

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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Washington 25, D.C.

FOR RELEASE October 15, 1959

EITEL-McCULLOUGH FILES FOR DEBENTURE OFFERING

Eitel-McCullough, 301 Industrial Way, San Carlos, Calif., filed a registration statement (File 2-15716) with the SEC on October 14, 1959, seeking to register \$5,000,000 of convertible subordinated debentures due November 1, 1974, to be offered for public sale by a group of underwriters headed by Schwabacher & Co. The interest rate, public offering price and underwriting terms will be supplied by amendment.

The company manufactures and sells power tubes and other electronic products which are sold under the trade name "Eimac."

Proceeds from the sale of the debentures are to be used primarily to retire current bank borrowings which have been incurred to finance, in part, the company's expansion program and to provide additional working capital. Additions to the company's plant, machinery and equipment are expected to aggregate approximately \$2,500,000 during 1959.

PERMIAN OIL FILES FINANCING PROPOSAL

Permian Oil Company, 611 W. Texas St., Midland, Texas, filed a registration statement (File 2-15717) with the SEC on October 14, 1959, seeking registration of \$800,000 of 6% Subordinated Debentures, due 1969, and 80,000 shares of common stock. The company proposes to offer these securities for public sale in units of \$8,000 principal amount of debentures and 800 common shares. The offering is to be made by Lehman Brothers; and the offering price and underwriting terms are to be supplied by amendment. Lehman Brothers will acquire an additional 20,000 common shares for its own account or for the accounts of members of its firm.

The company is primarily engaged, directly and through subsidiaries, in the purchase, transportation and sale of crude oil. It now has outstanding 300,000 common shares and \$798,860 of bank notes. Net proceeds of the sale of the additional securities will be used to provide additional working capital.

Of the outstanding stock, 199,063 shares (66.4%) are owned by officers and directors as a group. Walter R. Davis, president, holds the largest block, 95,874 shares.

GULF STATES PROPOSES BOND OFFERING

Gulf States Utilities Company, 285 Liberty Avenue, Beaumont, Texas, filed a registration statement (File 2-15718) with the SEC on October 14, 1959, seeking registration of \$16,000,000 principal amount of first mortgage bonds, Series A, due 1989, to be offered publicly at competitive bidding.

The net proceeds from the sale of the bonds will be used to pay off short term notes (aggregating \$6,000,000) which were issued for construction purposes. The balance will be used to further the construction program and for other corporate purposes.

The company's construction expenditures for 1959 and 1960 are expected to total approximately \$101,000,000. Of this amount, \$39,615,000 was expended through August 31, 1959.

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

STORM MT. SKI CORP. FILES FINANCING PROPOSAL

Storm Mountain Ski Corporation, Steamboat Springs, Colo., filed a registration statement (File 2-15719) with the SEC on October 14, 1959, seeking registration of \$225,000 6% to 7% First Mortgage Convertible Serial Bonds due 1965-1975 and 500,000 shares of \$1 par Common Stock. The bonds are to be offered for public sale in units of \$500 and at the principal amount thereof; and the stock is to be offered for sale at par. The company will pay a selling commission of \$35 on each unit of bonds and 7¢ per common share to officers and directors of the company and any other persons employed to sell the securities. The term "first mortgage" bonds is used although the company now has only options to the land to be used as security therefor and does not have actual title thereto. Upon exercise of the options to the land, the land will become subject to the lien of the first mortgage.

The company was organized in April 1959 for the purpose of developing and operating a modern ski and summer resort on Storm Mountain on the Continental Divide, about 2 miles from Steamboat Springs, Colorado and 162 miles from Denver. Net proceeds of this financing, estimated at \$664,500, will be used to carry out Phase One of the company's development program, which will consist of a double-chair lift, a beginner's lift, six trails, a lodge containing a spectator center, ski shop and restaurant facilities, and parking facilities. The total purchase price of the land is \$122,000.

The prospectus lists James W. Temple as president and owner of 51,700 shares (64.36%) of the outstanding common stock. Of this stock, 1700 shares were acquired in exchange for a like amount of shares of the predecessor company which were purchased for \$1,700 in cash; and the remaining 50,000 shares were acquired by Temple in exchange for a like amount of stock held by him of the predecessor which he had acquired in consideration for certain assets transferred to the predecessor, the cost of which was about \$26,000.

GUILTY PLEA ENTERED BY B. F. KAUFMAN

The Boston Regional Administrator announced October 14, 1959, that Benjamin Franklin Kaufman of New York City had pleaded guilty in the U. S. District Court, Littleton, N. H., to an indictment charging violations of anti-fraud provisions of the Securities Act, Mail Fraud Statute and Stolen Property Act. Kaufman was ordered to make restitution of \$14,490 to victim, received a 3-year suspended sentence and five years' probation, and was prohibited from engaging in the securities business in the future.

BALDWIN SECURITIES SEEKS ORDER RE AFFILIATE

Baldwin Securities Corporation, New York investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its relationship with General Industrial Enterprises, Inc.; and the Commission has issued an order giving interested persons until 12:30 P. M. October 27, 1959, to request a hearing thereon.

General (formerly known as The Midvale Company) was organized under Delaware law in March 1923 and is registered as a non-diversified closed-end investment company. Until December 1955 it was one of the principal producers of heavy ordnance material; and it also produced high-pressure vessels for the oil and chemical industry, heavy rotors and shafts for steam turbines and generators and other equipment. As of December 30, 1955, it sold all its physical assets; and on October 1, 1958, it registered as an investment company. Since 1932 Baldwin and its predecessors have been the owners of at least 368,700 shares of General common stock; and it now holds 435,325 of the 600,000 outstanding common shares of General.

In a civil action instituted in July 1958 in the U. S. District Court in Wilmington by certain stockholders of General against Baldwin and General, it was alleged that the qualification of General as an investment company under the Act constituted the acquisition by Baldwin of an interest in the business of another investment company in violation of Section 12(d) thereof. A settlement was negotiated between the plaintiffs and defendants which provides for an exchange offer to be made by Baldwin to the stockholders of General on the basis of 5 shares of Baldwin common for one share of General common. The settlement agreement requires Baldwin to apply to the SEC for order of exemption from Section 12(d), such exemption to be conditioned upon approval of the settlement by the District Court and acceptance of the exchange offer by holders of at least 44,765 shares of General common. Financial and tax considerations make inadvisable the immediate merger or consolidation of Baldwin and General, but such merger or consolidation is contemplated as soon as these financial,

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tax, and other considerations warrant.

SCOTT & FETZER FILES FOR SECONDARY

The Scott & Fetzer Company, 1920 West 114th Street, Cleveland, Ohio, filed a registration statement (File 2-15720) with the SEC today seeking registration of 100,000 shares of outstanding common stock. The stock is to be offered by George H. Scott, chairman of the board of directors and president of the company, and Carl S. Fetzer, vice president and director, each of whom is selling 50,000 shares. None of the proceeds of the sale will go to the company.

McDonald & Company, Cleveland, Ohio and Kidder, Peabody & Co., New York, N. Y., are listed as the principal underwriters. The offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of household vacuum cleaners under the trade name of Kirby. It has 789,660 shares of common stock outstanding, of which Scott and Fetzer now hold 12.63% and 16.48% respectively. The sale of the stock will reduce their holdings to 6.29% and 10.14%.

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