

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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PYRAMID FINANCIAL WITHDRAWS FROM REGISTRATION

The Securities and Exchange Commission has granted a request of Pyramid Financial Corporation, 67 Wall St., New York, for withdrawal of its broker-dealer registration under the Securities Exchange Act of 1934; and it has discontinued proceedings on the question whether Pyramid's registration should be revoked.

The proceedings, instituted under date of October 20, 1958, were based upon Pyramid's failure to file a financial statement for the year 1957. On May 4, 1959, Pyramid applied for withdrawal, stating that it has never transacted any business as a broker-dealer and will not transact any business as such in the future. Accordingly, the Commission concluded that withdrawal from registration and discontinuance of the proceedings are consistent with the public interest.

ACCURATE SPECIALTIES FILES FOR OFFERING

Accurate Specialties Co., Inc., Woodside, Queens, N. Y., filed a registration statement (File 2-15102) with the SEC on May 12, 1959, seeking registration of 95,000 shares of common stock. The stock is to be offered for public sale at \$2.50 per share through an underwriting group headed by Milton D. Blaumer & Co., Inc. and Stanley Heller & Co., who will receive a commission of 30¢ per share.

The company is engaged in the business of producing high purity, ultra-precise metals and alloys, for use as integral components in semi-conductor products, such as silicon and germanium transistors, diodes and rectifiers. Net proceeds of its sale of stock, estimated at \$189,000, will be used to purchase \$150,000 of additional equipment and production facilities for its operating plants in Woodside and in Hackensack, N. J., the balance to be added to working capital and used for payment of accounts and notes payable and purchases of raw materials and supplies.

The prospectus lists Nathan Zimmer as board chairman and president. All of its 225,000 outstanding common shares are owned by Zimmer and his wife (100,000 shares); Lawrence H. Diamond, executive vice-president (50,000); Max Klein, a director (15,000); and Milton D. Blaumer, a director (10,000).

FEDDERS CORP. FILES OFFERING PROPOSAL

Fedders Corporation, 58-01 Grand Ave., Maspeth, L. I., N. Y., filed a registration statement (File 2-15103) with the SEC on May 12, 1959, seeking registration of \$3,815,800 of Sinking Fund Subordinated Debentures, due May 31, 1979, with Warrants to purchase 152,632 common shares. The company proposes to offer the debentures (with warrants) for subscription by common stockholders at \$100 per unit (of \$100 of debentures with warrant for four shares) at the rate of one unit for each 50 shares held. The record date, interest rate, and underwriting terms are to be supplied by amendment. Allen & Company is listed as the principal underwriter.

According to the prospectus, Fedders will in the near future organize a subsidiary to engage in the wholesale financing of sales of the company's air-conditioner, dehumidifier, and heating products. An initial capitalization of \$2,000,000 is deemed necessary for the adequate and efficient operation of that subsidiary. The activities of the sales financing company will be limited, for the most part, to the financing of purchases of these products by the company's distributors and their dealers. Additional operating funds will be obtained through bank loans. The balance of the proceeds of the

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debenture sale, estimated at \$1,560,000, will be used for Fedders' general corporate purposes, including the reduction of its short-term loan requirements and for general working capital. If additional funds realized from the sale of stock upon exercise of the warrants will, if and when received, be added to working capital.

SPARTANS INDUSTRIES PROPOSES STOCK OFFERING

Spartans Industries, Inc., 1 West 34th St., New York, filed a registration statement (File 2-15104) with the SEC on May 12, 1959, seeking registration of 200,000 shares of common stock, to be offered for public sale through an underwriting group headed by Shearson, Hammill & Co. and J. C. Bradford & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is a producer and distributor of apparel for men, women and children. Organized under Delaware law in April 1959, it succeeded by merger to the business previously conducted by Spartans Manufacturing Co., Inc., a Tennessee Corporation. Net proceeds of the proposed stock sale are said to be required for general corporate purposes due to expanded needs of the business, and will be utilized as working capital, primarily to finance additional inventories of finished goods and raw materials and accounts receivable.

In addition to \$5,000,000 of bank loans, Spartans Industries has outstanding 800,100 shares of Class B stock, which are convertible into a like number of common shares. None of the authorized common shares is presently outstanding. The prospectus lists Charles C. Bassine as board chairman and Murray Sussman as president. The Kardell Corporation, owned by Bassine and his wife, owns 444,500 of the Class B shares; Sussman, 222,250; and Samuel Weissman, secretary-treasurer, 44,450.

AMERICAN CAN FILES EMPLOYEE STOCK PLAN

American Can Company, New York, filed a registration statement (File 2-14105) with the SEC on May 12, 1959, seeking registration of \$4,000,000 of Participations in its 1959 Employees' Stock Purchase Plan, together with 91,429 shares of common stock which may be acquired pursuant thereto.

ELECTRONIC ENGINEERING (CALIF.) FILES FOR OFFERING AND SECONDARY

Electronic Engineering Company of California, 1601 East Chestnut Ave., Santa Ana, Calif., today filed a registration statement (File 2-15106) with the SEC seeking registration of 100,000 shares of common stock. Of this stock 78,750 shares are to be offered for public sale by the company and 21,250, representing outstanding shares, by the present holders thereof. The company proposes to offer 10,000 of the new shares to employees. Public offering of the stock is to be made through an underwriting group headed by Kidder, Peabody & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the design, development, engineering and production of electronic equipment, involving, primarily, range instrumentation systems for ballistic missile and aircraft testing, specialized data processing equipment and systems for both scientific and business purposes, precision timing equipment and systems, and various electronic development projects. Sale of the stock is being undertaken "for the dual purposes of providing the company with additional funds to finance the anticipated growth of the business and to establish a market for the company's common stock." Of the net proceeds, the company expects to apply some \$375,000 to the construction of a new plant for Engineered Electronics Company, its subsidiary and the making of certain minor additions to the plant of the parent. About \$110,000 will be applied to the prepayment of the balance owing on a 6% promissory note, issued in connection with the purchase of a portion of the land owned by the company in Santa Ana. The balance of the proceeds will be added to general corporate funds and will be applied temporarily to reduce bank loans which were obtained to provide working capital.

The company has outstanding (in addition to indebtedness) 273,312 shares of common stock, which 216,357 (79%) are held by the eight sellers of the 21,250 shares. Principal among these are Burgess Dempster and R. B. Bonney, president and vice president, respectively, who now hold 74,252 and 75,336 shares, respectively, and propose to sell 7,375 shares each.

DENNIS & CO. REGISTRATION SUSPENDED

In a decision announced today (Release 34-5952), the SEC suspended the broker-dealer registration under the Securities Exchange Act of Alexander Dvoretzky, doing business as Dennis & Company, 744 Broad St., Newark, N. J., pending final determination of the question whether registration should be revoked. Dvoretzky consented to the issuance of the suspension order.

According to the Commission's decision, three of the salesmen employed by Dvoretzky have been enjoined from certain practices in connection with the purchase or sale of securities by the New York Supreme Court and his application for registration disclaimed that any of his salesmen or employees had been so enjoined; during the period January 1, 1959 to April 13, 1959, Dvoretzky engaged in the conduct of a securities business in violation of the Commission's net capital rule; and he also failed to comply with Commission rules with respect to the maintenance of certain books and records with respect to his securities transactions.

Therefore, the Commission concluded that it was necessary and appropriate in the public interest and for the protection of investors to suspend Dvoretzky's broker-dealer registration pending decision on the question of revocation, the ruling of the Commission not to be construed as a determination on the issues other than the question of suspension.

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