

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 July 27, 1960

LYTTON FINANCIAL FILES FOR OFFERING AND SECONDARY. Lytton Financial Corporation, 8150 Sunset Boulevard, Hollywood, Calif., filed a registration statement (File 2-16840) with the SEC, on June 26, 1960, seeking registration of 354,000 shares of capital stock, of which 187,500 shares are to be offered for public sale for the account of the issuing company and 166,500 shares, being outstanding stock, by the present holders thereof. The prospectus lists the principal underwriters as William R. Staats & Co. and Shearson, Hammill & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in January 1959. It has acquired all of the stock of Lytton Savings and Loan Association of Hollywood, Home-Builders' Savings and Loan Association of Pomona, Calif., and Home Foundation Savings and Loan Association of Palo Alto. For the Lytton Savings stock, the company issued 501,000 shares of its stock in July 1959. It acquired nearly 81% of the Home Foundation stock in September 1959 in exchange for 167,925 shares of its stock, and the balance in May 1960 in exchange for 40,074 shares. The Home-Builders' stock was acquired in September 1959 in exchange for 110,000 shares of stock and the assumption of a \$3,600,000 indebtedness. Lytton Savings was merged into Home-Builders' in June 1960. The company also operates an insurance agency which assists the associations in making fire and other insurance available to borrowers, and acts as trustee under trust deeds securing loans made by the associations. Of the net proceeds from the stock sale, \$2,100,000 will be used to discharge a portion of indebtedness to Union Bank incurred in connection with the acquisition of Home-Builders', in order to reduce such indebtedness to \$1,500,000. The balance will be retained for working capital and other general corporate purposes.

In addition to certain indebtedness, the company has outstanding 1,013,164 shares of capital stock, of which Bart Lytton, president and board chairman, and his wife, Beth Lytton, a director, own 360,383 shares and are selling 55,000 shares. In addition, 13 other shareholders are selling from 190 to 31,401 shares of an aggregate 258,693 shares owned.

EXCHANGE PROPOSES DELISTINGS. The New York Stock Exchange has applied to the SEC to delist the common stock of F. E. Myers & Bro. Company and the \$1.30 and \$1.32 cumulative preferred stocks (not \$1.30 Preferred B Stock) of General Telephone Company of Florida; and the Commission has issued an order (Release 34-6327) giving interested persons until August 12, 1960, to request hearings thereon. According to the applications, Myers & Bro. is in the process of dissolution and liquidation; and holders of the \$1.30 and \$1.32 preferred stocks of General Telephone (Fla.) number only 101 and 133, respectively.

SERRICK CORP. STOCK DELISTED. The SEC has issued an order (Release 34-6327) granting an application of the Board of Trade of the City of Chicago to delist the Class A common of Serrick Corporation, effective at the close of the trading session on August 10, 1960, because of reduced volume of trading therein.

BOSTON EXCHANGE GRANTED TRADING PRIVILEGES. The SEC has issued an order (Release 34-6327) granting applications of the Boston Stock Exchange for unlisted trading privileges in the common stocks of Transiron Electronic Corporation, Underwood Corporation, and S. D. Warren Company.

HEFT KAHN & INFANTE SUSPENDED. In a decision announced today (Release 34-6326), the SEC suspended the broker-dealer registration of Heft, Kahn & Infante, Inc., 43 N. Village Ave., Rockville Center, N. Y., pending the ultimate decision by the Commission on the question whether its registration should be revoked.

Based upon a stipulation agreed to by the respondent, the Commission ruled that it effected securities transactions in violation of its net capital rule, failed to make and keep current required books and records, extended credit to customers in violation of Regulation T, and is permanently enjoined from effecting transactions in violation of the net capital rule.

On January 29, 1960, upon complaint of the Commission, the U. S. District Court for the Eastern District of New York permanently enjoined the respondent from further violations of the SEC net capital rule. According to the Commission's decision, respondent continued to engage in the securities business between that date and March 10, 1960, in violation of the rule, the deficiency in net capital amounting to \$119,582 on February 9th

OVER

For further details, call WOrth 3-5526

and \$124,834 on March 10th. Moreover, its books revealed violations of Regulation T in 65 accounts, in that more than seven days had elapsed since sales had been posted, such sales had not been cancelled, and no application for approval of further extension of credit had been made; and as of March 1960 respondent's books and records were not maintained and kept current in accordance with Commission rules, in that its general ledger was not posted beyond February 9, 1960, and its stock record was not posted beyond January 5, 1960.

ALFICO DEVELOPMENT PROPOSES OFFERING. Alfico Development, Inc., 1420 Liberty Bank Bldg., Oklahoma City, Okla., filed a registration statement (File 2-16841) with the SEC on July 26, 1960, seeking registration of \$4,000,000 of Participations in its Development Program 60-63 and Exploration Program 60-61. The participations are to be offered for public sale in 800 units, with a minimum of 4 units at \$5,000 each. The offering will be made on a best efforts basis by officers and affiliates of Alfico and by certain selected investment firms, which latter will receive as compensation an amount equal to 2½% of the amounts raised by them and an undivided working interest equal to 10% of the amounts raised by them and expended in Development Program 60-63 (but only after certain prior payments to participants).

Alfico was organized primarily to develop under a drilling program about 34,000 contiguous acres of oil and gas leases in Alfalfa County, Okla., and secondarily to acquire and explore oil and gas properties in search of new oil and gas fields. It will utilize the services and facilities of Western Oil and Gas Company, a partnership whose partners caused Alfico to be organized. Under Development Program 60-63, Alfico will commence the development of the Alfalfa County property and rework ten wells in this area, of which 7 are capped and 3 are temporarily abandoned; and under Exploration Program 60-61 it will undertake the acquisition and exploration of other prospects, principally in the Mid-Continent area. About \$3,000,000 of the proceeds of this offering will be used for the first and the balance for the second program. However, \$377,707 will be reimbursed to the original leasehold owners for six test wells and \$161,110 will be paid as the purchase price for three test wells drilled by Panhandle Eastern Pipeline Company.

The prospectus lists Louis J. Horwitz as president and Max H. Horwitz as secretary-treasurer.

SEC COMPLAINT NAMES DIROMA ALEXIK & CO. The SEC Boston Regional Office announced July 21st (LR-1736) the filing of Federal court action (USDC, Mass.) seeking to enjoin DiRoma, Alexik & Company of Springfield, Mass., and its partners, Agostino DiRoma, Jr., and Edward F. Alexik, from further violations of Securities Act anti-fraud provisions in the sale of stock of Formula 409, Inc.

KAYSER-ROTH DEBENTURES IN EXCHANGE OFFER. Kayser-Roth Corporation, 425 Fifth Ave., New York, filed a registration statement (File 2-16842) with the SEC on July 26, 1960, seeking registration of \$16,135,000 of 5½% Subordinated Convertible Debentures due July 1, 1980.

According to the prospectus, Apparel Industries, Inc., a subsidiary of Kayser Roth, proposes to offer to holders of shares of common stock of A. Stein & Company the privilege of exchanging such stock for Kayser-Roth debentures at the rate of \$34,375 principal amount of the debentures for one share of Stein stock (of which amount \$1,042 will be placed in an escrow fund). For such purpose, the debentures are to be issued and delivered by Kayser-Roth to Apparel. Apparel has agreed with the holders of 258,560 shares (about 55%) of Stein common to exchange debentures for said shares at the rate specified; and it will extend the same offer to all other holders of Stein common. Apparel may withdraw the offer if less than 375,505 shares are received. The debentures are to be issued for shares only in multiples of \$25; and the remaining debentures, representing the portion of the allocation to the account of each shareholder which is less than \$25, will be sold and the net proceeds thereof distributed to the depositing stockholders.

It is contemplated that, immediately after consummation of the exchange offer, Stein will be merged into Apparel. Thereafter, all shareholders of Stein who have not theretofore exchanged their shares for debentures will become entitled to receive debentures of Apparel on substantially the same terms; and Apparel for 18 months thereafter will agree to exchange for any of its outstanding debentures so issued, an equal principal amount of Kayser-Roth debentures.

PACIFIC POWER PROPOSES BOND OFFERING. Pacific Power & Light Company, Public Service Bldg., Portland, Ore., today filed a registration statement (File 2-16843) with the SEC seeking registration of \$20,000,000 of First Mortgage Bonds due 1990, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be used in completing the company's 1960 construction program and in retiring some \$18,000,000 of bank borrowings for that purpose. The company estimates its construction expenditures in 1960 at \$33,700,000, of which \$10,579,000 were expended in the first five months.

GENERAL MOTORS ACCEPTANCE PROPOSES DEBENTURE OFFERING. General Motors Acceptance Corporation, 1775 Broadway, New York, today filed a registration statement (File 2-16844) with the SEC seeking registration of \$150,000,000 of 22-year debentures due 1982, to be offered for public sale through a group of underwriters headed by Morgan Stanley & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The general business of the company is to finance the distribution of new products manufactured by General Motors Corporation to dealers for resale, and to finance such dealers' retail installment sales of new products as well as used units of any make. The net proceeds from the debenture sale will be added to the company's general funds and will be available for the purchase of receivables. Such proceeds initially may be applied to reduction of short-term borrowings or invested in short-term securities. All of the company's outstanding capital stock is owned by General Motors Corporation. The prospectus lists Charles G. Stradella as board chairman and Thomas W. Towell as president.