

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 March 10, 1959

SECURITIES VIOLATIONS CHARGED TO PHOENIX SECURITIES

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Phoenix Securities Corp., ("Phoenix"), 39 Broadway, New York City, violated the registration and anti-fraud provisions of the Securities Act of 1933 in the offer and sale of common stock of General Oil & Industries Co., Inc. ("General"), and, if so, whether it is in the public interest to revoke its broker-dealer registration and/or to suspend or expel it from membership in the National Association of Securities Dealers, Inc.

Phoenix has been registered with the Commission as a broker-dealer since January 19, 1956. Jacob Yaffe is president, treasurer and a director; and Lillian R. Berg is a director and, until November 1958, was secretary of the company.

In its order, the Commission asserts that information developed in an investigation conducted by its Staff if true tends to show that, in the offer and sale of General stock during the period July 15, 1958, to December 16, 1958, Phoenix, Yaffe and Berg (a) violated the Securities Act registration requirement and (b) "engaged in transactions, practices, and a course of business which would and did operate as a fraud and deceit upon the purchasers" of such stock, by reason of false and misleading statements or the omission of material facts with respect to General and its stock.

The misrepresentations and omissions, according to the order, related to the following: (1) the past history and previous business of General, its management, the ownership by General of oil and gas wells with a current substantial production, the production of oil and gas from such properties, the merger of General with a prominent oil company, an option held by General to buy an interest in certain land in San Juan County, N. M., on which there were allegedly producing gas wells, the attractiveness of the price of said option, and the present and future production, income, profits, and recovery of the cost of the option from said gas wells; (2) the earnings and income of General, the market for and future price of its stock, the possible listing of the stock on an exchange, and the proposed use of the proceeds from the sale of the stock; and (3) the limited cash assets of General, the fact that certain options alleged to be held by General were not in writing and were unenforceable, the fact that General did not have means or resources to expand production from its properties, the fact that General had insufficient capital to acquire additional properties or to exercise options, and the fact that title to certain producing oil wells reportedly acquired by General were in fact held in escrow for the account of one Charles E. Graham, Jr.

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

(TO THE PRESS: Foregoing also released by SEC New York Regional Office)

BARECO INVESTMENT EXEMPTED

The SEC has issued an order (Release 40-2840) declaring that Bareco Investment Company of Okla., has ceased to be an investment company. The company's assets were sold to American Mutual Fund, Inc., in 1958, in exchange for stock of the latter, which were or are being distributed to the shareholders of Bareco.

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

WOMEN'S INCOME FUND SEEKS EXEMPTION

Women's Income Fund, Inc., of Baltimore, Md., has applied to the SEC for an order declaring that it has ceased to be an investment company; and the Commission has issued an order (Release 40-2839) giving interested persons until March 23, 1959, to request a hearing thereon. According to the application, the Fund's assets were transferred to Mutual Shares Corporation in 1956 in exchange for 6,279 shares of the latter's stock, which shares were distributed to the Fund's shareholders.

MONONGAHELA POWER BOND SALE PROPOSED

Monongahela Power Company, Fairmont, W. Va., has filed a proposal with the SEC for the issuance and sale at competitive bidding of \$16,000,000 of First Mortgage Bonds, Series due 1984; and the Commission has issued an order (Release 35-13945) giving interested persons until March 23, 1959, to request a hearing thereon. Net proceeds of the bond sale will be used in connection with the 1959 construction of the company and its subsidiaries, estimated at \$19,474,000.

GULF POWER PROPOSES BOND SALE

Gulf Power Company, Pensacola, Fla., has filed a proposal with the SEC for the issuance and sale at competitive bidding of \$7,000,000 of First Mortgage Bonds, Series due 1989; and the Commission has issued an order (Release 35-13946) giving interested persons until March 24, 1959, to request a hearing thereon. Net proceeds of the bond sale will be applied to the company's construction program, and to the payment of short-term bank loans incurred for such purpose. Gulf Power also proposes to issue an additional \$358,000 of bonds for sinking fund purposes.

MICHIGAN WISCONSIN PIPE LINE FINANCING CLEARED

The SEC has issued an order (Release 33-13947) authorizing Michigan Wisconsin Pipe Line Company, Detroit, subsidiary of American Natural Gas Company, to sell an additional 100,000 shares of its common stock to American for a cash consideration of \$10,000,000 and to borrow sums from banks during the remainder of 1959 in amounts not exceeding \$20,000,000 in the aggregate. The funds will be used to pay a part of the costs of the company's 1959 expansion program, to permit additional deliveries of gas to present markets, which is estimated to aggregate \$42,700,000.

WISCONSIN POWER FILES FOR BOND OFFERING

Wisconsin Power and Light Company, 122 West Washington Ave., Madison, filed a registration statement (File 2-14816) with the SEC on March 9, 1959, seeking registration of \$14,000,000 of First Mortgage Bonds, Series J, due March 1, 1989, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be used to pay part of the cost of property additions and improvements. The company estimates its 1959 construction expenditures at \$20,700,000.

MCQUAY INC. PROPOSES STOCK OFFERING

McQuay, Inc., 1600 Broadway Northeast, Minneapolis, filed a registration statement (File 2-14817) with the SEC on March 9, 1959, seeking registration of 50,000 Common Shares, to be offered for public sale through an underwriting group headed by Loewi & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in business in the field of products associated with heating, air conditioning and refrigeration. Net proceeds of its stock sale will be used in part (\$235,000) to pay the expenses of constructing an addition to its plant at Faribault, Minn., to replace warehouse space now under lease to add some additional manufacturing space. The balance of the proceeds will be added to general working capital.

HOFFMAN MOTORS FILES FOR SECONDARY

Hoffman Motors Corporation, 443 Park Ave., New York, filed a registration statement (File 2-14819) with the SEC on March 9, 1959, seeking registration of 260,000 outstanding shares of its Common Stock to be offered for public sale by the sole stockholder of the company, Mark E. Hoffman. The offering is to be made at \$10 per share through an underwriting group headed by Van Alstyne, Noel

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& Co. which will receive a \$1 commission per share. Hoffman also will offer up to 10,000 shares to certain officers and employees of the company at \$9 per share.

Hoffman Motors was organized on February 16, 1959, to succeed to the business of seven corporations which had been organized by Hoffman at varying times commencing in 1947. The company is said to have "pioneered in the promotion and sale of foreign automobiles in the United States and has been a major participant in the rapid post-war growth of this market. It is engaged in the sale and servicing of foreign automobiles, both directly to customers in New York City and in Beverly Hills, California, and through more than 475 sub-distributors and dealers located in over 370 cities and towns throughout the United States. Principal sales areas are the Eastern and Far Western States . . . The cars presently distributed by the company are the Alfa Romeo, Fiat, Lancia, Porsche, Facel Vega and BMW."

The company has outstanding 260,000 shares of Common Stock and 1,345,270 shares of Class B common stock (convertible share for share into common), with equal per-share voting rights for the election of directors and other matters. The company issued 100 common shares to Hoffman for \$1,000; and later in March it will issue 259,900 common shares and 1,345,270 Class B shares to Hoffman in exchange for all the outstanding stock of Hoffman Motor Car Co., Inc. (which owns all the stock of five other "Hoffman" companies) and of Hoffman Motors Western Division, Inc. All of the seven companies except Hoffman-Porsche Car Corporation (one of the five subsidiaries) are to be merged into Hoffman Motors not later than the time of delivery of the stock offered to the underwriters.

JAY LENNON CO. PROPOSES OFFERING

The Jay A. Lennon Company, 750 Main St., Hartford, Conn., filed a registration statement (File 2-14820) with the SEC on March 9, 1959, seeking registration of \$7,500,000 of securities, as follows: \$2,500,000 of certificates in the Lennon Company Aetna Life Stock Investment Program; \$2,500,000 of certificates in the Lennon Company Connecticut General Stock Investment Program, and \$2,500,000 of certificates in the Lennon Company Travelers Stock Investment Program.

DALTON FINANCE FILES FINANCING PROPOSAL

Dalton Finance, Inc., 3800 - 34th St., Mt. Rainier, Md., filed a registration statement (File 2-14814) with the SEC on March 9, 1959, seeking registration of \$500,000 of 7% Subordinated Debentures, due January 2, 1974, with attached Warrants for the purchase of 100,000 shares of Class A Common Stock. The registration statement also covers the 100,000 Class A shares plus an additional 43,000 shares issuable upon exercise of warrants attached to outstanding debentures.

The debentures are to be offered for public sale in units of \$500 of debentures (with warrants), at \$500 per unit, with a \$60 commission to the underwriters. The underwriters are headed by Paul C. Kimball & Co., who have agreed to purchase \$350,000 of the debentures; and, in addition, Kimball & Co. has agreed to use its best efforts to find purchasers for the additional \$150,000 of debentures.

The company was organized under Maryland law in November 1955 in order to engage in the small loan business. Accounts presently on its books consist largely of accounts receivable purchased from other loan companies. John C. Dalton, Jr., is the promoter, controlling stockholder and president. The company intends over a period of years to conduct a number of small loan, discount, and finance businesses in various parts of the country. However, for the present, the company's operations are conducted from its Mount Rainier offices and two in Baltimore. In addition, it operates a collections office in Silver Spring, Md.; and it recently acquired control of General Credit, Inc., an automobile finance company with offices in the Munsey Building, Washington, D. C.

The company plans to use the proceeds of the present offering to finance the making of seasonal loans and to reduce short-term debt. It now has outstanding some \$500,000 loans from factors and will reduce these loans to an as yet undetermined extent. It will also seek opportunities for additional acquisitions which may seem profitable. The company has organized a Virginia subsidiary; and some of the funds may be employed to commence operation of this company or for the acquisition of other companies doing business in Virginia, or other states.

PATTERSON DENTAL SUPPLY PROPOSES OFFERING

M. F. Patterson Dental Supply Company of Delaware, 2531 University Avenue, St. Paul, Minn., filed a registration statement (File 2-14815) with the SEC on March 9, 1959, seeking registration of 200,000 shares of Common Stock, to be offered for public sale through an underwriting group headed by Stone & Webster Securities Corporation. The public offering price and underwriting terms are to be supplied by amendment.

According to the prospectus, the company is about to acquire all the outstanding capital stock of California Dental Supply Company for \$2,004,300. The funds for this purchase were obtained from a \$1,900,000 bank loan, and the balance from the company's working capital. Net proceeds of the stock sale are to be applied to the bank loan. The balance of the loan will be paid from the company's working capital.

AMP INC. - PAMCOR FILE SECONDARY OFFERING PROPOSAL

AMP Incorporated, Harrisburg, Pa., and Pamcor, Inc., 150 Tetuan St., San Juan, Puerto Rico, filed a registration statement (File 2-14818) with the SEC on March 9, 1959, seeking registration of 104,000 outstanding shares of AMP Common Stock. Each certificate for the AMP common bears an endorsement evidencing that the certificate also represents a beneficial interest presently in the same proportion of the Common Stock of Pamcor as the certificate represents of the common stock of AMP. The AMP stock is to be offered for public sale through an underwriting group headed by Kidder, Peabody & Co. and Blyth & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

AMP and its subsidiaries are principally engaged in the design, manufacture and sale of precision-engineered solderless electric wire terminals, connectors, and related wiring and electrical devices and electronic components. Pamcor is an affiliate which was formed in 1952 under Puerto Rico laws to manufacture terminals and connectors in Puerto Rico under license from AMP. All its products are distributed through AMP.

AMP has outstanding 2,080,000 common shares. The prospectus lists five selling stockholders, as follows: Joan Hixon Alexander, 57,616 shares; Margaret H. Hanson, 60,968; Midland Investment Company, 698,152; U. A. Whitaker, president, 284,000; and Barbara H. Wilson, 60,000. They propose to sell stock in the following amounts respectively: 6,000, 6,000, 60,008, 25,992, and 6,000. Pamcor has outstanding 20,000 common shares; and the prospectus lists twenty selling stockholders, a portion of whose holdings, aggregating 1,000 shares, are to be sold with the AMP stock. The largest block is to be sold by Whitaker, 250 of his holdings of 2,731 shares.

BABSON MANAGEMENT REGISTERS ADDITIONAL SHARES

David L. Babson Management Corporation, New York investment company, filed an amendment to its registration statement (File 2-11017) on March 9, 1959, seeking registration of an additional 1,000,000 Aberdeen Fund shares.

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