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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SEC QUESTIONS WEST STAR MINING REGISTRATION

The SEC has instituted "stop order" proceedings under the Securities Act of 1933 challenging the adequacy and accuracy of various informational disclosures contained in the registration statement filed by West Star Mining Company, of Coeur d'Alene, Idaho.

A hearing is scheduled for October 26, 1959, in the Commission's Washington Office to determine whether the said registration statement complies with the disclosure requirements of the Securities Act and, if not, whether a stop order should be issued suspending its effectiveness.

The West Star Mining registration statement was filed January 31, 1957, and became effective February 18, 1957. It covered voting trust certificates representing 2,500,000 shares of the company's common stock. The statement names J. Fred Markwell and Alexander Markwell of Coeur d'Alene as voting trustees. Alexander Markwell is listed as general manager and acting secretary.

In its order for proceedings, the Commission questions the adequacy and accuracy of various information in the West Star Mining registration statement particularly with respect to its properties and the development thereof, the existence of a commercially mineable deposit in the so-called "shear zone" on such properties, the geology and mining prospects of the properties, and related information.

HEARING SCHEDULED IN REITER & CO. CASE

The SEC has scheduled a hearing for October 27, 1959, in its New York Regional Office to determine whether Morris J. Reiter, a sole proprietor doing business as M. J. Reiter Co., 60 Wall St., New York, violated the anti-fraud and other provisions of the Federal securities laws in the offer and sale of common stock of Belmont Oil Corporation and, if so, whether his registration as a broker-dealer should be revoked and/or whether he should be suspended or expelled from membership in the National Association of Securities Dealers, Inc.

In its order initiating the proceedings, the Commission charged (among other things) that in the offer and sale of Belmont Oil stock Reiter made false and misleading representations of material facts and "engaged in transactions, practices and a course of business which would and did operate as a fraud and deceit upon the purchasers."

HEARING SCHEDULED ON CARADEAN & CO. APPLICATION

The SEC has scheduled a hearing on November 2, 1959, in its New York Regional Office in the proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of A. J. Caradean & Co., Inc., Hempstead, N. Y., should be denied. The effective date of Caradean & Co.'s registration previously was postponed, by consent, until the proceedings on the question of denial of registration are concluded.

The Commission's order initiating the proceedings charged that Jerome H. Truen and Jack Cohen, officials of Caradean & Co. and owners of its stock, while employed as salesmen for N. Pinsker & Co., Inc., made fraudulent misrepresentations in the sale of stock of Tyrex Drug & Chemical Corporation. At the November 2nd hearing, inquiry will be made into this allegation for the purpose of determining whether Truen and Cohen violated the anti-fraud provisions of the Securities Act of 1933 and, if so, whether the application for broker-dealer registration filed by Caradean & Co. should be denied.

OVER

BRUNS-NORDEMAN HEARING POSTPONED

At the request of counsel for Bruns, Nordeman & Company, New York, the SEC has authorized a postponement from October 19, 1959, to December 1, 1959, of the hearing in the Commission's New York Regional Office on the question whether Bruns, Nordeman & Company violated the anti-fraud and anti-manipulative provisions of the Federal securities laws in connection with the purchase and sale of Gob Shops of America, Inc., in 1956 and 1957 and, if so, whether its broker-dealer registration should be revoked and/or whether it should be suspended or expelled from membership in the National Association of Securities Dealers, Inc., or the American and New York Stock Exchanges.

PITNEY-BOWES PROPOSES STOCK OFFERING

Pitney-Bowes, Inc., Walnut and Pacific Streets, Stamford, Conn., filed a registration statement (File 2-15712) with the SEC on October 13, 1959, seeking registration of 200,000 shares of common stock, to be offered for public sale through an underwriting group headed by The First Boston Corporation. The initial public offering price will be related to the current market for outstanding shares at the time of offering. Underwriting terms are to be supplied by amendment.

The company is engaged principally in the manufacture and leasing of postage meters and in the manufacture and sale of postage meter machines. It also manufactures and sells a variety of mailing and business machines. It now has outstanding 4,128,881 shares of common stock (in addition to preferred stock and certain indebtedness). The major portion of the net proceeds of the sale of additional stock will be used to retire short-term bank loans in the amount of $6,000,000, the balance to be added to working capital. The bank loans were incurred in connection with the company's expansion and modernization of its Stamford plant and offices.

PETROLEUM PROJECTS FILES FOR OIL OFFERING

Petroleum Projects Corporation, 55 Green Village Road, Madison, N. J., filed a registration statement (File 2-15713) with the SEC on October 13, 1959, seeking registration of $1,500,000 of Participations in Oil and Gas Exploratory Fund. The securities are to be offered by Mineral Projects Company, Ltd., on a best efforts basis, for which the latter will receive a commission equal to 1/2 of 1% of subscriptions. Minimum participations accepted will be for $10,000.

The company will offer to enter into separate participation agreements with persons or firms pursuant to which the latter will participate in the acquisition of oil and/or gas leases or properties and the drilling of wells on such interests by Petroleum Projects Corporation - First Fund. The company will utilize the amounts paid or agreed to be paid into the Fund primarily for the acquisition of oil and/or gas leases, properties or interests and the drilling, completing and equipping of exploratory wells thereon. The company will retain a 3/16th over-riding royalty as to exploratory wells and drill sites and 30% of the interests acquired in each prospect other than the exploratory wells and drill sites. In each instance the interest of the corporation will bear its share of all burdens on or payments out of production to which the interests acquired by the Fund are subject at the time of such acquisition. The sums paid by participants will be applied against the costs chargeable to the participants for the acquisition of property interests, the drilling of exploratory wells, the plugging and abandoning of such of said wells as the company considers to be dry, and the completing and equipping of such of said wells as the company considers advisable to attempt to complete.

The prospectus lists Clinton Davidson, Raymond E. Hartz and Paul C. Hackett of Madison as directors and respectively president, vice president and secretary-treasurer. Davidson and Hartz together with members of their immediate families own 11.7% of the outstanding stock of Townsend Corporation of America, the sole owner of the outstanding stock of Petroleum Projects Corporation. They also own all the outstanding stock of Davidson & Hartz, Inc., the general partner of the underwriting firm.

GIANT FOOD FILES FOR STOCK OFFERING

Giant Food Inc., 6900 Sheriff Rd., Landover, Md., filed a registration statement (File 2-15714) with the SEC on October 13, 1959, seeking registration of 200,000 shares of Common Stock A (Non-Voting), to be offered for public sale through an underwriting group headed by Auchincloss, Parker & Redpath and Kidder, Peabody & Co. Inc. The public offering price and underwriting terms are to be supplied by amendment.

CONTINUED

The company operates a chain of supermarkets retailing food and general merchandise items in the greater Washington, D. C. metropolitan area, its operations extending to Baltimore on the north and Richmond and Norfolk on the south. It now has outstanding (in addition to certain funded debt) 2,400 shares of $100 par preferred stock, 221,286 shares of Common Stock A, 614,000 shares of Common Stock B, 125,000 shares of Common Stock AC, 125,000 shares of Common Stock AL, and 1 share of Common Stock AD. Net proceeds of the sale of additional Common Stock A will be available for general corporate purposes. To the extent necessary these funds will be used to complete current construction, estimated at $500,000. In the ensuing 18 months GIANT plans to open a minimum of eight new supermarkets and will draw on its available funds for their equipment and inventory requirements.

The company's prospectus lists N. M. Cohen as president and general manager. He is the record owner of the 125,000 AC shares, the beneficial owners being Israel Cohen, vice president, 41,500 shares, Emanuel Cohen, treasurer, 41,500, Lillian C. Solomon, 41,500, and N. M. Cohen, 500. Jacob Lehrman, executive vice president, owns all of the 125,000 shares of Common Stock AL. Joseph B. Danzansky owns the 1 share of Common Stock AD. In addition, officers and directors as a group own 5.5% of the Common Stock A and 64% of the Common Stock B outstanding.

The registration statement also includes an additional 226,000 shares of Common Stock A reserved for issuance upon exercise of warrants and options and upon sale to employees of the company under its stock purchase plan.

INTEGRAND CORP. PROPOSES STOCK OFFERING

Integrand Corporation, 662 Main St., Westbury, N. Y., filed a registration statement (File 2-15715) with the SEC on October 13, 1959, seeking registration of 85,000 shares of common stock, to be offered for public sale at $4 per share. The offering is to be made by Di Roma, Alexik & Co. of Springfield, Mass., on a best efforts basis, for which it will receive a selling commission of 80¢ per share plus $17,000 for expenses. The company has further agreed to sell the underwriter at 1¢ per warrant, an aggregate of 22,500 warrants to purchase 22,500 common shares at $3 per share within the next three years. An additional 4,000 shares are to be issued to Mary Dustan as a finder's fee.

The company was organized in February 1957 and is engaged primarily in the business of manufacturing and sale of high fidelity loud speaker systems. The company now has outstanding 88,500 shares of common stock and 18,540 shares of preferred stock, of which 82,500 common and 16,398 preferred shares are owned by Joseph L. Daniels, president. Of the net proceeds of the sale of additional stock, estimated at $272,000, $21,100 will be used to pay the interim financing provided by the underwriter; $50,000 will be spent to equip a new plant for manufacture of the company's products near San Francisco; $30,000 will be set aside for the development of devices allied to those employed in the manufacture of the company's servo loudspeakers; $55,620 will be used to redeem the outstanding preferred stock; and the balance will be used for working capital and research and development of new products and other corporate purposes.

If the underwriter exercises its right to purchase the 22,500 common shares, said shares will represent 11.25% of the stock outstanding upon public sale of the 85,000 shares. The organizers and promoters will have acquired 88,500 common shares, or 44.25%, for $10,000 in cash (plus certain other considerations, and the assignment of the invention and patent rights).

AMERICAN INVESTMENT FUND SEEKS EXEMPTION

American Investment and Income Fund, Investment Plans, of Dallas, Texas, has applied to the SEC for an order declaring that it has ceased to be an investment company; and the Commission has issued an order (Release 40-2918) giving interested persons until 12:30 P. M. October 26, 1959, to request a hearing thereon.

The application states that applicant's sponsor, Washington Underwriters, Inc., has ceased to be the distributor for American Investment and Income Fund, issuer of the underlying shares in the Plan, and that the sponsor no longer desires to act as such for the applicant. No public offering of the plans has been made, and only two plans are issued and outstanding, purchased by two individuals in the amount of $50,000 each.

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