

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 25, 1958

HOLIDAY INNS PROPOSES STOCK OFFERING

Holiday Inns of America, Inc., Memphis, Tenn., filed a registration statement (File 2-14382) with the SEC on September 24, 1958, seeking registration of 50,000 shares of its \$1.50 par Common Stock. The company in October 1957 granted non-transferable options to certain officers, directors, employees and others to purchase the 50,000 shares at a purchase price of \$9.75 per share, which price was equivalent to 100% of the market value of the shares on that date. The market value of these shares on September 1, 1958, was approximately \$14.50. The options extend until October 28, 1968. No person to whom options were granted may acquire in any one year more than one-third of the stock subject to his option. Seven of the directors and officers of the company were among the recipients of options, which provide for the purchase of 27,000 shares of stock. No options were granted to Kemmons Wilson or Wallace E. Johnson, Board Chairman and President, respectively. The company has outstanding 412,044 shares, of which 206,903 shares are held by Wilson. Dorothy L. Wilson owns an additional 15,761 shares. According to the prospectus, the Wilsons have granted to Wallace E. Johnson (who owns 32,250 shares) an option under which Johnson may purchase shares owned by the Wilsons up to an amount sufficient so that the Johnsons and Ernest B. McCool would own in the aggregate a number of shares equal to the number thereafter to be owned by the Wilsons. Alma E. Johnson is now listed as the owner of 14,017 shares and McCool 14,117 shares.

Net proceeds from the sale of the 50,000 shares covered by the registration statement will be added to the general funds of the company. Such funds, together with funds generated by operations, will enable the company to finance the construction of new Holiday Inns. The prospectus indicates that at August 31, 1958, seventy Holiday Inns were in operation in the United States and sixty-three were planned or under construction. The prospectus further indicates that the company plans to begin construction in the near future of four new Holiday Inns with a total of 400 rental units. The cost thereof is estimated at \$2,400,000, of which \$1,400,000 may be obtained through mortgage financing. The four inns will be located at Sarasota, Fla., Tucson, Ariz., Nashville, Tenn., and Denver, Colo.

FIRST MISSISSIPPI FILES FOR STOCK OFFERING

First Mississippi Corporation, Jackson, Miss., filed a registration statement (File 2-4383) with the SEC on September 24, 1958, seeking registration of an additional 200,000 shares of its Common Capital Stock. These shares, together with 100,297 shares previously registered but unsold, will be offered for public sale at \$5 per share. The previous offering was at \$4 per share; and the increase in price to \$5 is said to be "arbitrary and has no relation to current income or operations; the company had a net loss from operations of \$60,010.98 from its inception to June 30, 1958." The purchaser of each new share will be granted an option to purchase an additional share at \$5 at any time on or before January 31, 1960. The stock offering is to be made through company officials and employees and also may be offered through broker-dealer firms and independent salesmen on a best efforts basis. Selling commissions are estimated at \$.25 per share.

OVER

The purpose of the company is to develop and/or operate industrial, business and commercial enterprises and to provide risk capital therefor. It is the company's intention to attempt to obtain secured or unsecured loans by private financing to supplement the proceeds from the stock sale. The company has acquired 9,360 shares of Class A common stock and 10,640 shares of Class C common stock of Coastal Chemical Corporation (subsidiary of Mississippi Chemical Corporation) at a cost of \$500,000, which shares represent approximately 7% of the total outstanding stock of all classes of Coastal.

Various projects are said to be completed, including an oleum (concentrated sulphuric acid) plant at Pascagoula, Miss., and others are under construction or under consideration. Proceeds of the stock sale will be used for various expenses, supplies and equipment, surveys and other items, including \$1,100,000 for a multiwall paper bag plant, \$700,000 for investment in anhydrous ammonia plant, \$500,000 for working capital, \$300,000 for railroad tank cars, and \$275,000 for a super phosphate plant. \$1,046,336 is said to be unallocated for general industrial development.

OXFORD PAPER PROPOSES DEBENTURE OFFERING

Oxford Paper Company, New York, today filed a registration statement (File 2-14384) with the SEC seeking registration of \$10,000,000 of Convertible Subordinated Debentures, due October 1, 1978, to be offered for public sale through an underwriting group headed by Blyth & Co., Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of this financing will be added to the general funds of the company, to be used, with retained earnings, to meet the cost of its capital improvements programs for the years 1959 to 1962, inclusive. These expenditures are to cover installation at the company's plant in Rumford, Maine of an additional unit for the recovery of cooking liquors from the kraft pulp mills, a new soft-wood kraft pulp mill to replace sulphite pulp facilities, increased capacity for the manufacture of hardwood kraft pulp, and the installation of modern bleaching equipment. The total cost of such improvements, all of which it is anticipated will be placed in operation by 1962, is estimated at \$15,000,000.

SHOP RITE FOODS FILES FOR STOCK OFFERING

Shop Rite Foods, Inc., Albuquerque, N. M., today filed a registration statement (File 2-14385) with the SEC seeking registration of 35,383 shares of its \$5 par Common Stock. The stock is to be offered for subscription by stockholders at \$11.50 per share, at the rate of one new share for each four shares held of record October 21, 1958. The offering is to be underwritten by a group of underwriters headed by First Southwest Company of Dallas and Minor, Mee & Co. of Albuquerque, who will receive a commission of 50¢ per share.

The company operates twenty-seven "Piggly Wiggly" retail food stores in New Mexico and Texas. Net proceeds of this financing will be added to the general funds of the company, to be used for general corporate purposes, including the application of \$150,000 toward the purchase and installation of fixtures and equipment and \$140,000 for the purchase of merchandise for two new stores expected to open during the final quarter of 1958. Upon execution of the underwriting agreement, Piggly Wiggly Corporation has committed itself to purchase 10,000 common shares at \$13 per share, thus making available an additional \$130,000 which the company intends to apply toward the purchase of fixtures, equipment and merchandise for new stores.

According to the the prospectus, the company is negotiating with American National Insurance Company of Galveston, Texas, for the issue and sale of a \$1,000,000 5½% debenture, the proceeds of which would be used to pay existing indebtedness.

* * * * *

Continued

JOSEPH HORNE CO. PROPOSES DEBENTURE OFFERING

Joseph Horne Co., Pittsburgh, Pa., today filed a registration statement (File 2-14386) with the SEC seeking registration of \$2,538,900 of Convertible Subordinated Debentures due 1973. The company proposes to offer the debentures for subscription by stockholders of record October 14, 1958, in the ratio of \$100 of debentures for each 12 common shares then held. The interest rate, subscription price and underwriting terms are to be supplied by amendment. The First Boston Corporation is listed as the principal underwriter.

The company conducts a department store business in Pittsburgh. Net proceeds of the sale of the debentures will be added to the general funds of the company to be available for general corporate purposes. It is expected that such proceeds will be used primarily to acquire furniture, fixtures and equipment of approximately \$1,500,000 and to provide working capital required in its new East Hills branch store, expected to be opened in mid-1959, and for similar requirements of another branch store planned to be opened in 1960 in the South Hills Village.

SANBORN CO. PROPOSES STOCK OFFERING

Sanborn Company, Waltham, Mass., today filed a registration statement (File 2-14387) with the SEC seeking registration of 118,530 shares of its \$1 par Common Stock, of which 100,000 shares are to be offered for public sale through an underwriting group headed by Paine, Webber, Jackson & Curtis. The public offering price and underwriting terms are to be supplied by amendment. The remaining 18,530 will be offered in exchange for outstanding shares of 6% Cumulative Preferred Stock.

The company manufactures electronic measurement and recording instruments of precision for medical and industrial applications. Of the net proceeds of this financing, \$536,775 will be used to retire the \$510,000 of 5 1/4% Notes, due 1967, outstanding after partial prepayment made October 1, 1958; \$200,000 will be used to pay the company's bank loan; and the remainder will be added to the general funds of the company and will be available for general corporate purposes, particularly working capital.

THIOKOL CHEMICAL FILES FOR SECONDARY

Thiokol Chemical Corporation, Trenton, N. J., today filed a registration statement (File 2-14388) with the SEC seeking registration of 97,714 outstanding shares of its \$1 par Capital Stock. These shares are to be offered for sale, at a price related to the current market, through an underwriting group headed by Eastman Dillon, Union Securities & Co., which will receive a commission of \$1.55 per share.

Owner of the shares is Olin Mathieson Chemical Corporation, of New York, the 97,714 shares constituting its entire holdings. The company had outstanding 1,265,855 common shares on June 30, 1958. Under a prospectus dated September 17, 1958, it is making a rights offering to its stockholders, on a 1 for 12 basis, of an additional 106,669 shares at \$42 per share. This offering is underwritten by Kidder Peabody & Co.

* * * * *

Puritan Fund, Inc., Boston, Mass. investment company, filed an amendment on September 4, 1958, to its registration statement (File 2-11834) seeking registration of an additional 1,000,000 shares of Capital Stock, \$1 par value.

POLLARD & CO. - WEBB SECURITIES REGISTRATION REVOKED

In a decision announced today, the SEC revoked the broker-dealer registration of John P. Pollard & Co., Inc., now known as Webb Securities, Inc., of 135 Broadway, New York City, for filing a false financial statement with the Commission, falsification of its books and records, and conducting a securities business while in violation of the Commission's net capital rule.

Continued

The Commission also ruled that John T. Pollard, Jr., and Louis H. Greenberg were each a cause of the order of revocation. When the company became registered in November 1956, Pollard was listed as president and a director and Greenberg as vice-president, treasurer and a director. In an amendment filed in February 1957, it was stated that Greenberg was no longer an officer or director; and Pollard resigned as an officer and director in March 1957, and thereafter the company name was changed to Webb Securities, Inc.

According to the Commission's decision, Pollard & Co. included in its application for registration a statement of financial condition, signed by Pollard, showing capital of \$9,000 as of October 29, 1956. However, the company's records showed only a capital subscription of \$2,460 by Mrs. Pollard and \$1,874 by Greenberg. There also was a deficiency of \$780 in the company's net capital as of December 31, 1956, which had increased to \$3,658 by January 11, 1957. Finally, the company's records reflected the receipt of only 10,000 shares of Nor Acme Gold Mines stock in December 1956, despite its purchase of 20,000 shares from another broker for delivery against a purchase order for 20,000 shares obtained by the company's attorney. Greenberg sold 10,000 shares of Nor Acme stock for his own account; the attorney received only 10,000 shares as of January 4, 1957; and the remaining 10,000 shares were not received from Greenberg until sometime in February or March 1957.

In view of these violations, the Commission concluded that revocation of the broker-dealer registration of the company is required in the public interest.

SEC POSTPONES EFFECTIVE DATE OF RULE 9 RESCISSION

The Securities and Exchange Commission today announced the postponement from September 30, 1958 to December 31, 1958 of the effective date for the rescission of Rule 9 (formerly Rule U-9) promulgated under the Public Utility Holding Company Act of 1935 ("Act"), which rule affords a basis for claiming exemption from all provisions of the Act by small holding company systems.

Since the announcement on February 5, 1958 of the rescission of Rule 9 effective September 30, 1958 (Holding Company Act Release No. 13670), several small holding companies theretofore claiming exemption under Rule 9 have reorganized their corporate relationships in such manner as to qualify for exemption under other rules or provisions of the Act; and other such companies are now taking steps to the same end. The three-months' extension of the exemption provided by Rule 9 is granted at the request of several companies which have been unable to complete their reorganization programs within the time heretofore provided.

---00000000---