

# 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 January 18, 1960

**Statistical Release No. 1655.** The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended January 15, 1960, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1959 - 1960, is as follows:

	1939 = 100		Percent Change	1959 - 1960	
	1/15/60	1/8/60		High	Low
Composite	423.6	432.5	-2.1	441.3	400.1
Manufacturing	523.8	538.9	-2.8	554.2	490.7
Durable Goods	504.7	521.6	-3.2	527.7	457.8
Non-Durable Goods	531.2	544.4	-2.4	570.1	510.5
Transportation	327.6	329.3	-0.5	371.6	318.7
Utility	221.3	220.4	+0.4	231.8	207.1
Trade, Finance & Service	440.7	446.5	-1.3	447.3	382.7
Mining	295.0	299.7	-1.6	360.4	283.8

**DWORMAN CORP. PROPOSES STOCK OFFERING.** The Dworman Corporation, 400 Park Ave., New York, filed a registration statement (File 2-16022) with the SEC on January 15, 1960, seeking registration of 300,000 shares of common stock. The stock is to be offered for public sale at \$10 per share through an underwriting group headed by Charles Plohn & Co. on an all or nothing basis, for which a commission of \$1 per share is to be paid (plus \$25,000 for expenses).

The company was organized under Delaware law on January 14, 1960, and is presently wholly owned by Dworman Associates, a copartnership consisting of three brothers, Lester, Alvin and Darryl Dworman. Simultaneously with the issuance of the 300,000 common shares, the company will acquire all outstanding stock of eight corporations now owned by the Dwormans. Five are said to own fee or leasehold interests in real estate, two own contracts to acquire real estate, and one is engaged in the real estate construction and contracting business. Substantially all the assets and businesses of six of the property corporations were acquired by such corporations from the Dwormans at cost to the Dwormans and subject to existing and assumption of other debt substantially in exchange for the stock of such corporations. Such assets and businesses had been acquired by the Dwormans in the years 1958 and 1959 at an aggregate cost of \$1,792,998, are carried on the books of the corporations in that amount, and are subject to mortgages of \$1,038,900. The eight companies issued \$500,600 in capital stock and assumed liabilities (other than mortgage debt) of \$254,098.

The company has entered into agreements pursuant to which it will acquire all of the stock of all eight corporations for 600,000 shares of its Class B stock (convertible share for share into common), held by Dworman Associates. It proposes, directly and through subsidiaries, to invest in, buy, hold, develop, improve, manage and sell real estate. Various properties are now owned by or under contract to the subsidiaries, namely, Town House East, a lease on land in New York; Gramercy Town House, a contract for purchase of an apartment in New York; Wilshire Towers of Los Angeles, land owned in Westwood, California; 6500 Wilshire Building Corp., an unimproved plot in Los Angeles; Interboro General Hospital in Brooklyn owned by a subsidiary; and Mandalay Shores of Clearwater Beach, Fla., a contract for purchase of a plot of land in Clearwater. Proceeds of the proposed stock sale will be used for the financial needs of current or future projects affecting these properties.

**JACOBS CO. HEARING POSTPONED.** The SEC today announced that, at the further request of counsel for the trustees of F. L. Jacobs Co., debtor in proceedings for reorganization pursuant to Chapter X of the Bankruptcy Act, it has postponed from January 16 to March 14, 1960, the hearing in administrative proceedings to determine whether the Jacobs Co. stock should be withdrawn from listing and

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registration on the New York Stock Exchange by reason of the company's failure to comply with the reporting and disclosure requirements of the Securities Exchange Act of 1934.

**R. G. WORTH & CO. HEARING POSTPONED.** The Commission, on request of counsel for the respondent, has authorized a postponement to January 27, 1960, of the hearing in administrative proceedings under the Securities Exchange Act to determine whether to revoke the broker-dealer registration of R. G. Worth & Co., Inc., of New York.

**SEC SUIT NAMES FLO-MIX FERTILIZERS.** The SEC has filed an action in the Federal Court in New Orleans, seeking to compel Flo-Mix Fertilizers Corporation, of Houma, La., to comply with the reporting requirements of the Securities Exchange Act of 1934 (Lit. Release No. 1557). The complaint charges that the company failed to file a Form 10-K annual report for the fiscal year ending November 30, 1958, and a Form 9-K semi-annual report for the period ended May 31, 1959.

**COMMONWEALTH MINING OFFERING SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Commonwealth Mining Company of South Dakota, Sioux Falls, S. Dak., for failure to file the required semi-annual reports of stock sales.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed June 17, 1954, Commonwealth Mining proposed the public offering of 560,310 common shares at 50¢ per share pursuant to such exemption. The Commission's suspension order asserts that the company failed to file the required reports reflecting the amount of shares sold and the use to which the proceeds thereof were applied. A hearing will be held, upon request, on the question whether the suspension should be vacated or made permanent.

**SOUTHERN COMPANY FINANCING CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-14141) authorizing bank borrowings by the Southern Company, Atlanta, Ga., holding company, and the investment of the proceeds thereof in its subsidiaries.

Under the proposal, Southern proposes to borrow from banks during 1960 sums aggregating \$22,000,000. The funds, together with \$6,500,000 of treasury funds, will be used to purchase during 1960 additional common stock of subsidiaries, as follows: Alabama Power Company, \$14,000,000; Georgia Power Company, \$10,000,000; Gulf Power Company, \$2,000,000; and Mississippi Power Company, \$2,500,000. Alabama and Georgia in turn will acquire \$8,000,000 additional common stock each of Southern Electric Generating Company. The several subsidiaries will use the funds for construction purposes.

**INCORPORATED INVESTORS PURCHASE EXEMPTED.** The SEC has issued an order under the Investment Company Act (Release 40-2964) authorizing Incorporated Investors, Boston, Mass., investment company, to issue its shares at their net asset value for substantially all the cash and securities of S.E.C. Corporation. According to the application, the cash and securities being acquired had a value at December 8, 1959, of \$975,148.

**ANADITE PROPOSES STOCK OFFERING.** Anadite, Inc., 10630 Sessler St., South Gate, Calif., today filed a registration statement (File 2-16023) with the SEC seeking registration of 50,000 shares of capital stock, to be offered for public sale through Dean Witter & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in various types of metal processing and finishing for both military and commercial applications, including principally chemical milling, anodizing, color anodizing, electrolytic and electroless plating, and other coating and finishing processes. It now has outstanding 150,000 shares of stock and certain indebtedness. Of the proceeds of the sale of additional stock, \$40,000 is to be applied as a cash down payment on the purchase of certain real property and plant facilities now under lease and \$48,000 to repay a bank loan obtained for working capital purposes. The balance of the proceeds (about \$337,000) will be added to working capital.

The outstanding stock is held in equal amounts by Roy E. Klotz, president, Gordon W. Jenkins, board chairman and treasurer, and Glenn E. Boehmer, vice-president and secretary. The three officers now own the property and plant facilities, to be acquired by the company at approximately cost to the sellers, or about \$170,442.

**ONYX CHEMICAL FILES FOR STOCK OFFERING.** Onyx Chemical Corporation, 190 Warren St., Jersey City, N. J., today filed a registration statement (File 2-16024) with the SEC seeking registration of 140,000 shares of common stock, to be offered for public sale through an underwriting group headed by McDonnell & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

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Onyx Chemical was organized under Delaware law in December 1959. McDonnell & Co. and F. O. Robitschek, company president, each subscribed for 20,000 common shares for an aggregate consideration of \$15,000, or 37½¢ per share, representing all the common shares now outstanding. The company acquired from McDonnell & Co. an option to purchase all the outstanding stock of Onyx Oil & Chemical Company at an aggregate price of \$2,500,000; and for the option the company issued its 6% promissory note in the amount of \$50,000, which was the amount paid by McDonnell & Co. to stockholders of Onyx Oil for the option. Such amount may be applied by the company against the option price upon exercise thereof. The business and properties of Onyx Oil are to be transferred to Onyx Chemical and the former will be dissolved. Onyx Chemical will continue to conduct the Onyx Oil business under the same general policies and with substantially the same personnel. Robitschek, who has been president of Onyx Oil since 1956, will continue as president and chief executive officer of Onyx Chemical.

The company has authorized McDonnell & Co. to negotiate for a private placement of \$750,000 of sinking fund debentures. The proceeds of the sale of the debentures and the 140,000 common shares will be applied to the balance of the purchase price payable upon exercise of the option and to the prepayment of the 6% promissory note. According to the prospectus, Onyx Oil is engaged in the manufacture of a group of chemicals which are sold to manufacturing concerns in about 50 different industries for use primarily as chemical intermediates or raw materials in the formulation, manufacture or processing of other products. Its plants are located in Jersey City, N. J., and at Rossville, Staten Island, N. Y. The business was founded in 1953 by Victor H. Berman and has since been owned by individual members of his family and by a trust for the benefit of family members. None of the officers or directors of Onyx Chemical have had any ownership interest in Onyx Oil.

KILEMBE COPPER COBALT FILES FOR SECONDARY. Kilembe Copper Cobalt Ltd., 25 King Street West, Toronto, Ontario, today filed a registration statement (File 2-16025) with the SEC seeking registration of 1,701,332 shares of its capital stock.

According to the prospectus, 100,000 shares are owned by Esther Buchman, of Brooklyn, N. Y.; 700,000 shares by Frobisher Limited, of Toronto; and the remaining 901,332 shares are reserved for issuance upon the exercise of outstanding rights evidenced by stock purchase "C" warrants of the company, exercisable at \$2.90 per share. It is contemplated that the said shares may be offered for sale on the Toronto Stock Exchange, the American Stock Exchange, or off the said exchanges, at the current market price of the shares prevailing at the time of sale.

Of the 700,000 shares held by Frobisher Limited (its total holdings aggregate 3,063,627 shares, or 79%) 200,000 shares are to be purchased by Standard Securities Limited from Frobisher at \$3 per share and the balance are under option to Standard Securities at \$5 per share as to 400,000 shares and 100,000 at \$2 per share as and when the 400,000 shares are purchased and paid for.

The "C" warrants were issued under a December 1958 trust indenture and each entitles the holder (other than U. S. residents) to subscribe for shares at \$2.90 per share. Proceeds to the company as the result of the exercise of these warrants will be used to retire outstanding indebtedness to Frobisher Limited of \$2,137,085.

SEC SUIT NAMES FINANCIAL FORECASTER. The SEC New York Regional Office announced January 15, 1960, the filing of court action to enjoin Financial Forecaster, Inc., and its president, Walter Rosenbush, from violating the registration and anti-fraud provisions of the Investment Advisers Act of 1940 (Lit. Release No. 1558).

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