

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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DYNACOLOR FILES FINANCING PROPOSAL

Dynacolor Corporation, Rochester, N. Y., filed a registration statement (File 2-14868) with the SEC on March 24, 1959, seeking registration of \$1,600,000 of 7% Sinking Fund Debentures due 1969 and 155,000 shares of common stock. The company proposes to offer the debentures and 80,000 common shares for public sale, in units consisting of \$100 of debentures and 5 common shares. The public offering price and underwriting terms are to be supplied by amendment. The remaining 75,000 common shares are now outstanding and are to be offered for sale by the holders thereof. Lee Higginson Corporation is listed as the principal underwriter.

Organized in 1949, the company is primarily a processor of Kodachrome film, a product of the Eastman Kodak Company. Net proceeds of its sale of debentures and stock will be used in part to repay long and short term loans of \$760,847 which were incurred for working capital and payment of expenses for construction of equipment and development of certain new products. About \$250,000 will be used to construct and install three additional Kodachrome processing machines and accessory equipment. The balance will be added to the general funds of the company and will be available for working capital and other purposes.

The company has outstanding 336,880 common shares. The selling stockholders are W. J. Brown and Paul J. Good, president and vice president, respectively, who now own 190,800 and 47,700 shares, respectively. Brown proposes to sell 60,000 of his holdings and Good 15,000.

MONONGAHELA POWER BOND OFFERING CLEARED

The SEC has issued an order (Release 35-13959) under the Holding Company Act authorizing Monongahela Power Company, Fairmont, W. Va., to issue and sell at competitive bidding \$16,000,000 of First Mortgage Bonds, Series due 1984. Net proceeds are to be used in connection with the 1959 construction program of Monongahela and its subsidiaries, estimated at \$19,474,000.

LOCKWOOD, KESSLER & BARTLETT STOCK OFFERING PROPOSED

Lockwood, Kessler & Bartlett, Inc., One Aerial Way, Syosset, L. I., N. Y., today filed a registration statement (File 2-14869) with the SEC seeking registration of 150,000 shares of its Class A stock. Of this stock, 100,230 shares are to be offered for public sale by the issuing company and 49,770 shares, representing outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Francis I. duPont & Co. is listed as the principal underwriter.

The company practices (directly and through a subsidiary and branches) professional engineering and land surveying in the United States, Canada, Central and South America and the Middle East. It has outstanding 49,770 Class A and 199,080 Class B shares, together with 1,361 preferred shares. Net proceeds of the proposed company sale of 100,230 Class A shares are to be applied initially as an addition to general funds. The present outstanding bank loan of \$350,000 will be retired, but it is anticipated that the business may require future borrowings. The company has an option running to October 31, 1961, to buy its office and work-shop building which is presently held under lease for the purchase price of \$335,000. There is a \$126,134 mortgage on this property. The management intends to exercise this option, but possibly not until near its

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expiration date. Upon exercise of the option, some of the proceeds of this financing may be used in payment of the purchase price.

The 49,770 Class A shares are held by Ford Bartlett, president (31,500 shares), J. J. Darcy, executive vice president (10,500), and F. V. duPont, director (7,770). They also own all of the 199,080 Class B shares.

Frito Co. Files for Offering and Secondary

Frito Company, 100 Exchange Park North, Dallas, today filed a registration statement (File 2-14870) with the SEC seeking registration of 200,000 shares of Common Stock. Of this stock, 60,000 shares are to be offered for public sale by the issuing company and 140,000 shares, representing outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. White, Weld & Co. and Dittmar & Company, Inc., are listed as the principal underwriters.

The company and its subsidiaries are engaged principally in the manufacture and sale of food products consisting primarily of corn chips and potato chips. It has outstanding 1,528,798 shares of stock. Net proceeds of the proposed company sale of 60,000 additional shares will be added to the general funds of the company and initially used together with other company funds as working capital to carry increased inventories and accounts receivable resulting from the expansion of its business.

The principal stockholders of the company are C. E. Doolin, president, of Dallas, 254,542 shares; E. L. Nicolay, vice president, of Detroit, 180,902; and R. V. Dancy, vice president, of Detroit, 181,030. They propose to sell stock in the respective amounts of 20,000, 40,000 and 80,000 shares.

STOP ORDER PROCEEDINGS INSTITUTED AGAINST STRATEGIC MINERALS

The Securities and Exchange Commission has instituted "stop order" proceedings under the Securities Act of 1933 to determine whether a registration statement filed by Strategic Minerals Corporation of America, Dallas, Texas, which proposed a public offering of stock is false and misleading in respect of various material facts and, if so, whether an order should be issued suspending its effectiveness.

The registration statement was filed on March 31, 1958, and proposed the public offering of \$2,000,000 of bonds and 970,000 shares of 10¢ par common stock. By amendment of February 16, 1959, the proposed offering was changed to \$1,000,000 of bonds and 1,200,000 common shares. The company was organized in 1955. According to the prospectus, it acquired all the mineral leases and properties of Mena Mining Corp. of Mena, Ark., in exchange for 3,333,333 common shares (of which 1,200,000 was returned to the issuer). Included in such properties was an option to purchase the Bruce Williams Process for the beneficiation of low-grade ores for a consideration subsequently fixed at \$35,000 cash and 350,000 common shares. Calvin C. Huffman, president of Strategic Minerals, and three other individuals were the principal stockholders of Mena Mining and are included among the principal stockholders of Strategic Minerals. The latter's principal business is to develop and use the Bruce Williams Process; and the stated purpose of the proposed financing is to erect and operate one or more chemical processing plants using that process to beneficiate manganese ores.

In its order authorizing the stop order proceedings, the Commission challenges the accuracy and adequacy of various informational disclosures contained in Strategic Minerals' registration statement and prospectus. Among these are the following: failure to include an introductory statement in the forepart of the prospectus summarizing in clear, concise and understandable fashion the speculative features of the company's business and securities; adequacy and accuracy of disclosures with respect to the proposed use of the proceeds of the financing, including estimated costs of the beneficiation plant or plants to be erected and of land sites and their location; the adequacy and accuracy of disclosures concerning the nature of the business to be conducted, including information with respect to the foreign and domestic competitive conditions and the effect thereof upon the company's business, as well as information regarding the economic feasibility of the Bruce Williams process for beneficiation of low-grade manganese ores when compared with the world market price of metallurgical manganese and the nature and extent of the license which the company has to use the said process; the adequacy and accuracy of information concerning the prior

is the issue of stock of the company and the considerations received therefor, as well as information with respect to the interests of management officials and their affiliates in transactions involving the company; the adequacy and accuracy of information concerning the underwriters, their relationship to the issuer, commissions and other considerations to be paid, and the proposed method to be employed in the distribution of the securities; and the adequacy and accuracy of the financial statements included in the registration statement and prospectus.

At a hearing scheduled for April 7, 1959, in the Commission's Washington office, inquiry will be conducted with respect to these and other matters for the purpose of determining whether Strategic Minerals' registration statement complies with the applicable disclosure requirements and, if not, whether a stop order should be issued suspending its effectiveness.

CHATTANOOGA INDUSTRIAL DEVELOPMENT FILES FOR OFFERING

Chattanooga Industrial Development Corporation, 1023 Chattanooga Bank Building, Chattanooga, Tenn., today filed a registration statement (File 2-14871) with the SEC seeking registration of 37,500 shares of common stock, to be offered for public sale at \$20 per share. No underwriting is involved.

The company was organized in April 1958. It proposes to purchase, lease, improve, develop, exchange, sell, dispose of, and otherwise deal in lands and buildings, in Tennessee and elsewhere, the organizers intending to promote industry in the Chattanooga area. It has obtained from J. Gilbert Stein an option covering a tract of land (about 505 acres) lying east and near Chattanooga, considered desirable for development as an industrial park. Proceeds of the stock offering will be available for the purchase and development of industrial properties and for use as working capital. An initial tract of 168 acres is proposed to be acquired, at a cost of \$245,690 (including a residence valued at \$53,000 suitable for use as a clubhouse). Development of Section A will involve costs estimated at \$469,317.

Stein is listed as president of the company. He is a managing partner of Stein Construction Company. If the latter is employed to perform any work in the development of the project, the prospectus indicates such work will be done at a competitive price.

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