

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 February 24, 1959

Statistical Release No. 1585

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended February 20, 1959, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1958 and 1959, is as follows:

	<u>1939 = 100</u>		<u>Percent Change</u>	<u>1958 - 1959</u>	
	<u>2/20/59</u>	<u>2/13/59</u>		<u>High</u>	<u>Low</u>
Composite	408.3	400.3	+2.0	413.2	299.0
Manufacturing	501.6	490.7	+2.2	511.5	373.3
Durable Goods	474.9	458.8	+3.5	476.6	332.2
Non-Durable Goods	516.4	510.5	+1.2	534.8	402.2
Transportation	355.2	346.6	+2.5	356.3	219.7
Utility	216.0	213.6	+1.1	216.3	155.5
Trade, Finance & Service	406.6*	399.0	+1.9	406.6	263.2
Mining	347.4	343.0	+1.3	360.4	261.3

* New High

SEC ORDER CITES MAC ROBBINS & CO.

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Mac Robbins & Co., Inc., 26 Journal Square, Jersey City, N. J., its president, Mac Robbins, and ten Robbins & Co. salesmen, defrauded investors in connection with their offer and sale of Sports Arenas (Del.), Inc., stock and, if so, whether the broker-dealer registration of Robbins & Co. should be revoked.

An initial hearing will be held before the Commission on February 27, 1959, at 2:30 P. M., for the purpose of taking evidence on the question whether, pending further hearings and final determination on the question of revocation of registration, it is necessary or appropriate in the public interest or for the protection of investors to suspend Robbins & Co.'s registration.

According to the Commission's order, information developed in an investigation conducted by its staff, if true, tends to show that Robbins & Co., Robbins, and the ten salesmen offered and sold Sports Arenas stock by means of false and misleading representations or omissions of material fact and that they "engaged in acts, practices, and a course of business which operated as a fraud and deceit" upon purchasers of such stock. The misrepresentations and omissions related, among other things, to the future market price of Sports Arenas stock; profits, earnings and dividends on Sports Arenas stock; a prospective Sports Arenas stock split and the prospective listing of its shares on the American Stock Exchange; the availability of Sports Arenas stock and extension of credit to Sports Arenas by American Machine and Foundry Co.

Moreover, according to the order, the Sports Arenas stock was offered and sold in violation of the Securities Act registration requirement.

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

Sports Arenas, of 33 Great Neck Road, Great Neck, N. Y., filed a registration statement with the Commission on November 18, 1958, proposing the public offering by the issuing company \$2,000,000 of 6% Ten Year Convertible Debentures (Subordinated), due January 1, 1969, and the secondary offering by the holders thereof of 461,950 outstanding shares of its Common Stock at \$6 per share. The statement has not yet become effective. The company has outstanding 1,209,692 common shares. The prospectus lists 52 sellers of the 461,950 common shares.

WHITE STAG MFG. FILES FOR OFFERING AND SECONDARY

White Stag Manufacturing Co., 67 West Burnside St., Portland, Ore., filed a registration statement (File 2-14762) with the SEC on February 20, 1959, seeking registration of 127,500 shares of Class A Common Stock. Of these shares 62,500 are to be offered for sale for the account of the issuing company and 65,000 represent outstanding shares to be offered for sale by the holders thereof. The offering is to be made by an underwriting group headed by Francis I. duPont & Co. The public offering price and underwriting terms are to be supplied by amendment. The selling stockholders own all of the 65,000 outstanding Class A shares, and consequently there is no established market for the stock.

The company is engaged in the manufacture of active sportswear for women and girls, ski wear for men, women and children, and canvas sporting goods, and has recently introduced a line of swim wear. Of the net proceeds of its stock sale, \$192,793.50 will be applied to payment of outstanding indebtedness of Marcus Breier Sons, Inc., assumed by the company upon liquidation of that corporation. An additional amount of \$196,661.60 will be used to reimburse the company's treasury for the cost of reacquiring 5,951 common shares outstanding prior to a recent recapitalization of such shares into Class A and Class B stock. This stock was held by members of the Marcus Breier family and in repurchasing it the company was anticipating its agreement to reacquire it at a price equivalent to \$33.0468 per share. The shares so reacquired represented the outstanding balance of 10,223 shares issued by the company in payment for the business of Marcus Breier Sons, Inc. The balance of the proceeds will be used for general corporate purposes.

The prospectus lists seventeen sellers of the 65,000 shares. The largest block, 14,211 shares, is being sold by Harold S. Hirsch, president, who will retain 40,448 Class B shares. The Class B holdings of Hirsch and the other selling stockholders aggregate in excess of 178,000 of the 185,000 Class B shares outstanding.

SCIENCE & NUCLEAR FUND SEEKS EXEMPTION

Science & Nuclear Fund, Inc., Philadelphia, Pa., has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release 40-2833) giving interested persons until March 6, 1959, to request a hearing thereon.

According to the application, the Fund has been merged with and into Nucleonics, Chemistry & Electronics Shares, Inc., whose shares were issued in exchange for shares of the Fund.

MONONGAHELA POWER PROPOSES BOND OFFERING

Monongahela Power Company, 1310 Fairmont Ave., Fairmont, W. Va., filed a registration statement (File 2-14763) with the SEC on February 20, 1959, seeking registration of \$16,000,000 of First Mortgage Bonds, Series due 1984, to be offered for public sale at competitive bidding.

The company will apply the net proceeds of the bond sale, together with its cash resources and about \$6,000,000 from the sale of additional common stock to its parent in 1960, to carry out its construction program. Construction expenditures for 1959 and 1960 are estimated at \$36,000,000.

THORNCLIFFE PARK FILES FINANCING PROPOSAL

Thorncliffe Park Limited, Postal Station R, Toronto, Ontario, filed a registration statement (File 2-14764) with the SEC on February 20, 1959, seeking registration of \$4,000,000 (Canadian) of Sinking Fund Debentures, Series A, due March 1, 1974, and 80,000 shares of common stock. It is proposed to offer these securities for public sale in units, each consisting of \$1,000 of debentures and 20 common shares. The interest rate on the debentures, the public offering price of the units, and the underwriting terms are to be supplied by amendment. Bache & Co. is listed as the principal

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underwriter.

Organized in 1955, the company acquired some 390 acres of land located about five miles from downtown Toronto, largely consisting of the site of the former Thorncliffe Race Track. Most of its activities have been in connection with the formulation of plans for development and the related negotiations with the various municipal and Provincial authorities; and it has formulated a plan of development which provides for the construction of a community consisting of apartment buildings, a shopping centre, commercial buildings and light industrial facilities, as well as a school, churches and a recreational area. The company proposes to construct buildings in the development and to lease apartments, commercial and industrial buildings and retail store space to tenants. It has not yet commenced construction of any buildings, although three six-story apartment buildings located on land sold by the company have been built by others and are partially occupied, two more are well advanced in construction, and work has begun on a sixth.

After the sale of its securities the company expects to be in a financial position to begin its construction program. It expects to finance construction of buildings largely through mortgage borrowing. The total purchase price of the land was \$3,665,000. Of this amount, the company paid \$565,000 in cash and gave a 4% purchase money mortgage for the balance. This mortgage had been reduced to \$1,926,278 as of December 31, 1958. In December 1958, the Company and the mortgagee entered into an agreement under which the Company paid the mortgagee \$25,000 and was granted an option to pay and discharge the mortgage at any time prior to March 15, 1959 by payment of an additional \$1,701,278, plus accrued interest. In order to assure the Company of being able to exercise such option, Bache & Co. has entered into an agreement with the Company, dated February 5, 1959, providing for a loan by Bache & Co. to the Company in an amount sufficient to enable the Company to exercise such option. The agreement provides that the loan will be secured by an assignment of said mortgage or by a new mortgage having similar terms. Approximately \$1,734,000 of the net proceeds of the securities offered hereby will be applied to repay such loan, which repayment will result in the discharge of the mortgage. Approximately \$250,000 of such net proceeds will be used to retire all of the Company's current bank loans which have been incurred from time to time to provide funds to meet development and general administrative expenses. The remainder of the net proceeds will be used as working capital for general corporate purposes.

The company has outstanding 390,000 common shares. Bache & Co. is listed as the owner of 32,000 shares (plus an additional 34,525 "of record" but not beneficially); and F. H. Deacon & Co. Limited, of Toronto is the record owner of 43,060 shares. The prospectus lists Leslie E. Blackwell as board chairman and D. Hubert Cox as president.

OHIO POWER PROPOSES BOND OFFERING

Ohio Power Company, 301 Cleveland Ave., S. W., Canton, O., today filed a registration statement (File 2-14765) with the SEC seeking registration of \$25,000,000 of First Mortgage Bonds, Series due 1989, to be offered for public sale at competitive bidding. Net proceeds from the sale of the bonds and cash capital contributions of \$14,000,000 by the parent, American Electric Power Company, are to be applied to the prepayment, without premium, of then outstanding notes payable to banks, in a principal amount not exceeding \$40,000,000, issued for construction purposes, and the balance will be used to pay for the cost of property additions and improvements. The company's 1959 construction program is estimated at \$52,900,000.

GAILON A. BELL CONVICTED

The SEC Los Angeles Branch Office reported February 20, 1959 (Lit. Release 1404) that Gailon A. Bell had been found guilty by Federal jury in Los Angeles of violating registration and anti-fraud provisions of Securities Act in the sale of Nu-Form Batteries, Inc., stock.

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