

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

FOR RELEASE January 29, 1960

**CAMPBELL SOUP FILES FOR SECONDARY.** Campbell Soup Company, 375 Memorial Ave., Camden, N. J., today filed a registration statement (File 2-16062) with the SEC seeking registration of 1,000,000 outstanding shares of its capital stock, to be offered for public sale by the present holders thereof through an underwriting group headed by The First Boston Corporation. The initial public offering will be at a price related to the current market for the outstanding shares at the time of offering. Underwriting terms are to be supplied by amendment.

The company had 10,748,358 outstanding shares on December 31, 1959. An additional 341,285 may become issuable under its employee benefit plans. The 1,000,000 shares are held by the Trustees under the Will of Dr. John T. Dorrance in two of the trusts under that Will. From one trust in which the Trustees hold an aggregate of 1,451,608 shares, 900,000 shares are to be sold; and from the other trust, of which John T. Dorrance, Jr., is the incoming beneficiary and in which the Trustees hold an aggregate of 2,903,216 shares, 100,000 shares are being sold. An aggregate of 4,354,825 shares are held by the Trustees in the remaining trusts. The income beneficiaries and remaindermen of all the trusts under the Will are descendants of Dr. Dorrance. Sale of the 1,000,000 shares will reduce the holdings of the Trustees under the Will from 8,709,649 shares (81%) to 7,709,649 (72%).

**MACCO CORP. PROPOSES STOCK OFFERING.** Macco Corporation, 14409 South Paramount Blvd., Paramount, Calif., filed a registration statement (File 2-16063) with the SEC on January 28, 1960, seeking registration of 200,000 shares of common stock, to be offered for public sale through an underwriting group headed by Kidder, Peabody & Co. and Mitchum, Jones & Templeton. The public offering price and underwriting terms are to be supplied by amendment.

Macco is in the construction and general contracting business. It now has outstanding 972,490 shares of common stock and some \$10,600,000 of indebtedness. Net proceeds of the sale of additional stock will be used in its residential real estate operations, including repayment of indebtedness incurred in connection with the company's real estate operations, acquisition of additional land suitable for residential development, development of land now owned or to be acquired, and advances to real estate joint ventures in which the company is a participant.

The company's prospectus lists John MacLeod as president and John M. Sawyer as vice president and general manager. Management officials own 9.6% of the outstanding stock. However, 47% of the outstanding stock is owned by Highland Corporation, whose outstanding stock is owned by members of the family of John MacLeod.

**WHITMOYER LABORATORIES FILES FINANCING PROPOSAL.** Whitmoyer Laboratories, Inc., Myerstown, Pa., filed a registration statement (File 2-16064) with the SEC on January 28, 1960, seeking registration of \$500,000 of 6% Subordinated Debentures, due 1977, and 85,000 shares of common stock, together with warrants for the purchase of an additional 10,000 common shares, at \$5 per share, to be issued to purchasers of the debentures.

The debentures are to be offered for sale at 100% of principal amount and the 85,000 common shares at \$6 per share. The underwriting commission is to be 60¢ per common share and \$50 per \$1,000 debenture. The underwriting group, headed by Hallowell, Sulzberger, Jenks, Kirkland & Co., will make the offering on an all or none basis.

The company is engaged in the development and manufacture of poultry and animal health products. It now has outstanding 288,288 common shares and \$390,850 of debentures. Of the net proceeds of the present financing, \$400,000 will be applied to the payment of bank indebtedness, \$50,000 for equipment and \$100,000 for sales promotion, and the balance for general corporate purposes. The company's prospectus lists C. W. Whitmoyer as president and owner of 184,720 shares (64.08%) of the outstanding stock.

**FINANCING BY DELAWARE POWER SUBSIDIARIES CLEARED.** The SEC has issued orders under the Holding Company Act (Release 35-14149 and 35-14150) extending through December 31, 1960, the period within which Delaware Power & Light Company, of Wilmington, Del., may purchase additional stock and promissory notes of its subsidiaries, The Eastern Shore Public Service Company of Maryland and Eastern Shore Public Service Company of Virginia, namely, \$1,000,000 of stock and \$1,000,000 of notes of the Maryland company and

OVER

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

\$500,000 of stock and \$500,000 of notes of the Virginia company. The funds are to be used by the subsidiaries for construction.

**DELAWARE POWER PROPOSES STOCK SPLIT.** Delaware Power & Light Company has filed a proposal with the SEC under the Holding Company Act for a two-for-one stock split; and the Commission has issued an order (Release 35-14151) giving interested persons until February 12, 1960, to request a hearing thereon. As a result of the reclassification, Delaware Power's 2,092,680 outstanding shares of \$13.50 per common will be changed into 4,185,360 shares of \$6.75 per common.

**MILE HIGH HOCKEY OFFERING SUSPENDED.** The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public stock offering by Mile High Hockey, Inc., of 222 Majestic Building, Denver.

Regulation A provides a conditional exemption from Securities Act registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed August 6, 1959, Mile High Hockey, Inc., proposed the public offering of 220,000 common shares at \$1 per share pursuant to such exemption. The Commission's suspension order asserts that the notification and accompanying offering circular contain false and misleading statements of material facts and/or omit to disclose certain material facts and that use of such offering circular in the offering and sale of stock would operate a fraud and deceit upon the purchasers. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

The company was organized in August 1958 under Colorado law for the purpose of engaging in the business of developing and promoting ice hockey. According to the offering circular, it has been granted a franchise from the International Hockey League to organize an ice hockey team, proposed to have its program ready for the 1959-60 hockey season, and planned to lease the coliseum building in Denver for the purposes of playing hockey. The offering circular also names Eugene E. Clift as president, Palmer L. Burch as board chairman, and Charles D. Byrne as vice president (all of Denver).

According to the Commission's order, the company's notification and offering circular fail to reflect substantial changes in the financial condition of the company as set forth in the offering circular; fail to reflect changes in the officers and directors of the company and in the stock holdings of individual officers and directors; fail to reflect the fact that the underwriting agreement (with Copley and Company) has been terminated; and fail to reflect a change in the business address of the company.

**SECURITIES VIOLATIONS CHARGED TO SIMS ORGAN & CO.** The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of N. Sims Organ & Co., Inc., 460 E. Park St., Long Beach, L. I., New York, should be revoked.

Following the filing of Organ & Co.'s application for registration on October 19, 1959, the Commission instituted a proceeding on the question whether the application should be denied and whether its effective date should be postponed until final determination upon the question of denial. However, registration became effective on December 21, 1959, by lapse of time; and the proceedings on the question of denial have been dismissed as moot.

As previously indicated in connection with the prior proceeding, the Commission asserts in the new order that information developed in an investigation conducted by its staff tends if true to show that during the period February to November 1958 while employed as a salesman for another firm (J. H. Lederer Co., Inc.) N. Sims Organ, president, treasurer, a director and owner of 10% or more of the outstanding stock of Organ & Co., induced certain persons to purchase common stock of Continental Mining Exploration Ltd. by means of false and misleading statements of material facts with respect to dividends to be paid by Continental, the prospective earnings of Continental and the future market price of its stock, and the length of time Lederer has been doing business as a broker-dealer. This course of conduct, the Commission charged, operated as a fraud and deceit upon the said purchasers.

A hearing will be held for the purpose of taking evidence on the foregoing at a time and place to be announced later.

**UNIVERSAL SECURITIES SUSPENSION BECOMES PERMANENT.** The SEC has granted a request of Universal Securities, Inc., Bismarck, N. Dak., for withdrawal of its petition for a hearing upon the question whether to vacate or make permanent the August 19, 1958, order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of stock. Accordingly, the suspension order becomes permanent.

In a notification filed July 22, 1958, Universal Securities proposed the public offering, pursuant to a Regulation A exemption, of 20,000 shares of Class A common at \$7.50 per share and 1,500 shares of preferred stock at \$100 per share. The Commission's suspension order asserted that certain of the terms and conditions of Regulation A had not been complied with and that the company's offering circular was false and misleading in respect of certain material facts.

**WASSERMAN-FIRST SECURITIES REGISTRATION POSTPONED.** Pursuant to the consent of Frank L. Wasserman, doing business as First Securities Company, 1 State Street, Boston, the SEC has ordered that the effective date of Wasserman's application for broker-dealer registration be postponed pending further hearing and

CONTINUED

and ultimate Commission decision on the question whether said application should be denied. The hearing on the question of denial, and upon the question whether the separate broker-dealer registration of First Securities Company (of which Wasserman is a partner) should be revoked, has been postponed until further order of the Commission.

UNLISTED TRADING SOUGHT BY DETROIT EXCHANGE. The SEC has issued orders (Release 34-6172) giving interested persons until February 10, 1960, to request a hearing upon applications of the Detroit Stock Exchange for unlisted trading privileges in the common stocks of Aluminium, Ltd., Foremost Dairies, General Dynamics, General Telephone and Electronics, Georgia-Pacific Corp., Lear, Inc., Libbey-Owens-Ford Glass, Reichold Chemicals, Texas Gulf Sulphur and Textron, Inc.

UNLISTED TRADING GRANTED PHILADELPHIA EXCHANGE. The SEC has issued orders granting applications of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in the American Shares of Electric & Musical Industries, Ltd., and the common stocks of Aerojet-General Corp., American Marc, General Development Corporation and E. J. Korvette, Inc.

EMERALD COAL SEEKS REPORTING EXEMPTION. The SEC has issued an order under the Securities Exchange Act of 1934 giving interested persons until February 12, 1960, to request a hearing upon an application of Emerald Coal and Coke Company, of Pittsburgh, for exemption from the reporting requirements of that Act.

In connection with a public offering of stock in 1941 pursuant to a registration statement under the Securities Act of 1933, Emerald Coal undertook to file annual and other periodic reports to keep current the information contained in said statement. According to the present application, the company now has outstanding \$3,935,000 of bonds and 178,454 shares of stock, all of which are held by not more than fifty record owners. If the requested exemption is granted, the company undertakes to continue its present practice of sending stockholders after the close of each year a consolidated balance sheet and a consolidated statement of income and retained earnings.

WELLS INDUSTRIES PROPOSES STOCK OFFERING. Wells Industries Corporation, 6505 Wilshire Blvd., Los Angeles, today filed a registration statement (File 2-16065) with the SEC seeking registration of 300,000 shares of common stock and warrants for the purchase of one-third share for each share sold (or an additional 100,000 shares). The stock (with warrants) is to be offered for public sale through an underwriting group headed by A. T. Brod & Co. The public offering price and underwriting terms are to be supplied by amendment. The initial exercise price of the warrants is to be \$6 per full share.

The company is engaged primarily in the manufacture and sale of: (1) ground handling and support equipment for aircraft and missiles, consisting, in the main, of mechanical, pneumatic and hydraulic apparatus; (2) electronic components and systems including a varied line of potentiometers, photo electronic controls and systems; (3) recreational equipment consisting principally of swimming pool and playground accessory items. It now has outstanding 742,256 common shares, a \$200,876 Small Business Administration loan, and certain other indebtedness. With part of the net proceeds of the stock sale the company proposes to retire the SBA loan and a \$150,000 bank loan. An additional \$100,000 is to be used for construction and extension of present facilities, \$50,000 for laboratory and test equipment, \$150,000 of machine tools and other equipment, \$250,000 for engineering and developments costs, and the balance for working capital.

According to the prospectus, three management officials own 35% of the outstanding stock, as follows: Clarence W. Wells, Sr., board chairman, 87,451 shares; Robert A. Gageby, president, 83,909, and W. Murlyn McCall, executive vice-president, 90,232.

IMPERIAL INVESTMENT CORP. PROPOSES BOND OFFERING. Imperial Investment Corporation Ltd., 1030 West Georgia St., Vancouver, B. C., Canada, today filed a registration statement (File 2-16067) with the SEC seeking registration of \$15,000,000 of Twenty Year Collateral Trust Bonds, to be offered for public sale through an underwriting group headed by Eastman Dillon, Union Securities & Co. and Nesbitt, Thomson and Company, Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The principal business of the company is the financing in Canada of the sale at retail and wholesale of new and used motor vehicles. It also finances at retail and wholesale the sale of household appliances, commercial equipment and machinery, and other merchandise. Net proceeds of the sale of the bonds are to be placed in the company's general funds. It is intended to use funds substantially equivalent to such net proceeds to reduce outstanding short term secured borrowings which were incurred to provide funds to be used for its business and to increase the general working funds of the company.

WALNUT GROVE PRODUCTS CO. FILES FINANCING PROPOSAL. Walnut Grove Products Company, Inc., Atlantic, Iowa, today filed a registration statement (File 2-16066) with the SEC seeking registration of \$3,000,000 of 15-year 6½% Sinking Fund Debentures (with warrants to purchase 50 shares of Class A common stock for each \$1,000 debenture), together with 300,000 shares of Class A common. The debentures (with warrants) and common shares are to be offered for public sale through an underwriting group headed by Cruttenden, Podesta & Co. and The First Trust Company of Lincoln, Neb. The public offering prices of the securities and underwriting terms are to be supplied by amendment.

OVER

The company is engaged primarily in the formulation, manufacture, distribution and sale of a complete line of livestock feed supplements, minerals and pre-mixes. It now has outstanding 298,370 shares of Class A common, 1,790,220 shares of Class B common, preferred stock and indebtedness. Net proceeds of the sale of the additional Class A common and the debentures will be used to repay bank borrowings of \$4,500,000 and to replenish working capital which borrowings and working capital were used to purchase 1,342,848 shares of Class B common stock of Watson Bros. Transportation Co., Inc., and 5,000 shares of the common stock of Imperial Casualty and Indemnity Company, a subsidiary of Watson Bros.

The company's prospectus lists E. A. Kelloway as board chairman and owner of 11.77% of the Class A and Class B shares outstanding. The W. E. Kelloway Trust owns 19.84% of each class of stock; and all officers and directors as a group own 33.44% of each class.

GERSTEN & CO. ENJOINED. The SEC San Francisco Regional Office announced January 26, 1960, that an order of permanent injunction (USDC, Los Angeles) had been issued enjoining Harold Gersten, dba H. Gersten & Co., of Los Angeles, from further violations of the Commission's record-keeping rules. Gersten consented to the injunction. (Lit. Release 1568)

COURT TEMPORARILY RESTRAINS PINSKER & CO. The SEC New York Regional Office announced January 28, 1960 (Lit. Release 1569) that N. Pinsker & Co., Inc., of New York has been temporarily restrained by court order (USDC, SDNY) from violating the anti-fraud provisions of the Securities Exchange Act in connection with transactions in Oreclone Concentrating stock. The company consented to entry of the order.

---000000---