of information charging fraud under the Securities Act in sale of securities in a Venezuelan business venture (Lit. Release No. 1373).

UNIVERSAL DRILLING ENJOINED

Universal Drilling Co., Inc., and Louis J. Roussel, its president, were permanently enjoined on December 11, 1958 (USDC, SDNY) by consent, from further violations of registration and anti-fraud provisions of the Securities Act in offering and sale of Universal stock. Temporary restraining order continued against Jean R. Veditz Co., Inc., J. H. Lederer Co., Inc. and other defendants. (Lit. Release No. 1372).