

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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Washington 25, D.C.

FOR RELEASE October 24, 1960

Statistical Release No. 1712. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended October 21, 1960, for the composite and by major industry groups compared with the preceding week and with the high and lows for 1960, is as follows:

	1939 - 100		Percent Change	1960	
	10/21/60	10/14/60		High	Low
Composite	380.1*	390.3	-2.6	432.5	380.1
Manufacturing	447.0*	458.4	-2.5	538.9	447.0
Durable Goods	413.7*	425.3	-2.7	521.6	413.7
Non-Durable Goods	468.4	479.5	-2.3	544.4	466.3
Transportation	265.1*	271.7	-2.4	329.3	265.1
Utility	237.0	244.9	-3.2	252.6	216.1
Trade, Finance & Service	421.3	429.1	-1.8	471.8	414.7
Mining	258.8	266.8	-3.0	299.7	240.7

*New Low

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended October 20th, 34 registration statements were filed, 30 became effective, 3 were withdrawn and 345 were pending at the week end.

HERMETIC SEAL HEARING POSTPONED. At the request of Hermetic Seal Corporation, Newark, N. J., the SEC has authorized a postponement from October 26 to November 7, 1960, of the hearing in the Commission's New York Regional Office on the question whether an order of the Commission temporarily suspending a Regulation A exemption from Securities Act registration with respect to a public offering of securities by the said corporation should be vacated or made permanent.

IROQUOIS GAS PROPERTY ACQUISITION PROPOSED. Iroquois Gas Corporation and Penn-York Natural Gas Corporation, subsidiaries of National Fuel Gas Company, have joined with the parent in the filing of an application with the SEC under the Holding Company Act for the transfer of a gas plant from Penn-York to Iroquois; and the Commission has issued an order (Release 35-14298) giving interested persons until November 8, 1960, to request a hearing thereon.

The gas plant, now owned by Penn-York and located in the State of New York, consists of natural gas production and transmission facilities and related assets. It is to be sold to Iroquois for \$874,565, subject to closing adjustments. Upon completion of the sale, National will cause Penn-York to be dissolved and its remaining assets, after payment of its liabilities, distributed to National as a liquidating dividend.

DIAMOND NATIONAL FILES STOCK PLAN. Diamond National Corporation, 122 East 42nd St., New York, filed a registration statement (File 2-17211) with the SEC on October 21, 1960, seeking registration of 225,000 shares of common stock, reserved for issuance under the company's Restricted Stock Option Plan.

MAGNAVOX FILES STOCK PLAN. The Magnavox Company, 2131 Bueter Rd., Fort Wayne, Ind., filed a registration statement (File 2-17212) with the SEC on October 21, 1960, seeking registration of 149,184 shares of common stock, to be offered to eligible employees under the company's Stock Option Plans 1 and 2.

AMERICAN HERITAGE LIFE INS. PROPOSED RIGHTS OFFERING. American Heritage Life Insurance Company, 218 West Adams St., Jacksonville, Fla., today filed a registration statement (File 2-17213) with the SEC seeking registration of 354,240 shares of common stock. It is proposed to offer this stock for subscription by common stockholders of record November 22, 1960, at the rate of one new share for each eight shares then held. The subscription price and underwriting terms are to be supplied by amendment. Merrill Lynch, Pierce, Fenner & Smith, Inc., and Pierce, Carrison, Wulbern, Inc., are listed as the principal underwriters. An additional 170,238 shares included in the registration statement are reserve for issuance upon exercise of stock options granted or to be granted.

For further details, call WOrth 3-5526

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The company commenced insurance operations in January 1957 and is presently engaged in the writing of ordinary life, group life and group accident and health insurance in thirteen states and the District of Columbia. On October 31, 1960, Acme United Life Insurance Company, Atlanta, Ga., which writes similar lines of insurance, will be merged into the company. A subsidiary is engaged in the writing of fire and allied lines of insurance in 41 states. According to the prospectus, the company now has outstanding 2,833,924 shares of common stock. Net proceeds of the sale of additional stock will be used in part to repay \$1,481,006 of short-term indebtedness incurred in connection with the acquisition of 232,279 shares of Acme stock for \$7 a share, or a total of \$1,625,953. The balance of the proceeds will be added to general funds and used in the conduct of the company's business. Of the outstanding stock, 12.4% is owned by management officials and 10.7% held of record but not beneficially by the Merrill Lynch firm. J. E. Davis is listed as board chairman and Claude R. Kirk, Jr., as president.

NATIONAL DAIRY PRODUCTS PROPOSES EXCHANGE OFFER. National Dairy Products Corporation, 260 Madison Ave., New York, today filed a registration statement (File 2-17214) with the SEC seeking registration of 89,539 shares of common stock. It is proposed to offer this stock in exchange for shares of the common stock of Dominion Dairies Limited, of Quebec, Canada, at the rate of one share of National stock for each 4.5 shares of Dominion stock. Dominion is engaged in the purchase, manufacture, processing and distribution of fluid milk and cream and other dairy products, as well as fruit juices and other products. It serves the greater Montreal and the Hull areas in the Province of Quebec, and a large part of the Province of Ontario, including Metropolitan Toronto and the cities of Ottawa, Hamilton and London.

DANIEL J. McCAULEY, JR., BECOMES SEC COMMISSIONER. Daniel J. McCauley, Jr., of Philadelphia, has assumed his duties as a Member of the SEC. He serves under a recess appointment by President Eisenhower for the balance of a term expiring June 5, 1961, succeeding Commissioner James C. Sargent who resigned effective at the close of business October 21, 1960.

During the past fourteen months, Commissioner McCauley has served as General Counsel to the Federal Trade Commission. For about three and one-half years prior thereto, he had served on the SEC staff, initially as Administrator of its Washington Regional Office and for nearly three years as Associate General Counsel, in which positions he gained wide experience in all major phases of this Commission's activities under the Federal securities laws. His experience in securities regulation also includes eighteen months service during 1954-55 as Special Deputy Attorney General of the State of Pennsylvania assigned to the Pennsylvania Securities Commission. In this capacity he supervised stock fraud investigations and state enforcement actions, rendered opinions to the State Commission, and argued cases on appeal to the Superior and Supreme Courts of Pennsylvania. A native of Philadelphia, where he was born in 1917, Commissioner McCauley holds degrees of Bachelor of Science from LaSalle College and Bachelor of Laws from the University of Pennsylvania Law School. He was admitted to the Pennsylvania bar in 1941.

WALTER P. NORTH BECOMES SEC GENERAL COUNSEL. SEC Chairman Edward N. Gadsby today announced the appointment of Walter P. North of Battle Creek, Michigan, as the Commission's General Counsel, effective October 31, 1960, succeeding Thomas G. Meeker who has resigned. Mr. North has served as Associate General Counsel since October 5, 1959. Prior thereto he was a member of the firm of North, Allen and Scatterday in Battle Creek, where he served as City Attorney from 1933 to 1940. He received his A. B. degree from the University of Michigan in 1928 and his J. D. degree from the University of Michigan Law School in 1930, and was admitted to the Michigan Bar in 1930, and has had extensive practice in corporate and business law. (Release No. U-297)

MITCHELL S. RIEGER NAMED SEC ASSOCIATE GENERAL COUNSEL. Chairman Gadsby also announced the appointment as Associate General Counsel, succeeding Mr. North, of Mitchell S. Rieger of Chicago, effective October 31, 1960. Mr. Rieger was appointed an Assistant United States Attorney for the Northern District of Illinois in April 1954, was named Chief of the Tax Division in May 1954, became Chief of the Criminal Division in May 1955, and was appointed First Assistant United States Attorney in September 1958. Mr. Rieger was associated with the Chicago firm of Rieger and Rieger, specializing in corporation and business law. He received his A.B. degree from Northwestern University in 1944 and his LL.B. degree from the Harvard Law School in 1949. He was admitted to the Illinois Bar in January 1950. (Release No. U-297)

CORRECTION IN CANADIAN RESTRICTED LIST. The News Digest of October 21, 1960, incorrectly stated that Alba Explorations Ltd., had been added to the Canadian Restricted List, whereas the announcement should have stated that said company had been dropped from such list.

SHERATON CORP. FILES EMPLOYEE PLAN. Sheraton Corporation of America, 470 Atlantic Ave., Boston, today filed a registration statement (File 2-17215) with the SEC seeking registration of 13,500 "Memberships in the Sheraton Employees Savings Plan," together with \$750,000 of Debentures due March 1, 1967 (with warrants) \$550,000 of 5½% First Mortgage Sinking Fund Bonds due 1973, and 90,000 shares of common stock which may be acquired pursuant thereto.

PENOBSCOT CHEMICAL FIBRE PROPOSES OFFERING. Penobscot Chemical Fibre Company, 211 Congress St., Boston, today filed a registration statement (File 2-17216) with the SEC seeking registration of \$3,250,000 of Subordinated Debentures (convertible) due 1980, to be offered for public sale through underwriters headed by Coffin

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Burr, Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment. The company is engaged primarily in the manufacture of wood pulp, which it sells under the trade name "Penobscot" directly to users of wood pulp, nearly all of whom are paper manufacturers. Net proceeds of the sale of debentures together with other available funds will be applied to the company's current construction program, including repayment of all short-term indebtedness to banks incurred for interim financing of such program. The cost of the program, which is scheduled for completion by October 1961, is estimated at \$4,095,000, of which \$390,000 had been expended prior to August 31, 1960, and \$2,000,000 is expected to have been expended by the end of the current fiscal year.

WM. DOUGLAS BRADFORD HEARING SCHEDULED. The SEC has scheduled a hearing for October 25, 1960, in its Los Angeles Branch Office in the proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of William Douglas Bradford, 639 Spring St., Los Angeles, should be revoked. In its order of September 2d authorizing these proceedings (Release 34-6363), the Commission charged that Bradford violated the Commission's record-keeping requirements and failed to file the required reports of financial condition for the years 1957, 1958 and 1959. Furthermore, he was enjoined by Federal court order in January 1959 from further violation of said requirements.

BILTMORE SECURITIES HEARING RESCHEDULED. The Commission has ordered the resumption on November 7, 1960, of the hearing to determine whether the broker-dealer registration of Biltmore Securities Corp., 160 Broadway, New York, should be revoked. The hearing will be held in the Commission's New York Regional Office. In an interim decision of October 17, 1960, the Commission suspended the registration of Biltmore Securities pending further proceedings and ultimate decision on the question of revocation. The suspension order was based upon a preliminary injunction and a temporary restraining order entered against Biltmore Securities and others involving, respectively, the offer and sale of stock of Shelton Warren Oil Co., Inc., and of Universal Fuel and Chemical Corporation, and upon evidence that Biltmore Securities made false and misleading statements in the offer and sale of Universal stock over the long-distance telephone between March and July 1960. The suspension order has been appealed to the U.S. Court of Appeals for the Second Circuit, which is expected to rule shortly on petitioner's motion for stay of the suspension order.

LAWRENCE RAPPEE & CO. HEARING POSTPONED. Pursuant to the joint request of counsel for its Staff and counsel for Lawrence Rappee, doing business as Lawrence Rappee & Co., 324 North Camden Drive, Beverly Hills, Calif., the Commission has authorized a postponement from October 24 to November 7, 1960, of the hearing in proceedings to determine whether Rappee's broker-dealer registration should be revoked. The purpose of the postponement is to allow further time for negotiation of a stipulation of facts which would avoid the necessity for an evidentiary hearing.

INTERNATIONAL INVESTMENTS HEARING POSTPONED. The Commission has authorized a postponement from October 24, 1960, to January 9, 1961, of the hearing in proceedings to determine whether the broker-dealer registration of International Investments, Inc., 1160 - 21st Street, N. W., Washington, D. C., should be revoked. The postponement was requested by Staff counsel in order to provide further opportunity to serve the company's president, John K. Gibbs, with notice of the proceeding. The company's registration was suspended August 6, 1959, pending decision on the question of revocation.

WALTER HELLER CO. PROPOSES OFFERING. Walter E. Heller & Company, 105 West Adams St., Chicago, today filed a registration statement (File 2-17217) with the SEC seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by F. Eberstadt & Co. and Dean Witter & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged principally in providing working funds for industry by financing the sales and other operations of a widely diversified group of clients. It purchases or makes advances on accounts receivable, notes, acceptances, installment paper, chattel leases, and other obligations or documents, and also makes direct loans or advances against inventory, machinery, equipment, chattels, etc. Of the net proceeds of the sale of additional stock the company contemplates that about \$1,000,000 will be used to purchase preferred stock of Nationwide Investment Company and about \$1,000,000 to purchase common stock or other securities of a corporation to be organized, tentatively named "Credit Acceptance Company." The remainder of the proceeds will be added to the general funds of the company and will be available for general corporate purposes.

According to the prospectus, the company is a limited partner in Nationwide Leasing Company, which is engaged in leasing to business and industry various chattels other than vehicles for periods ranging from a few months to 42 months or more. That company has organized and owns the stock of Nationwide Investment, which will engage in the business of purchasing lease paper from, and advancing funds therefor to, Nationwide Leasing and possibly other leasing companies, and will also purchase, own and lease chattels to business and industry either directly or through the agency of Nationwide Leasing. Credit Acceptance will engage in the business of guaranteeing the credit of other business enterprises to enable such business enterprises to obtain credit from banks or other lenders or to acquire inventory or other assets needed in the operation of their businesses.

In addition to various indebtedness and three series of preferred stock, the company has outstanding 1,504,743 shares of common stock. The prospectus lists Walter E. Heller as board chairman and Robert I. Livingston as president. Management officials own an aggregate of 300,659 shares (19.98%) of the outstanding. Walter E. Heller owns 108,431 shares (7.21%) and the Walter E. Heller Foundation 47,064 shares (3.13%). Florence G. Heller owns 110,770 shares and the Florence G. Heller Foundation 41,017 shares.