

# 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 September 2, 1958

## Statistical Release No. 1551

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks, the week ended August 29, 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	
	8/29/58	8/22/58		High	Low
Composite	352.3	351.9	+0.1	354.1	299.0
Manufacturing	442.2	441.9	+0.1	446.1	373.3
Durable Goods	399.7	399.6	0.0	401.6	332.2
Non-Durable Goods	472.9	472.5	+0.1	478.6	402.2
Transportation	282.4	284.2	-0.6	285.6	219.7
Utility	174.0	173.5	+0.3	174.8	155.5
Trade, Finance & Service	330.6	331.6	-0.3	331.6	263.2
Mining	337.4	341.0	-1.1	346.2	261.3

## SEC ORDERS PROCEEDINGS AGAINST GOTHAM SECURITIES

The Securities and Exchange Commission has ordered proceedings pursuant to provisions of the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Gotham Securities Corporation, Newark, N. J., should be revoked.

According to the Commission's order, Gotham Securities, Joseph Freundel and Rico Tomaso, Jr., were permanently enjoined on August 19, 1958, by the United States District Court for the District of New Jersey from engaging in or continuing certain conduct and practices in connection with the purchase and sale of securities. Freundel is a director, the president and sole stockholder of Gotham Securities and Tomaso is a director, secretary and treasurer thereof. (The Commission's complaint in this court action charged violations of the anti-fraud provisions of the Securities Act of 1933 in the offering and sale of common stock of Saskalon Uranium and Oil, Ltd., a Canadian mining company. The defendants consented to the injunction.)

Upon the basis thereof, the Commission has ordered the proceedings to determine whether Gotham Securities' broker-dealer registration should be revoked. A hearing for the purpose of taking evidence therein is scheduled for September 18, 1958, in the Commission's New York Regional Office.

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## SUPERVISED SHARES FILES FOR ADDITIONAL SHARES

Supervised Shares, Inc., Des Moines, I., investment company, filed a registration statement (File 2-14334) with the SEC on August 29, 1958, seeking registration of an additional 300,000 shares of its Capital Stock.

## PROCEEDINGS ORDERED AGAINST ROSEN &amp; CO.

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of Abraham Rosen, doing business as Al Rosen & Co., Boston, Mass., and whether to suspend or expel Rosen from membership in the National Association of Securities Dealers, Inc.

The Commission's order states that Rosen is enjoined by federal court order from engaging in and continuing certain conduct and practices in connection with the purchase and sale of securities. It also charges (1) that Rosen wilfully violated rules of the Commission governing the maintenance of proper books and records and (2) that in the conduct of his securities business Rosen "engaged in acts, practices and a course of business which would and did operate as a fraud and deceit upon certain persons," in that he induced the purchase and sale of securities from and to such persons and in connection therewith accepted monies and securities upon the representation that he was solvent and ready and able to discharge his liabilities to such persons when he knew and did not disclose that he was unable to meet his current liabilities in the ordinary course of business. The court order, issued August 25, 1958, by the United States District Court for the District of Massachusetts, was based upon a complaint of the Commission containing charges similar to those in (2) above.

At a hearing scheduled for October 6, 1958, in the Commission's Boston Regional Office inquiry will be conducted into the foregoing matters for the purpose of determining whether Rosen's broker-dealer registration should be revoked and whether he should be suspended or expelled from NASD membership.

## UNION ELECTRIC PROPOSES ACQUISITION OF FOSS ELECTRIC

Union Electric Company, St. Louis, has applied to the SEC for an order authorizing its acquisition of certain public-utility assets of R. W. Foss Electric Company, Inc.; and the Commission has issued an order giving interested persons until September 15, 1958, to request a hearing thereon.

Foss Electric is an electric utility company operating in Henry, Lee and Van Buren counties in southeastern Iowa; and, among other communities, it serves the cities of Salem, Hillsboro, Stockport and Douds, and environs. The outstanding stock of Foss Electric is owned by members of the Foss family. Approximately 82% of the electric energy used by Foss Electric is purchased from Union; and the Foss Electric properties are adjacent to those of Union in Iowa.

Under a contract between Union Electric and the stockholders of Foss Electric, Union proposes to acquire substantially all the properties of Foss Electric in exchange for 9,133 shares of Union's \$10 par treasury common stock at an agreed value of \$30 per share, or an aggregate of \$273,990.

## MISSOURI P &amp; L PROPOSES BANK BORROWINGS

Missouri Power & Light Company, Jefferson City, has applied to the SEC for authorization to make bank borrowings aggregating \$3,150,000 during the period October 1958 through March 1959 and the Commission has issued an order giving interested persons until September 19, 1958, request a hearing thereon. The funds will be used for construction purposes.

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## BENDIX AVIATION SEEKS HOLDING COMPANY ACT EXEMPTION

Bendix Aviation Corporation, Detroit, Mich., has applied to the SEC for an order exempting it and its subsidiary from the Holding Company Act; and the Commission has issued an order giving interested persons until September 15, 1958, to request a hearing thereon.

The subsidiary is Hamilton and Rossville Hydraulic Company, all of whose stock is owned by Bendix. The subsidiary owns certain hydro-electric facilities on the Miami River at Hamilton, O., and the electric energy produced therefrom is normally used by the Hamilton Division of Bendix located contiguous to such facilities. However, at certain times of the year the energy produced exceeds the requirements of the Hamilton Division and such excess electricity is sold to Cincinnati Gas & Electric Company, from which the subsidiary, at times, also purchases electricity.

## NATIONAL AVIATION APPLIES TO PURCHASE THIOKOL STOCK

National Aviation Corporation, New York investment company, has applied to the SEC for an order authorizing its acquisition of not to exceed 10,000 shares of the 113,500 shares of Thiokol Chemical Corporation stock which the latter proposes to offer for subscription by its stockholders (unsubscribed shares to be offered for public sale through underwriters); and the Commission has issued an order giving interested persons until 1:00 P.M. on September 12, 1958, to request a hearing upon the application.

According to National's application, the offering is to be underwritten by a group of underwriters which includes Paine, Webber, Jackson & Curtis and Hornblower & Weeks. A partner of each of these firms also serves as directors of National. Because of this affiliation, purchase by National of Thiokol stock during the existence of the underwriting syndicate is prohibited by the Investment Company Act unless the Commission grants an exemption from such prohibition.

## MINERALS CONSOLIDATED FILES FOR OFFERING

Minerals Consolidated, Inc., Salt Lake City, filed a registration statement (File 2-14335) with the SEC on August 29, 1958, seeking registration of 1,000,000 units, each consisting of one share of 10¢ par common stock and two warrants to purchase one common share. The units are to be offered for public sale at \$1 per unit. No underwriting is involved. The registration statement also covers an additional 100,000 common shares issued to certain of the promoters.

The company was organized in August 1957. It intends to develop oil and gas properties which it has acquired and now owns and to acquire, explore and develop additional properties, both for oil and gas and for other minerals. Net proceeds of the company's financing, estimated at \$800,000 assuming all units are sold, will be \$800,000. Of this, \$150,000 is to be allotted to the drilling of one well on the "Gusher Field" properties near Vernal, Utah; and the balance will be used for additional drilling, exploration, development, and other purposes, including general corporate purposes.

Promoters and officers of the company include Stanley G. Bendorf, president, Reid S. Melville, vice president, Robert L. Holt, Secretary-Treasurer, Rudder I. Barson, vice president, and Aaron V. Barson. The latter four hold 1,686,330 shares, or 56% of the 3,000,000 outstanding shares issued for properties. The 100,000 common shares above referred to were issued to Caldwell & Covington, a Vernal partnership, for their interest in certain properties.

## WELLINGTON EQUITY FUND PROPOSES STOCK OFFERING

Wellington Equity Fund, Inc., newly-organized investment company of Claymont, Del., filed a registration statement (File 2-14336) with the SEC on August 29, 1958, seeking registration of 2,000,000 shares of its common stock, to be offered for public sale at \$12 per share. Kidder, Peabody & Co., Bache & Co., Reynolds & Co., Inc., and Dean Witter & Co. are listed as the principal underwriters.

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The investments of the Fund will be under the management of Wellington Company, Ltd., an affiliate of The Wellington Company, with substantially the same officers, directors and personnel. The prospectus lists Walter L. Morgan of Claymont as president.

#### SEC ORDERS FURTHER SUSPENSION OF TRADING IN CORNUCOPIA STOCK

The Securities and Exchange Commission announced today the issuance of an order pursuant to Section 19(a) (4) of the Securities Exchange Act of 1934 suspending trading on the American Stock Exchange in the \$.05 par value Common Stock of Cornucopia Gold Mines, with offices formerly in Pittsburgh, Pennsylvania, for a further ten day period, September 3, 1958 to September 12, 1958, inclusive.

The action was based on the company's failure to comply with the reporting requirements of Section 13 of the Act and the disclosure requirements of the Commission's proxy rules under Section 14.

Upon the basis of a finding by the Commission that such suspension is necessary to prevent fraudulent, deceptive, or manipulative acts or practices in connection with trading in stock of Cornucopia Gold Mines, trading by brokers and dealers in such stock in the over-the-counter markets also is prohibited during the period of the suspension.

The Commission previously ordered a hearing pursuant to Section 19(a) (2) of the Act on the question whether the stock of Cornucopia Gold Mines should be suspended for a period not exceeding 12 months, or withdrawn, from listing and registration on the Exchange. These proceedings the hearing in which commenced today, involve charges of non-compliance with the reporting and disclosure requirements of the Act.

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