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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FOR RELEASE December 11, 1959

DELISTMENT OF AMERICAN HAWAIIAN STEAMSHIP APPROVED. The SEC has issued an order granting an application filed by the New York Stock Exchange under the Securities Exchange Act of 1934 to strike the Capital Stock of American Hawaiian Steamship Company from listing and registration on the Exchange, effective at the close of the trading session on December 18, 1959.

The Exchange considered the said stock no longer suitable for dealing thereon because of its limited distribution consequent upon a recent company offer to purchase the stock at $105 per share. Holders of record after substantially discounting those of odd lots were estimated at about 125 as of March 19, 1959.

ONE WILLIAM STREET FUND PROPOSES PURCHASE OF MUTUAL PROPERTIES. One William Street Fund has filed an application with the SEC for an exemption order under the Investment Company Act with respect to the proposed issuance of its shares for substantially all the cash and securities of Mutual Properties Corporation; and the Commission has issued an order (Release 40-2942) giving interested persons until December 23, 1959, to request a hearing thereon. Mutual is a personal holding company with eleven stockholders. Under an agreement between Mutual and its shareholders and the William Street Fund, cash and securities of Mutual with a total value of $2,113,061 as of September 30, 1959, will be transferred to William Street Fund in exchange for shares of the latter's stock, based upon the net asset value of the Fund's shares, subject to certain adjustments. These shares will be distributed immediately by Mutual to its shareholders, who will take such shares for investment.

C.I.T. FINANCIAL PROPOSES DEBENTURE OFFERING. C.I.T. Financial Corporation, 650 Madison Ave., New York, filed a registration statement (File 2-15914) with the SEC on December 10, 1959, seeking registration of $75 million of Debentures due January 15, 1980, to be offered for public sale through an underwriting group headed by Dillon, Read & Co., Inc., Kuhn, Loeb & Co. and Lehman Brothers. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the debentures will provide additional working funds for the company and its subsidiaries, to be used initially to reduce short-term borrowings, including some incurred for the purpose of paying $50,000,000 of term debt which matures January 1, 1960, and the balance of which were incurred for the purpose of purchasing receivables in the ordinary course of business.

GREAT SOUTHWEST CORP. FILES FOR OFFERING. Great Southwest Corporation, 3417 Gillespie St., Dallas, Texas, filed a registration statement (File 2-15915) with the SEC on December 10, 1959, seeking registration of $11,500,000 of Cumulative Income Debentures due January 1, 1975, and 575,000 shares of common stock. It is proposed to offer these securities for public sale in 575,000 units, each consisting of $20 principal amount of debentures at par and one share of common stock. The offering price of the shares and units and underwriting terms are to be supplied by amendment. Glore, Forman & Co. is listed as the principal underwriter.

The company was organized on October 22, 1959, under Texas law, to acquire, by a merger which became effective December 10, 1959, two Delaware corporations organized in 1956: Great Southwest Corporation and Great Southwest South Corp. It owns or has under term lease about 5,000 acres of land located midway between Dallas and Fort Worth, and is engaged in carrying out a program for the development of the major portion of this land, the sale and lease of industrial, commercial and other sites and the operation of certain facilities on the land. A portion of the net proceeds of this financing will be applied to discharge certain indebtedness of the predecessor companies assumed in the merger, as follows: (a) $6,643,807 of 4% notes held by stockholders of the company; (b) $1,000,000 of 6% convertible debentures at par plus a $60,000 premium held by stockholders;

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(c) $659,272 of purchase-money mortgage notes; and (d) $1,500,000 of notes payable to banks. According to the prospectus, the company further intends to apply a minimum of $3,700,000 to the construction of a 75-acre recreation park. Any remaining proceeds after such construction would be used for general corporate purposes primarily in connection with the development of land held.

The prospectus further indicates that, after giving effect to the discharge of such obligations, the present stockholders of the company will hold (assuming no purchases by stockholders of the units) 1,084,004 shares of stock, representing 65% of the shares to be outstanding after sale of the units, acquired at a cost of about $4,500,000. The principal holders of the outstanding shares are Rockefeller Center, Inc., 27.48%; American Home Realty Company, Dallas, 22.54%; Wynairs Corporation, Dallas, 22.54%; and Webb & Knapp, Inc., 11.54%. Toddie L. Aynne is listed as board chairman and Angus G. Wynne, Jr., president.

POLICY HOLDERS INVESTMENT FUND FILES FOR OFFERING. Policy Holders Investment Fund, Inc., 8149 Florida St., Baton Rouge, La., filed a registration statement (File 2-15916) with the SEC on December 10, 1959, seeking registration of 2,000,000 shares of common stock. The Fund's shares may be purchased by holders of certain insurance policies issued by American Republic Life Insurance Company, Continental Republic Life Insurance Company, National American Life Insurance Company and such other insurance companies as the Fund may designate. The prospectus lists Robert E. Wilder as president and Richard O. Rush as vice president; and they own all the 22,000 outstanding shares of the Fund's stock. Distributor of the shares is Policy Holders Distribution Corporation, the stock of which is owned by the three insurance companies listed above. Rush and Wilder serve as its president and vice-president, respectively.

AMERICAN HOSPITAL SUPPLY PROPOSES STOCK OFFERING. American Hospital Supply Corporation, 2020 Ridge Ave., Evanston, Ill., today filed a registration statement (File 2-15917) with the SEC seeking registration of 200,000 shares of common stock, to be offered for public sale through an underwriting group headed by Eastman Dillon, Union Securities & Co. and Smith, Barney & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is distributor of supplies, equipment and furnishings required for the operation of hospitals, laboratories, doctors' offices and similar installations. It also distributes parenteral solutions and certain related products. There are now outstanding 2,257,194 common shares in addition to certain indebtedness, of which management officials own about 26%. Net proceeds of the sale of additional stock will be used to retire $3,550,000 of bank loans incurred for working capital; to replenish working capital aggregating about $1,000,000 for the retirement of two loans and for the acquisition of certain assets of Fisher & Burpe Limited; and to provide funds estimated at (a) $200,000 for the purchase of the stock of Hoffman Pinther Bosworth, S.A., and (b) $175,000 for the cost of construction of the Miami, Fla., regional office and warehouse. The remainder of the proceeds will be used to supplement working capital and for other corporate purposes.

CENTRAL ELECTRIC & GAS PROPOSES DEBENTURE OFFERING. Central Electric & Gas Company, 144 South 12th St., Lincoln, Nebraska, today filed a registration statement (File 2-15918) with the SEC seeking registration of $3,000,000 of Convertible Subordinated Debentures, due January 15, 1975, to be offered for public sale through an underwriting group headed by Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corporation. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Net proceeds of the sale of the debentures will be applied (1) to the extent of $1,500,000 to the repayment of bank loans in that amount incurred to replace working capital depleted by construction expenditures and the purchase of subsidiary securities; and (2) to future construction expenditures, for temporary advances to subsidiaries for construction purposes, for further investment in common stocks of subsidiaries, and for other corporate purposes. Construction expenditures of the company and its subsidiaries for the fiscal year ending September 30, 1960, are estimated at $2,300,000 (company) and $16,000,000 (consolidated).

POSTAL FRAUD ORDER NAMES CANADIAN STOCK. The SEC announced today that, upon its application, the U. S. Post Office Department has issued a foreign fraud order against Trans Nation Minerals Ltd. and A. G. Powis and Co, Ltd., of Saint John, New Brunswick, Canada, based upon evidence of false and fraudulent representations in the offer and sale of Trans Nation Minerals stock to U.S. residents.

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OPERATOR CONSOLIDATED MINES' STOCK DELISTED. In a decision announced today (Release 34-6129), the SEC ordered the withdrawal of the common stock of Operator Consolidated Mines Company ("Registrant"), of Hollywood, Calif., from listing and registration on the San Francisco Mining Exchange, for violations of the reporting and disclosure requirements of the Securities Exchange Act of 1934 by reason of its failure to file current reports, as required, and its filing of untrue and misleading reports.

According to the decision, Registrant was insolvent at December 31, 1955, its assets consisting solely of eleven unpatented mining claims which were not productive, were subject to assessment work expenses and were valued on registrant's books at $3.00. It then had outstanding 1,636,350 common shares in the hands of about 350 stockholders. An assessment of 2¢ per share was levied in May 1956, which assessment became delinquent on 152,400 shares and in September 1956 registrant sold 22,860 shares in satisfaction of such delinquency. No report of such assessment and sale was filed with the Commission. There also was a failure to report an agreement with California Uranium Mines Co. of August 1956 whereby tungsten and other properties in the process of being acquired by California Uranium were to be transferred to Registrant in exchange for 3,535,840 shares of its stock, the actual transfer of 1,360,000 of such shares, the increase in the authorized shares of Registrant's stock so as to enable it to issue the 2,175,840 balance owing to California Uranium, and the change of Registrant's stock from assessable to non-assessable stock. Clifford Gillespie was a member of a group which purchased a large block of registrant's stock in 1954 and he also participated in the formation of California Uranium in 1954 and became its president and a director. The Commission found that a current report should have been filed within ten days after the close of the month in which each of the above events occurred, disclosing, among other things, that the 1,360,000 shares were not registered under the Securities Act and the exemption from registration, if any, relied upon; that the issuance of these shares effected a change in control of Registrant to California Uranium and its controlling stockholders, including Gillespie, Bayard Weibert and M.K. Doumani; the relationship between the two companies, including Gillespie's relationship to both and the fact that Archie B. Meiklejohn was a director of both; and that properties proposed to be transferred to Registrant had been acquired the same day by California Uranium from Weibert and Doumani in exchange for shares of California Uranium stock, and that Weibert and Doumani had acquired such properties for a "nominal consideration."

Furthermore, according to the Commission's decision, a current report for the month of December 1956 filed on January 10, 1957, contained a number of false or misleading statements, including failure to disclose all the circumstances surrounding the agreement with California Uranium, and particularly Registrant's commitment to issue to California Uranium a total of 3,535,840 shares of its stock. Also misleading was the statement that the directors of Registrant deemed that certain tungsten property received was more than adequate consideration for the 1,360,000 shares issued to California Uranium valued at par ($136,000), when the only payment by California Uranium for the property was a down payment of $15,000 and Registrant was obligated to make all further payments thereunder.

Registrant on April 25, 1957, filed its 1956 annual report which included a statement that it was designed not only to supply all the information required in an annual report but also to supersede the current report for December 1956 and to supply all required information not previously filed in current reports. The Commission found that this report also was inadequate and misleading, including references to large amounts of oil "in place" beneath acreage in the Santa Maria Field in Santa Barbara County, California, in which Registrant acquired an undivided one-half lease interest, without disclosure of certain adverse information, including the fact that the production record of wells drilled in that area was sporadic and that wells had been taken off production for extended periods due to lack of market for the type of oil produced and sanding problems.

Registrant contended that withdrawal of its stock from the Exchange was not necessary and urged in support thereof, among other things, that more recent filings complied with the disclosure requirements and the company will comply with the reporting requirements in the future. Observing that the more recent reports are "deficient in several respects, particularly the inclusion in the financial statement filed with its latest annual report of a substantial overstatement of assets, thus negating its assurance of prompt and full compliance in the future," the Commission rejected such contention and ordered withdrawal of Registrant's stock from listing and registration.

(NOTE TO PRESS: Copies of foregoing also available in the SEC Los Angeles Office.)

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