SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

.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 31, 1960

Statistical Release No. 1713. The SEC today announced that it has revised its indexes of weekly closing prices of common stocks on the New York Stock Exchange. Two major revisions have been made -- first, the base period has been changed to the years 1957-1959 from the former base year of 1939 and secondly, the coverage has been expanded to include 32 industry classifications and 300 stocks, in place of 29 groups covering 265 issues. The new base period was adopted to comply with the recommendation of the Office of Statistical Standards of the Bureau of the Budget that all government indexes be compiled on a uniform base period and that the more recent reference base of 1957-1959 be used, wherever feasible.

In the SEC Index, stocks are grouped according to the Budget Bureau's Standard Industrial Classification which is generally used for U. S. Government statistical series. The stock price index is published each Monday in connection with the regular weekly report on trading by members of the New York and American Stock Exchanges. It also appears in the Commission's monthly Statistical Bulletin, in the monthly Federal Reserve Bulletin and in Economic Indicators, issued by the Joint Economic Committee of the U. S. Congress.

In order to represent stocks of certain industries which have become more active in recent years, five new industry groups have been added to the revised stock price index -- namely, Office Machines, Scientific Instruments, Other Chemicals (other than industrial chemicals and drugs), Rubber Product and Other Finance & Service (other than investment companies and motion pictures). The Railroad Equipment and Household Machinery indexes have been discontinued. In addition, several substitutions and additions have been made in the component issues of other groups in order to include more active and representative issues. The major industry groupings are the same in the revised series as formerly. These are: Manufacturing (further divided into Durable Goods Manufacture and Non-Durable Goods Manufacture); Transportation; Utility; Trade, Finance and Service; and Mining.

The new and old indexes for these categories and for the Composite for the week ended October 28, 1960 appear below.

	Revised Index (1957-59 = 100)		Old Index (1939 = 100)	
	Index 10/28/60	% Change from previous week	Index 10/28/60	% Change from previous week
Composite	107.8	⁄0.1	380.4	⁄0.1
Manufacturing	103.6	0.0	447.0	0.0
Durable goods	107.7	0.0	412.1	-0.4
Non-durable goods	100.0	⁄0.2	469.9	⁄0.3
Transportation	87.1	-0.3	264.2	-0.3
Utility	128.9	⁄0.3	237.7	⁄0.3
Trade, Finance & Service	122.1	0.0	422.2	⁄0.2
Mining	70.9	⁄0.3	260.8	⁄0.8

A pamphlet containing the list of stocks included in the index, a description of the method of computation, and weekly and monthly indexes on the revised basis from 1939 to date will be available in the near future from the Securities and Exchange Commission, Washington 25, D. C.

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended October 27, 1960, 42 registration statements were filed, 31 became effective, one was suspended by stop order and one was withdrawn, and 354 were pending at the week end.

VIOLATIONS CHARGED TO SHERWOOD & CO. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Sherwood and Company, 650 El Camino Real, Redwood City, Calif., engaged in practices "which would and did operate as a fraud and deceit" upon certain of its customers and, if so, whether its registration as a broker-dealer should be revoked.

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The "Respondent" company is a partnership composed of Cliff Raimond Sherwood and Aimee Kesterson Dougherty; and it has been registered with the Commission as a broker-dealer since February 1956. In its order, the Commission asserts that information developed in an investigation conducted by its staff tends if true to show that Respondent, aided and abetted by Sherwood, (a) induced certain customers to purchase securities and received payment for such securities from the customers, but failed to effect the purchase or delivery of such securities to the customers and converted the monies received to the use and benefit of Respondent and Sherwood; and (b) induced certain customers to sell and deliver securities to Respondent, but failed to make payment to the customers for the securities and converted such securities to the use and benefit of Respondent and Sherwood.

Moreover, according to the order, Respondent and Sherwood are permanently enjoined by a Federal court order of June 3, 1958, from engaging in certain conduct and practices in connection with the sale of securities. The order further alleges that Respondent engaged in the conduct of a securities business in violation of the Commission's net capital rule during the first five months of 1958; refused in March and April 1958 to make its books and records available for Commission inspection; failed to file required reports of financial condition for the years 1957, 1958 and 1959; and failed during the period January 1957 through May 1958 to make and keep current the books and records related to its business as required by Commission rules.

A hearing will be held for the purpose of taking evidence with respect to the foregoing, at a time and place later to be announced. (NOTE TO PRESS. Copies of foregoing also available in SEC San Francisco Office)

FIVE INVESTMENT COMPANIES EXEMPTED. The SEC has issued orders declaring that the following companies have ceased to be investment companies within the meaning of the Investment Company Act: (1) The Bond Fund of Boston Inc., of Boston (Release 40-3130); (2) Howe Plan Fund, Inc., of Rochester N. Y. (Release 40-3131);(3)Long Island Securities Corporation of Hempstead, N. Y. (Release 40-3132); (4) Massachusetts Investors Growth Stock Fund, Inc., of Boston (Release 40-3133); and (5) Wasatch Corporation, of New York City (Release 40-3134).

BOWL-MOR CO. PROPOSES OFFERING. Bowl-Mor Company, Inc., Newtown Rd., Littleton, Mass., filed a registration statement (File 2-17251) with the SEC on October 28, 1960, seeking registration of $2,000,000 of 6% Convertible Subordinated Debentures due 1975, to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis and Granbery, Marache & Co. The offering price and underwriting terms are to be supplied by amendment.

Organized in 1954, the company initially manufactured and distributed a pin-setting machine used for candlepins, the "small ball" bowling game. It also manufactures and distributes machines used for duck pin and rubber-band duck pin bowling, which are also "small ball" bowling games. More recently the company has been in the process of developing machines to be used for tenpin ("large ball") bowling, the bowling game played in most sections of the United States, and for ninepin bowling, a game played in European countries. Net proceeds of the sale of the debentures and of the sale in December of 78,955 additional common shares will be used for working capital, including the financing in part of the company's conditional sales and leases of its pin-setting machines, to pay certain costs involved in entering the tenpin field and to pay the costs of entering the ninepin field, and the development of a foreign market for all the company's products. It is estimated that the engineering, development and initial marketing of the company's tenpin machine will cost about $1,500,000, of which about $500,000 has already been spent or committed.

In addition to certain indebtedness and 160,757 shares of $1 par preferred, the company has outstanding 789,553 shares of common stock, of which 29.9% is owned by R. Lionel Barrows, vice-chairman of the board, and 29.2% by Howard M. Dowd, chairman of the executive committee. Management officials as a group own 71% of the outstanding common stock.

UNITED STATES SHELL HOMES FILES FOR OFFERING. United States Shell Homes, Inc., 4415 Beach Boulevard, Jacksonville, Fla., filed a registration statement (File 2-17252) with the SEC on October 28, 1960, seeking registration of $2,500,000 of 8% capital debentures due December 15, 1975 (with attached warrants to purchase 50,000 shares of common stock), and 100,000 shares of common stock. These securities are to be offered for public sale only in units consisting of $100 principal amount of debentures (with attached warrant to purchase 2 shares of common stock) and 4 shares of common stock. Hayden, Stone & Co. is listed as the principal underwriter. The public offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the sale, construction and financing of "shell"homes. Such homes generally are constructed of wood with the outside completely finished with doors, windows, screens and painting and the inside unfinished except for floors, ceiling joists, partition studding, and closet framing. They are subsequently completed by the customer, without assistance from the company, generally on a "do-it-yourself" basis. According to the prospectus, approximately 90% of the company's sales are credit sales and are financed through its wholly owned subsidiary, Dixie Acceptance Corporation. Of the net proceeds from the sale of securities, $825,000 will be advanced to Dixie Acceptance to retire outstanding loans, the proceeds of which were and are being used in the purchase of secured installment obligations, and $1,675,000 will be advanced to Dixie Acceptance to purchase additional such obligations. Of the balance, $62,500 will be used to purchase 20,000 outstanding shares from certain stockholders and the remainder will be added to working capital and may be used for the opening of additional branch sales offices.

The company (formerly called Toney Builders, Inc.) has succeeded to the assets and business of two partnerships and two corporations of which F. J. Toney, Sr., board chairman, his wife, Kathryn, their son, F. J. Toney, Jr., and C. G. Townsend were the sole partners and stockholders. In 1960 the two corporations were merged into

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the company and it acquired the business of one of the partnerships. The other partnership was acquired upon organization of the company in 1958. Upon such merger and acquisition, 105,544 shares of the company's common stock were issued as follows: F. J. Toney, Sr., 22,990, Kathryn L. Toney, 22,988, F. J. Toney, Jr., 45,978 and C. G. Townsend, 13,588. In November 1959 the company sold 68,000 shares of common stock at $2.50 per share to six individuals, including 8,000 shares to Townsend and 14,000 shares each to Carl W. Knoblock and C. W. Knoblock, Jr., directors. In April 1960 the company sold 6,456 additional shares at the same price to Willa B. McDougall, wife of James H. McDougall, president.

In April 1960, F. J. Toney, Sr., his wife and his son sold, respectively, 2,500, 2,500 and 5,000 shares to the company at $2.75 per share and granted an option to the company to purchase from them (in the same proportions) 20,000 additional shares for an aggregate of $62,500. The company has agreed to exercise such option not more than 30 days after the date on which it receives the proceeds from this offering.

In addition to certain indebtedness, the company has outstanding 8,000 shares of $100 par 5% convertible preferred stock, 170,000 shares of common stock and warrants to purchase 180,000 common shares at $2.50 per share. Of the common stock, F. J. Toney, Jr., Townsend, F. J. Toney, Sr., and his wife, own 24.1%, 12.6%, 12.0% and 12.0%, respectively. In addition, the two Knoblocks own jointly 16.5% of such stock. Warrants for the 180,000 common shares were issued in March 1960 in connection with the issuance by Dixie Acceptance of its 7% subordinated notes due 1970 in the amount of $800,000, the warrants being exercisable until April 1, 1970, at $2.50 per share. The notes being sold at 98% of principal amount and the warrants at 10¢ per right to purchase one share. The Knoblocks were among the purchasers. Another purchaser was Henriette deVitry d'Avaucourt. Arnaud deVitry d'Avaucourt is listed as one of five voting trustees for 76,000 common shares held by the Toneys, which voting trust arrangement is to be terminated upon the consummation of this financing. The company in October 1960 issued the 8,000 preferred shares in exchange for the $800,000 of notes of Dixie Acceptance, the said shares being convertible into 50,000 common shares at the conversion price of $16 per share.

ELION INSTRUMENTS FILES FOR SECONDARY. Elion Instruments, Inc., 430 Buckley Street, Bristol, Pa., filed a registration statement (File 2-17253) with the SEC on October 28, 1960, seeking registration of 60,000 outstanding shares of capital stock and 5-year warrants to purchase 6,000 new capital shares. It is proposed to offer these securities for public sale in units, each consisting of one share of stock and one-tenth of a warrant (no sale will be made of less than ten units). The principal underwriter is listed as Warner, Jennings, Mandel & Longstreth. The public offering price of the units will be related to the price of the company's stock on the over-the-counter market during the period immediately prior to the offering; and the underwriting terms are to be supplied by amendment. The underwriters also will purchase from the company, for $1,000, warrants expiring in 1965 to purchase 20,000 shares of company stock at $20.00 per share. The registration statement also includes 840 outstanding capital shares to be offered for public sale (following the initial public sale of the units) by Robinson & Co., Inc., of Philadelphia, and Michael A. Cruise and Adele Anne Cruise, of Devon, Pa.

Organized under Pennsylvania law in January 1959, the company designs, develops, manufactures and sells specialized instruments and equipment intended to perform instantaneous, precise measurements and analyses for science and industry. At the time of the company's formation, Herbert A. Elion, president and board chairman, and Robert J. Zeigler, vice president, each received 150,000 shares of the company's capital stock in exchange for the one-half interest of each in certain instrument developing models and related equipment, for which interest each had paid $2,500. The company now has outstanding (in addition to certain indebtedness) 434,640 shares of capital stock, of which Elion owns 135,000 shares (31%) and Zeigler owns 141,000 shares (32%). Each proposes to sell 30,000 shares, and they have agreed to lend to the company the net proceeds received by them from such sale. They have agreed to loan the net proceeds of such stock sale to the company on its 3½% notes, maturing one-half in 5 years and the balance in ten years. The agreement requires that the notes be subordinated to bank debt. The net proceeds from said loan together with the proceeds ($1,000) from the company's sale of 20,000 stock purchase warrants, will be used by the company to in part to pay off bank loans aggregating $75,000, which were used for working capital, the balance to be added to the company's general funds. The company also has granted options to 18 persons to purchase an aggregate of 25,300 shares at an average price of $6 per share (but as low as $2.46 per share).

REVLON FILES FOR SECONDARY. Revlon, Inc., 666 Fifth Avenue, New York, filed a registration statement (File 2-17254 with the SEC on October 28, 1960, seeking registration of 130,000 shares of outstanding common stock, to be offered for public sale by the holders thereof through underwriters headed by Lehman Brothers and Reynolds & Co. Inc. The offering price will be related to the market price of outstanding shares at the time of offering. Underwriting terms will be supplied by amendment.

The company is engaged in the manufacture and sale of cosmetics, toiletries, perfumes, hair color, permanentwave preparations, manicure and pedicure implements, proprietary and ethical drugs and shoe polishes. In addition to certain indebtedness, it has outstanding 1,610,130 shares of common stock and 992,500 shares of Class B common convertible into common on a share for share basis. An additional 169,780 shares are reserved to cover the exercise of outstanding options. Charles Revson, company president, is the voting trustee under a voting trust agreement under which 1,207,100 shares are held (representing 46.38% of all voting shares), consisting of 992,500 Class B shares and 214,600 common shares. The said voting trustee proposes to sell 65,000 shares of each to the underwriters, whereupon the 65,000 Class B shares will be converted into common to make the 130,000 shares to be offered for public sale. The beneficial ownership of these 130,000 shares is as

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follows: Revson, 65,000 shares, and Charles R. Lackman, senior vice president, 65,000 shares. Revson now owns 112,000 common and 600,000 Class B shares; and Lackman owns 102,945 common and 392,500 Class B shares and has an interest in an additional 25,000 common shares.

JOHNS-MANVILLE FILES STOCK PLAN. Johns-Manville Corporation, 22 East 40th Street, New York, filed a registration statement (File 2-17255) with the SEC on October 28, 1960, seeking registration of 75,000 shares of common stock, to be offered to certain officers and key employees of the company or its subsidiaries pursuant to the terms and provisions of a Deferred Compensation Plan adopted by the company's board of directors on October 19, 1960.

MONARCH ELECTRONICS INTERNATIONAL PROPOSES OFFERING. Monarch Electronics International, Inc., 7035 Laurel Canyon Blvd., North Hollywood, Calif., today filed a registration statement (File 2-17256) with the SEC seeking registration of 200,000 shares of common stock, to be offered for public sale on an all or none basis by Pacific Coast Securities Company. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized in 1958 under the name Arrow Electronics International, Inc. It imports, distributes and sells electronic parts and equipment, and high fidelity sound components and products. It is in the process of acquiring five subsidiaries, all of which have been affiliated with Monarch by reason of stock ownership by Herman Krissman, president, and Meyer B. Price, secretary, relatives and friends. Net proceeds of the sale of additional stock will be used to the extent of about $100,000 for the retirement of bank loans; and the balance, estimated at $375,000, will be added to working capital said to be required for various purposes, including the financing of any increase in inventories and accounts receivable, and in particular the establishing of additional letters of credit required in the importation of the company's products from overseas.

According to the prospectus, the company issued or will issue 204,283 shares to Krissman, Price and others in exchange for the outstanding stock of four subsidiaries and the cancellation of certain loans, the number of shares being based on the exchange or conversion of every $1 invested or loaned for 4/9 of a share of company stock; and 195,717 shares are to be issued for the outstanding stock of a fifth subsidiary on the basis of $1.11 invested for 4/9 of a share of stock. These 400,000 shares are included in the registration statement but are not presently proposed for public offering. Krissman and Price will deliver to the underwriter and two individuals, five-year options for the purchase of 35,000 shares of common stock of Monarch owned by Krissman and Price, for $.001 per optioned share, the options being exercisable at $3 per share.

HAZEL BISHOP HEARING POSTPONED. At the request of counsel for Hazel Bishop, Inc., of New York City, the SEC has authorized a postponement from November 1 to November 10, 1960, of the hearing in proceedings under the Securities Act of 1933 to determine whether a stop order should be issued suspending a registration statement filed by Hazel Bishop. The postponement was requested in order to afford an opportunity for counsel for the company and counsel for the SEC Staff to negotiate a factual stipulation which would avoid the necessity for an evidentiary hearing.

FAIRMONT FOODS FILES EXCHANGE PLAN. Fairmont Foods Company, 3201 Farnam St., Omaha, today filed a registration statement (File 2-17257) with the SEC seeking registration of 282,830 shares of common stock and 35,348 shares of $50 par Junior Preferred Stock. According to the prospectus, on November 29, 1960, Abbotts Dairies, Inc., will be merged with and into Fairmont Foods. Approval of the merger by Fairmont Foods shareholders will provide for a charter amendment authorizing the issuance of 65,000 shares of 5% Cumulative Junior Preferred Stock, $50 par. With certain exceptions each share of Abbotts Dairies common will be exchanged for Fairmont Foods common and junior preferred at a conversion ratio of one share of Abbotts Dairies into .8 share of common and .1 share of junior preferred of Fairmont Foods. Stockholders of Fairmont Foods will vote on the merger proposal at a special meeting called for November 28, 1960.

The common and junior preferred stock of Fairmont Foods is being registered by reason of the possible control relationship between Abbotts Dairies and certain of its shareholders who will tender their stock in exchange for the Fairmont Foods stock. Principal recipients of Fairmont Foods stock are the trustees under the Will of William G. Griscom, the trustees of the Residuary Trust under the Will of Christian R. Lindback, Frances E. Paulson, William B. Griscom, Jr., Charles L. Flounders, the trustees under the Will of Mary F. Lindback, Deceased, Residuary Trust, and Ridgway Kennedy, Jr., who will receive common shares ranging in amount from 44,291 in the case of the first named and 20,574 in the case of the last (as well as preferred shares).

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