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 May 2, 1960

Statistical Release No. 1676. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended April 29, 1960, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1960, is as follows:

	1939 = 100		Percent	1960	
	4/29/60	4/22/60	Change	High	Low
Composite	388.8*	396.6	-2.0	432.5	388.8
Manufacturing	464.5*	475.2	-2.3	538.9	464.5
Durable Goods	446.5*	456.7	-2.2	521.6	446.5
Non-Durable Goods	472.1*	482.9	-2.2	544.4	472.1
Transportation	287.1*	290.2	-1.1	329.3	287.1
Utility	229.7	232.3	-1.1	237.6	216.1
Trade, Finance & Service	426.3	434.8	-2.0	446.5	414.7
Mining	250.8*	257.2	-2.5	299.7	250.8

*New Low

SECURITIES ACT REGISTRATION STATEMENTS. During the six business days ended April 29, 1960, 45 statements were filed, 61 became effective, four were withdrawn, and 380 were pending at the week end.

TWO OFFERINGS SUSPENDED. The SEC has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public stock offerings by the following:

(a) Aluminum Top Shingle Corporation, Beaverton, Oregon
(b) Vernier Missile Systems, Inc., Rancho Cordova, California

Regulation A provides a conditional exemption from registration for public offerings of securities not exceeding $300,000 in amount. In notifications filed with the Commission in June 1958 and November, 1959, respectively, Aluminum Top proposed the public offering of 150,000 common shares at $1 per share and Vernier Missile the offering of 15,000 common shares at $10 per share pursuant to such an exemption. In its suspension orders, the Commission asserts that the offering circular of each company is false and misleading in respect of certain material facts and that its stock offering is being or would be made in violation of Section 17 (the anti-fraud provision) of the Securities Act. The order with respect to Aluminum Top also asserts that certain terms and conditions of Regulation A were not complied with by said company and that the company used certain additional sales literature which also was false and misleading. Each order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

With respect to Aluminum Top, the Commission charges that its offering circular contains inaccurate and unreliable financial statements, is false and misleading in reference to the status of the company's pending patents, and fails to disclose excessive costs of selling the shares and includes inaccurate amountsfor such costs; and that statements in its selling literature that the issuer has definitely "gone into the black" for 1959, that it has had a large percentage increase in sales, and that it has indisputably the best aluminum shingle on the market are also false and misleading.

In its order with respect to Vernier Missile, the Commission charges that its offering circular contains misrepresentations with respect to the company's business relationship with the U. S. Government and the U. S. Air Force, the status of the company's development program and the reliability, productibility and versatility of its proposed rocket design, the company's negotiation and performance of contracts, and the excess of current liabilities over current assets.

JUDSON COMMERCIAL, AUSTIN ASSOCIATES ENJOINED. The SEC New York Regional Office announced April 27th (Lit. Release 1666) the entry of a Federal court order (USDC, SDNY) permanently enjoining Morton Carlin, Judson Commercial Corp., Austin Associates, Inc., and Joseph Wolff from further violating the registration and anti-fraud provisions of the Securities Act in the sale of stock of Trans-United Industries, Inc., and of Herold Radio & Electronics Corp.

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SEC FILES SUBPOENA ENFORCEMENT ACTION. The SEC announced April 27th (Lit. Release 1667) the filing of Federal court action (USDC, Newark, N. J.) seeking to enforce compliance by James G. Sorce, Jr., and Nick Scafuri with subpoenas issued by the Commission in connection with its investigation of possible violations of the Securities Act registration and anti-fraud provisions by First Capitol Savings and Loan Association, Inc., by said Association and Sorce.

SPALDING & BROS. PROPOSES STOCK OFFERING. A. G. Spalding & Bros. Inc., Chicopee, Mass., today filed a registration statement (File 2-16525) with the SEC seeking registration of 85,484 shares of common stock. The shares are to be offered for subscription at $20 per share by common stockholders of record June 7, 1960, at the rate of one new share for each ten shares then held. The Pyramid Rubber Company, the largest individual stockholder, owning 178,978 shares, has agreed to purchase at the offering price within five days after the expiration of the subscription offer (June 24, 1960), all of the stock not sold to the company's stockholders. Pyramid Rubber may within thirty days thereafter resell for investment at the offering price some of the stock it shall acquire to other persons (not exceeding fifteen) who may be stockholders, officers or directors of the company.

Spalding now has outstanding 824,897 common shares and certain indebtedness. In addition to the 21.58% holdings of Pyramid Rubber, Dunhill International, Inc., owns 169,698 shares, or 19.85%. Edwin L. Parker is listed as president.

HERMES ELECTRONICS SHARES IN REGISTRATION. Hermes Electronics Co., 75 Cambridge Parkway, Cambridge, Mass. filed a registration statement (File 2-16526) with the SEC on April 29, 1960, seeking registration of 751,924 shares of common stock. Of these shares 642,854 shares are outstanding and may be sold by the holders thereof from time to time in the over-the-counter market at the then-existing current market prices. 54,258 shares of the stock will be offered pursuant to options outstanding or to be granted to employees. The remaining 54,812 shares will be offered to holders of the company's outstanding convertible preferred pursuant to their conversion rights.

According to the prospectus, the company was formed by a group of physicists and engineers in conjunction with Hycon Mfg. Company of Pasadena, Calif. In December, 1958, Hycon sold its majority common stock interest in the company (340,000 shares) to a group of private investors, which included, among others, all of the company's executive officers. The Western Union Telegraph Company, certain of the partners of Kuhn, Loeb & Co. and others purchased 290,000 of these shares.

The company has outstanding, in addition to certain indebtedness, 3,343 shares of convertible preferred stock and 999,408 shares of common stock. The names of the selling stockholders will be supplied by amendment.

ILLINOIS BEEF FILES FOR SECONDARY. Illinois Beef, L. & W. S., Inc., 200 South Craig St., Pittsburgh, Pa., filed a registration statement (File 2-16527) with the SEC on April 29, 1960, seeking registration of 200,000 shares of outstanding common stock, to be offered for public sale at $10 per share by the holders thereof. The offering is to be made on a best efforts, all or nothing basis, through an underwriting group headed by Amos Treat & Co., Inc., and Bruno Lenchner, Inc., for which a commission of $1 per share will be paid. In addition the company will sell to the underwriters at one mil per warrant, warrants for the purchase of 20,000 shares of Class A common stock. The warrants will entitle the holders to purchase the stock at $10 per share at any time within a five year period.

The company is principally engaged in the distribution of boneless meat used as a basic material in the manufacture of meat products. This involves the importing and distribution of foreign frozen meat, the distribution of domestic fresh, chilled and frozen meat, and the buying, selling and exporting of domestic variety meats. It succeeded to the assets and businesses of companies organized by Harry Gurrentz, president and one of the selling stockholders.

The capitalization of the company consists of 200,000 shares of Class A common stock and 700,000 shares of Class B common stock. The selling stockholders include Gurrentz, who will sell all of his holdings of 168,108 shares of Class A stock, and Fay Gurrentz, his wife, who will sell all of her holdings of 31,892 shares of Class A stock. They will continue to hold 288,234 (41%) and 54,491 (7.8%) shares of Class B stock, respectively. The Class B stock is convertible share for share into Class A stock under specified terms.

AMERICAN MORTGAGE INVESTMENT PROPOSES OFFERING. American Mortgage Investment Corporation, 210 Center St., Little Rock, Ark., filed a registration statement (File 2-16528) with the SEC on April 29, 1960, seeking registration of $1,800,000 of 4% 20-Year Collateral Trust Bonds and 1,566,000 shares of Class A non-voting common stock. It is proposed to offer these securities for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock, the units to be offered at $1,800 per unit. The offering is to be made by Amico, Inc., on a best efforts basis, for which a $150 per unit selling commission is to be paid. Amico is controlled (70%) by Arthur F. Mueller, company president.

The company was organized in September 1957 by Mueller and others and is engaged in the mortgage brokerage business. Net proceeds of this offering will be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition.

According to the prospectus, the company now has outstanding 107,000 shares of voting common stock, 70,647 shares of Class A non voting stock, and sundry indebtedness. Officers and directors own 53% of the

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outstanding voting stock. Amico, the underwriter, has subscribed to 1,165,500 shares of the Class A nonvoting and the remaining 143,000 shares of voting common. The prospectus states: "The subscription to Class A, Non-Voting Common Stock was on October 28, 1959, at which time such stock was being offered to the public in Arkansas at the par value of $1 per share; the subscription price was $1 per share, payable $6,475.00 per month for 180 months in accordance with the terms of the Founder's Certificates then being offered; this class of stock is offered herein at $1.15 per share. The subscription to the shares of Voting Common Stock remaining unissued was on September 10, 1957, at which time such stock was being prepared for offering to the public in Arkansas at the par value of $1 per share; the subscription price was $1 per share, payable as amended $23,000.00 on January 19, 1961, and $30,000.00 per year thereafter; shares of this class of stock recently have been sold for $1.50 per share. Upon complete payment of the subscription to 143,000 shares of Voting Common Stock, Amico, Inc. will own 57.2% of such stock then outstanding.

MONSANTO CHEMICAL FILES STOCK PLAN. Monsanto Chemical Company, St. Louis, filed a registration statement (File 2-16529) with the SEC on April 29, 1960, seeking registration of 450,000 shares of common stock, to be issued pursuant to the company's Second Employes' Stock Plan.

MAJESTIC UTILITIES FILES FINANCING PROPOSAL. Majestic Utilities Corporation, 1111 Stout St., Denver, filed a registration statement (File 2-16530) with the SEC on April 29, 1960, seeking registration of $300,000 of 6% convertible ten-year debentures, $250 face value, 30,000 shares of common stock, and options for the purchase of an additional 30,000 shares. It is proposed to offer these securities for public sale in units (1200), each consisting of $250 face value of debentures, 25 shares of common stock, and options to purchase an additional 25 common shares, the units to be offered at $350 per unit. The offering is to be made on a best efforts basis by Purvis & Company, for which a $43.75 per unit selling commission is to be paid. The underwriter also has received four-year warrants for the purchase of 21,000 shares at prices ranging from $5 to $7 per share.

Organized in 1956 by Philip D. Winn, president, and Alfred H. Harris, vice president, the company is engaged in the sale of merchandise at retail by calling on customers at their homes, including cookware, dinnerware, clothing, blankets and watches. Net proceeds of this financing, estimated at $336,000, will be applied in part to the payment of a $250,310 bank loan. The balance will be added to working capital and used for general corporate purposes.

The company now has outstanding 46,636 common shares, of which the principal stockholders acquired 45,000 at $1 per share in 1956 and received 655 as a bonus. Winn and Harris each owns 22,500 shares.

LEHIGH VALLEY INDUSTRIES WARRANTS AND STOCK IN REGISTRATION. Lehigh Valley Industries, Inc., 90 West Street, New York, filed a registration statement (File 2-16532) with the SEC on April 28, 1960, seeking registration of 1,429,514 common stock warrants, and a like number of common shares issuable on exercise of such warrants at an initial exercise price of $4 per share. The said warrants are to be issued under an agreement of merger between Lehigh and Lehval Industries, Inc., to holders of the present preferred stock and common stock of Lehigh.

Lehigh now owns 99.7% of the stock of Lehval. The merger is to be consummated in May 1960; and each share of Lehval outstanding at the date of merger (other than the 195,365.5 shares owned by Lehigh) will be converted into one share of $1.50 cumulative convertible preferred stock, Series A, of Lehigh. The New England Industries, Inc., of New York, owns 100,550 shares of Series A preferred (37%) and 1,331,200 shares of common (29%) of outstanding Lehigh stock.

The registration statement also includes 1,767,911 shares of Lehigh common which may be issued from time to time in the acquisition of additional properties including stock of other companies.

ITEMCO PROPOSES OFFERING. Itemco, Inc., 18 Beechwood Ave., Port Washington, New York, filed a registration statement (File 2-16533) with the SEC on April 29, 1960, seeking registration of 200,000 shares of common stock, to be offered for public sale at $2.50 per share through an underwriting group headed by Morris Cohon & Company and Schrijver & Co. The underwriters have made a firm commitment to purchase 60,000 shares; and 140,000 shares are to be offered on a best efforts "all or nothing" basis. The commission will be $.3125 per share.

The company was organized under New York law in June 1958 and is engaged in the manufacture of environmental test equipment which reproduces the temperature, humidity and pressure extremes found on or near the earth's surface, in the stratosphere, and in the space beyond. The company now has outstanding 102,381 common shares and various indebtedness; and its current financial condition is said to be hazardous and the company urgently requires additional working capital. An additional 115,514 common shares are being issued in connection with the acquisition of Interlab, Inc., which was organized in May 1959 to engage in the business of environmental testing of components for industry and the Government.

Of the net proceeds of the cash sale of additional stock, $60,000 will be used for the repayment of certain current indebtedness including trade payables and $50,000 for repayment of certain current indebtedness guaranteed by company officials and stockholders. If the 140,000 shares are sold, the proceeds will be used for instrumentation and automation of laboratory equipment ($50,000), expansion of existing manufacturing facilities and the acquisition or establishment of additional facilities ($50,000); repayment of certain indebtedness owed to or guaranteed by certain directors and stockholders ($57,792); and the balance for working capital.

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Of the outstanding shares, Frances J. Deeb, secretary-treasurer owns 13,000 shares and management officials as a group 23,416 shares.

ESPEY MFG. FILES FOR OFFERING. Espey Mfg. & Electronics Corp., Saratoga Springs, N. Y., filed a registration statement (File 2-16534) with the SEC on April 29, 1960, seeking registration of 80,000 shares of common stock, to be offered for public sale through a group of underwriters headed by Sutro Bros. & Co. The public offering price and underwriting terms are to be supplied by amendment. The company has agreed to sell the underwriters, for 5¢ per warrant, five-year warrants for the purchase of 22,500 common shares and the initial offering price of the 80,000 shares; and on April 21, 1960, the company sold to Sutro Bros. its 5% convertible note, due 1965, in the amount of $87,500, which is convertible into common stock at the rate of 1,000 shares for each $7,000 principal amount thereof.

Organized in 1928, the company changed its name from Espey Manufacturing Company, Inc., to its present name on April 6, 1960. It designs and manufactures electronic components and electromechanical devices, its major products being specialized electronic power supplies and various types of transformers and other iron-core components used in missiles, computers, radar, sonar, and other equipment. The company now has outstanding 155,721 common shares in addition to certain indebtedness. Of the net proceeds of the sale of additional stock, some $450,000 is to be used for the estimated pre-production costs for its proposed semiconductor operations. The company also intends to repay a $200,000 bank loan and to discharge $25,200 of 6% debentures, plus $9,000 of interest, which are held by Sol Pinsley, a company officer. The balance of the proceeds will be added to working capital available for production of present products.

The prospectus lists Nathan Pinsley as president. He owns 106,342 shares (68.2%) of the outstanding stock and Sol Pinsley, vice president, 23,825 shares.

REPUBLIC AMBASSADOR ASSOCIATES PROPOSES OFFERING. Republic Ambassador Associates, 111 West Monroe St., Chicago, filed a registration statement (File 2-16535) with the SEC on April 29, 1960, seeking registration of $10,000,000 of Limited Partnership Interests, to be offered in units of $10,000. The offering is to be made on a best efforts basis by Lee Higginson Corporation, whose selling commission will be supplied by amendment.

Associates is a limited partnership consisting of Richard D. Gittlin and A. A. Rosen, as general partners, and Frederick H. Schroeder, as a limited partner. Schroeder is an officer of the underwriter and is serving as limited partner as the nominee of the underwriter. Associates by an agreement with 91143 Corporation, the seller, has contracted to purchase the Hotels Ambassador East and West and the Hotel Sherman, all located in Chicago, and certain other assets. The seller is a wholly-owned subsidiary of Webb & Knapp, Inc. The aggregate purchase price of the hotels and other properties is $17,609,129.91, part of the purchase price being represented by the assumption of existing mortgage indebtedness in the amount of $8,281,372, part by delivery to the seller of a Webb & Knapp note of $1,827,750 with accrued interest of $100,526, and the balance of $7,399,481.20 in cash.

According to the prospectus, Associates does not intend to operate the properties. It is expected that the properties will be acquired subject to a long-term net lease to a Webb & Knapp subsidiary. The lease will grant the tenant an option to purchase the properties, subject to any then existing mortgages, for $15,000,000 in cash at the end of the fifth year of the lease.

CANADIAN RESTRICTED LIST. The SEC has added the stocks of the following Canadian companies to its Canadian Restricted List: Atlantis Industrial Development Limited, Dumont Nickel Corporation, and Northport Mineral Explorers Limited. The list now includes 255 companies whose securities the Commission has reason to believe are being distributed in the United States in violation of the Securities Act registration requirement, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

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