SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.

Washington 25, D.C.

FOR RELEASE November 12, 1957

Statistical Release No. 1492

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended November 8, 1957, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1957, is as follows:

	(1939 = 100)			1957	
	11/8/57	11/1/57	Percent Change	High	Low
Composite	297.9*	300.1	- 0.7	365.0	297.9
Manufacturing	376.7*	379.8	- 0.8	472.5	376.7
Durable Goods	345.5*	349.3	- 1.1	438.7	345.5
Non-Durable Goods	405.3*	407.9	- 0.6	503.5	405.3
Transportation	228.6*	231.8	- 1.4	317.5	228.6
Utility	147.4	147.6	- 0.1	163.5	146.1
Trade, Finance & Service	259.5*	260.3	- 0.3	292.1	259.5
Mining	276.6*	282.1	- 1.9	402.3	276.6

* New Low

FLORIDA STEEL FILES FOR STOCK OFFERING

Florida Steel Corporation, Tampa, Fla., today filed a registration statement (File 2-13738) with the SEC seeking registration of 80,000 Common Shares, $1 par, which the company proposes to offer for subscription by its stockholders of record November 29, 1957, at the rate of one new share for each ten shares then held. The subscription price and underwriting terms are to be supplied by amendment. McDonald & Company and Kidder, Peabody & Co. are listed as the principal underwriters.

Net proceeds of the sale of the common shares, together with the proceeds from $1,000,000 of borrowings under a bank credit agreement, will be used to the extent necessary for the construction of a new steel mill. The total estimated cost of the mill is $1,250,000. The balance of the net proceeds will be added to the company's general funds. According to the prospectus, the company plans to erect, in the Tampa area, an electric steel furnace and rolling mill with a capacity of 25,000 to 30,000 tons a year to supply a part of the steel requirements of its fabricating plants. Construction is expected to begin shortly with completion scheduled for the summer of 1958.

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LAWRENCE GAS BOND ISSUE CLEARED

The Lawrence Gas Company, Lawrence, Mass., has received SEC authorization to issue and sell, at competitive bidding, $2,000,000 of its Series A First Mortgage Bonds, due November 1, 1977. Proceeds of this financing will be applied in part to the payment of short-term note indebtedness incurred for construction expenditures (amounting to $1,675,000 at September 30th); and the balance, if any, will be used for further construction expenditures or to reimburse the treasury therefor. (See Holding Company Act Release No. 13587.)

MYSTIC VALLEY GAS BOND ISSUE CLEARED

Mystic Valley Gas Company, Malden, Mass., has received SEC authorization to issue and sell, at competitive bidding, $3,500,000 of Series B First Mortgage Bonds, due November 1, 1977. Proceeds will be applied to the payment of short-term note indebtedness, incurred for construction expenditures, and the balance, if any, will be used to pay for additional expenditures or to reimburse the treasury therefor. (See Holding Company Act Release No. 13588.)

SEC DENIES BROKER-DEALER REGISTRATION TO HORNE & COMPANY

In a decision announced today, the Securities and Exchange Commission denied broker-dealer registration to F. W. Horne & Company, Inc., of Rochester, N. H., because of violations of the anti-fraud and registration provisions of the Federal Securities Laws. Frank W. Horne, its president and controlling stockholder, and Walter A. Smith, former assistant secretary, were each held to have been a "cause" o the denial order.

The Commission ruled (1) that Horne & Company engaged in the conduct of a securi ties business without being registered as a broker-dealer and (2) that it made false and contradictory statements and omitted material facts in connection with its purchases of preferred shares of First New Hampshire Corporation (also of Rochester) at $5 per share and their resale at $7 per share.

According to the Commission's decision, Horne & Company withdrew from broker-dealer registration on April 1, 1953 after selling most of its assets to First, a registered broker-dealer; reactivated its business in November, 1955; and applied for broker-dealer registration on October 24, 1956, the effective date thereof being postponed pending Commission decision on the question of denial of registration. Horne served as vice president of First from December, 1955 to October, 1956, while Smith served as its salesman from March, 1953 until the fall of 1956.

Between December 28, 1955, and March 27, 1956, Horne & Company effected the purchase of 898½ shares of First stock from eleven individuals, mostly at $5 per share, although in one instance the price was slightly higher. Three persons sold their First stock in response to a letter which stated that there was no market for the stock. To other sellers of the stock, Horne and Smith represented that $5 per share was a fair price and that First was not doing well and suffered from poor management.

Commencing about the middle of January, 1956, Horne & Company through Horne and Smith began to sell the First stock at $7 per share, and from then until about April 10, 1956, had sold 895 shares to seven individuals, mostly at $7 per share but

(Continued)

in two instances at $8 per share. Purchasers were told that the stock was a "good buy" at the price of $7 or $8 per share, that there was a strong probability that the stock would be called for redemption within from 60 to 90 days, at a call price of $12.50 per share (including accumulated dividends), and that a purchase at $7 or $8 per share was an opportunity to make a quick profit. At least one purchaser was told that First had already voted to call the stock which was false. None of the purchasers was told that First had been operating at a deficit since at least December, 1955, that Horne & Company had purchased and was purchasing its stock at $5 per share, and that First was not in a financial position to redeem the stock unless certain negotiations by Horne for merger of two other companies were successful and resulted in a large commission for First. Although more than one-half of the 898½ shares of First stock were acquired at $5 per share after Horne and Smith began selling the stock at $7 per share, persons from whom such later purchases were made were not told that Horne & Company was contemporaneously reselling the stock at $7 per share, nor were they told that there was a possibility or probability that the stock would be redeemed within a short time at about $12.50 per share.

The Commission ruled that in making a false statement regarding a vote to redeem the First stock, in making contradictory representations to sellers and purchasers of such stock, and in omitting to disclose to such sellers and purchasers material facts regarding the prices at which Horne & Company was buying and selling the stock, First's financial condition, and the possibility of redemption of the stock, Horne & Company violated the anti-fraud provisions of the Securities Act of 1933. By effecting purchase and sale transactions in First and certain other securities without being registered, according to the decision, Horne & Company willfully violated the registration requirement of the Securities Exchange Act of 1934.

FOOD FAIR PROPERTIES PROPOSES RIGHTS OFFERING

Food Fair Properties, Inc., Philadelphia, Pa., today filed a registration statement (File No. 2-13740) with the SEC proposing the public offering of 2,499,116 shares of its 1¢ par Common Stock. The company proposes to offer the shares for subscription by its common stockholders, at the rate of one additional share for each two shares held. The record date and subscription price are to be supplied by amendment, as are the underwriting terms. Eastman, Dillon, Union Securities & Co. is named as the principal underwriters.

Net proceeds of this financing will be applied by Food Fair in the first instance to the prepayment and reduction of bank notes issued under the company's revolving credit agreement. The proceeds of the issuance of the notes were used for the purpose of developing various shopping center locations of the company. This prepayment and reduction will make available to the company additional funds under the credit agreement for the completion of shopping centers currently under construction and for the development of new shopping centers. The long range purpose for the present financing is to provide permanent equity for the company's business. The company expects to obtain the major portion of the money necessary for the development of its shopping centers through mortgage financing.

The company is engaged in the business of acquiring, developing and improving tracts and constructing thereon fully planned and coordinated shopping centers. The plan for its operation was conceived by Food Fair Stores, Inc., which with its subsidiaries operate supermarkets engaged in the retail sale of groceries, meats, vegetables, fruits, dairy and other products, household and related items. The Stores company owns 2,222,222 shares (44.6%) of the outstanding common stock of the Properties company, and proposes to subscribe to its share of the new stock offering by the Properties company.

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