

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 February 27, 1959

MAC ROBBINS HEARING POSTPONED

The Securities and Exchange Commission has authorized a postponement from 2:30 P. M. this date to Thursday, March 12, 1959, of the hearing under the Securities Exchange Act of 1934 to determine whether it is necessary or appropriate in the public interest or for the protection of investors to suspend the broker-dealer registration of Mac Robbins & Co., Inc., 26 Journal Square, Jersey City, N. J., pending further hearings and a final determination by the Commission on the question whether such registration should be revoked.

The postponement was requested by counsel for Robbins & Co.; and it was granted on his assurance that, during the interim, the company would not engage in the securities business.

The proceedings were ordered by the Commission under date of February 20, 1959 (See Release 34-5891), the order charging violations of the registration and anti-fraud provisions of the Securities Act of 1933 in the offer and sale of stock of Sports Arenas (Del.), Inc.

SEC ORDER CITES WILENSKY & CO.

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Joseph J. Wilensky & Co., 8101 Biscayne Boulevard, Miami, Fla., and its president, Joseph J. Wilensky, engaged in transactions which operated as a "fraud and deceit" upon its customers and, if so, whether its broker-dealer registration should be revoked.

A hearing for the purpose of taking evidence therein will be held at a time and place to be announced later.

In its order, the Commission asserts that information developed in an investigation conducted by its Staff tends if true to show that Wilensky & Co. and Wilensky "engaged in acts, practices and a course of business which operated or would operate as a fraud and deceit upon certain persons," in that they solicited and induced certain customers to purchase securities from Wilensky & Co., agreed to sell and deliver the securities to such persons and obtained monies from such customers in payment therefor, representing that the monies would be used in payment for the securities, whereas in fact Wilensky & Co. and Wilensky had no intention to and did not deliver the securities to customers and intended to and did appropriate the monies received to their own use and benefit. Furthermore, according to the order, Wilensky & Co. and Wilensky solicited and induced certain customers to sell securities to them under the promise and representation that Wilensky & Co. was willing and able to and would pay for such securities in the regular course of business, when in fact payment to customers for the securities was not made and Wilensky & Co. and Wilensky intended to and did appropriate such securities to their own use and benefit.

Other violations alleged in the Commission's order are to the effect that the principal place of business of Wilensky & Co. was moved to 7823 N. W. Second Avenue in Miami prior to August 1, 1958, without reporting such change of address to the Commission; that there was a failure to report the resignation of Wallace N. Meier as an officer and director in December 1957; and that Wilensky & Co. failed to make and keep current certain books and records as required by Commission rules.

Maer

OVER

For further details, call ST. 3-7600, ext. 5526

Moreover, according to the order, Wilensky & Co. was permanently enjoined by a June 16, 1958, decree of the U. S. District Court for the Southern District of Florida from engaging in and continuing certain conduct and practices in connection with the purchase and sale of securities; and such fact was not duly reported by amendment to Wilensky & Co.'s broker-dealer registration.

(Note to Press: Foregoing also released in SEC Miami Branch Office.)

**CANADIAN RESTRICTED LIST
Seventeenth Supplement**

The Securities and Exchange Commission has added CABLE MINES & OILS LIMITED to its Canadian Restricted List, which now comprises the names of 209 Canadian companies.

Today's action was taken as the result of information indicating that the securities of Cable Mines & Oils Limited recently have been or currently are being distributed in the United States in violation of the registration requirement of the Securities Act of 1933. Evasion of such requirement, which is applicable to securities of foreign as well as domestic companies offered for public sale in the United States, deprives U. S. investors of the financial and other information about the issuing company which registration would provide and which is essential to an evaluation of its securities.

LAZARD FUND FILES EXCHANGE PROPOSAL

The Lazard Fund, Inc., New York investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to a proposal of the issuance of Lazard's shares for substantially all of the cash and securities of Alton Summit Company, an Illinois corporation; and the Commission has issued an order (Release 34-2835) giving interested persons until March 12, 1959, to request a hearing thereon.

Alton has assets consisting of securities and cash; and its outstanding shares are owned by 36 stockholders. Under an agreement between the two companies, substantially all of the cash and securities owned by Alton, having a total value of \$1,566,846 on January 23, 1959, will be transferred to Lazard in exchange for shares of the latter's stock. The number of shares of Lazard to be delivered to Alton will be determined by dividing the aggregate market value of Alton's assets to be delivered to Lazard by the market value per share of Lazard at 3:30 P. M. on March 16, 1959. If the closing under the agreement had taken place on January 23, 1959, Alton would have received 88,899 shares of Lazard stock, representing approximately 1% of the total number of shares outstanding. The shares of Lazard acquired by Alton will be distributed to its shareholders, who will take such shares for investment and not for distribution to the public.

FILBERT CORP. SEEKS EXEMPTION ORDER

Filbert Corporation, Minneapolis, Minn., has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release 40-2836) giving interested persons until March 23, 1959, to request a hearing thereon. According to the application, all of the 500 outstanding Founders (voting) Stock of Filbert are owned by B. C. Gamble (278 shares) and B. C. Gamble Charitable Trust (222 shares). The latter is a charitable trust, created by B. C. Gamble. Its 150,000 outstanding Common (non-voting) stock are held by 88 stockholders.

SUNRISE SUPERMARKETS AND BUFFALO-ECLIPSE STOCKS DELISTED

The SEC has issued orders (Release 34-5895) granting an application of the American Stock Exchange to delist the common stock of Sunrise Supermarkets Corp., effective at the close of the trading session on March 13, 1959; and granting an application of Buffalo-Eclipse Corporation to withdraw its common stock from listing and registration on the Boston Stock Exchange, effective at the close of the trading session on March 9, 1959. According to the applications, ~~all but 7,80~~ shares of the Sunrise Supermarkets common (owned by 109 holders) are now held by The Grand Union Company, and ~~all but 9,766~~ shares of the Buffalo-Eclipse common (owned by 165 holders) are now held by Houdaille Industries, Inc.

See order

The last purchases

New England holders

CONTINUED


COURT ORDER ENJOINS EMPIRE STATE MUTUAL SALES

The New York Regional Office announced February 25, 1959 (Lit. Release 1405) that a court order has been issued (USDC, SDNY) permanently enjoining Empire State Mutual Sales, Inc., 165 Broadway, New York, and Lowell Messer, its president, from further violations of the SEC net capital, record-keeping and other rules. The defendants consented to the decree.

GENERAL BUILDERS FILE FOR OFFERING

General Builders Corporation, 2413 Third Ave., New York, filed a registration statement (File 2-14774) on February 26, 1959, seeking registration of \$2,131,000 of 6% Subordinated Debentures, due April 30, 1963, with detachable Warrants to purchase 213,100 shares of common stock. The company proposes to offer the debentures and warrants in units consisting of a \$100 debenture accompanied by a warrant for the purchase for cash of 10 common shares at \$3 per share at any time beginning October 30, 1959 to and including April 30, 1969. The company proposes to offer holders of its outstanding common stock and its outstanding cumulative convertible preferred stock of record March 20, 1959, the right to subscribe to a total of \$1,631,000 of the debentures with warrants. The subscription price is to be \$100 per unit. The remaining \$500,000 of debentures with warrants are to be sold to a group of purchasers (who are also stockholders of the company) who have agreed also to purchase certain additional amounts of debentures with warrants if subscription rights are not exercised in at least the amount of \$500,000. No underwriting is involved.

The company, through subsidiaries, is said to have acquired a total of 71 acres of land at two locations in the Borough of Queens, New York, N. Y. (with some extension into the Borough of Kings). It intends to use some or all of this land for the construction by the company or its subsidiaries of middle income housing projects under Section 213 of the National Housing Act.

Of the proceeds from the sale of the debentures, the company will use \$1,000,000 to pay that amount of promissory notes due April 1, 1959, the maturity of which was extended to May 1, 1959. In the alternative up to \$1,000,000 of such notes may be surrendered to the company and accepted by it in payment for an equal face amount of debentures. The balance, if any, will be added to working capital, to be used in part to reimburse the company's treasury for payments made upon the acquisition of land and as working capital for such building projects as the company may undertake. Additional funds may be required for such purposes, and the company may obtain such funds by further borrowing or the issue of securities.

EUROFUND PROPOSES STOCK OFFERING

Eurofund, Inc., 14 Wall St., New York, filed a registration statement (File 2-14775) with the SEC on February 26, 1959, seeking registration of 2,500,000 shares of Common Stock, \$1 par, to be offered for public sale at \$20 per share through an underwriting group headed by Glore, Forgan & Co. The underwriting commissions are to be supplied by amendment.

Eurofund was organized as an investment company on February 25, 1959, under Maryland law, and intends "to provide a means through which American investors may participate in an extensive investment portfolio supervised by a management informed on European investment opportunities and on the measures of risk inherent therein." Based on the belief that the European Common Market "will further the development and expansion of business and industry in its six member countries, Eurofund intends to invest primarily in equity securities of companies operating in those countries."

Eurofund will receive advice from two investment advisers, Eurofund Advisers' Corporation, of Basle, Switzerland (owned by the partners of E. Gutzwiller & Cie, a private bank in Basle, and the partners of R. de Lubersac & Cie, a private bank in Paris), and Eurofund American Advisory Company, Inc., of New York owned by the partners of Glore, Forgan & Co. The prospectus lists S. Sloan Colt, a Bankers Trust Company director, as Board Chairman of Eurofund, Inc., and J. Russell Forgan, of Glore, Forgan & Co., as president.


INDIANA STEEL PRODUCTS FILES FOR RIGHTS OFFERING

The Indiana Steel Products Company, 405 Elm St., Valparaiso, Ind., filed a registration statement (File 2-14776) with the SEC on February 26, 1959, seeking registration of 42,193 shares of \$1 par Common Stock. The company proposes to offer the stock for subscription by its common stockholders at the rate of 1 new share for each 7 shares held. The record date, subscription price and

OVER

and underwriting terms are to be supplied by amendment. Kalman & Company, Inc., is listed as principal underwriter.

Net proceeds of the stock sale will be used as follows: (a) to finance the cost of constructing a one-story plant about three miles from the company's main plant in Valparaiso; (b) to acquire and install in the new plant machinery and equipment for the manufacture of ceramic magnet materials; and (c) to provide additional funds for working capital and other corporate purposes. The construction cost of the new plant and related services and facilities is estimated to be about \$700,000 and about \$300,000 will be expended for the acquisition and installation of the necessary manufacturing machinery and equipment.

CALIFORNIA ELECTRIC POWER PROPOSES STOCK OFFERING

California Electric Power Company, 2885 Foothill Boulevard, San Bernardino, California, today filed a registration statement (File 2-14778) with the SEC seeking registration of 300,000 shares of Common Stock, to be offered for public sale at competitive bidding. Net proceeds of the stock sale will be used to discharge a portion of the company's short-term bank loans, which presently total \$8,500,000. The borrowed funds have been used for interim financing of property additions and improvements. The company estimates its 1959 construction expenditures at \$12,000,000.

CALIFORNIA FINANCIAL CORP. FILES FOR SECONDARY

California Financial Corporation, San Jose, California, today filed a registration statement (File 2-14779) with the SEC seeking registration of 100,000 outstanding shares of its Capital Stock, to be offered for public sale by the holders thereof through an underwriting group headed by William R. Staats & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized in December 1958 by William R. Staats & Co. and Abraham Kofman, its president, for the purpose of acquiring all the outstanding guarantee stock of Surety Savings and Loan Association, of San Jose; and it now owns all such stock. Of its 365,000 outstanding shares of stock, 355,000 have been issued and sold to the holders of guarantee stock of the Association on the basis of 177½ shares of the company's stock for each share of the Association; and 10,000 shares were issued to William R. Staats & Co. for \$20,000 in cash. The 100,000 shares the subject of this offering are owned by Kofman, who is listed as the owner of 339,380 shares (93%).

The company also expects to purchase the guarantee stock of one or more other associations if it can arrange satisfactory terms for such purchase; and it also expects to operate, either directly or through a subsidiary, (1) an insurance agency which will assist the Association in making fire and other insurance available to borrowers from the Association and (2) a company which may act as trustee under trust deeds securing loans made by the Association.

CHICAGO AERIAL INDUSTRIES FILES FOR OFFERING AND SECONDARY

Chicago Aerial Industries, Inc., 1980 North Hawthorne Ave., Melrose Park, Ill., today filed a registration statement (File 2-14777) with the SEC seeking registration of 160,000 shares of its \$2 par Common Stock. Of this stock, 80,000 shares are to be offered for public sale for the account of the company and 80,000 for the account of certain stockholders. The public offering price and underwriting terms are to be supplied by amendment. Blyth & Co., Inc., is listed as the principal underwriter.

The company is engaged in the development, design and production of electronic, electro-mechanical and optical apparatus. The net proceeds of its stock sale will be added to the company's general funds for working capital purposes. Some \$1,000,000 of such amount will be used immediately for reduction of current bank borrowings, which were incurred to supplement working capital, but it is anticipated that the company will require additional bank borrowings from time to time in the future.

The company now has outstanding 444,000 common shares. The prospectus lists eight selling stockholders, who hold in the aggregate 286,900 shares. The largest blocks are being offered by A Allen M. Loeb, board chairman (26,000 shares); Virginia L. Lepman (12,000); Elizabeth L. Lepman (12,000); Jane L. Silberman (12,000); and Fred T. Sonne, president (8,000). Blocks of 6,000, 2,000 and 2,000 shares, respectively, are being sold by Albert H. Loeb, Henry S. Loeb, and Alyn M. Loeb.

CONTINUED

Each selling stockholder will continue to hold a substantial block of stock after this sale.

F. L. JACOBS ORDERED TO FILE REPORTS

The SEC New York Regional Office announced February 26, 1959 (Lit. Release No. 1401) that Judge Sidney Sugarman of the U. S. District Court for the Southern District of New York signed a mandatory injunction ordering F. L. Jacobs Co. to prepare forthwith and file with the New York Stock Exchange and the Commission not later than March 31, 1959, all information, documents and reports required by Section 13(a) of the Securities Exchange Act of 1934. The defendant company consented to entry of the order.

---ooo0ooo---