

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 May 29, 1959

JACOBS CO. STOCK FURTHER SUSPENDED DELISTING HEARING AGAIN POSTPONED

The SEC has issued an order (Release 34-5976) suspending trading in the common stock of F. L. Jacobs Co. on the New York and Detroit Stock Exchanges and in the over-the-counter market for a further ten-day period June 1 to June 10, 1959, inclusive.

At the request of counsel for the Trustees of Jacobs Co., debtor in reorganization proceedings pursuant to Chapter X of the Bankruptcy Act pending in the U. S. District Court in Detroit, the Commission also has authorized a further postponement from June 1 to July 7, 1959, of the hearing in administrative proceedings to determine whether to suspend or withdraw the Jacobs Co. stock from listing and registration for non-compliance with the disclosure requirements of the Securities Exchange Act of 1934.

TAX ALLOCATION AMONG AMERICAN NATURAL GAS SYSTEM COMPANIES APPROVED

The SEC has issued an order under the Holding Company Act (Release 35-14013) granting a joint declaration of American Natural Gas Company and its subsidiaries proposing an agreement among the companies whereby, beginning with the tax return for 1956 and thereafter, the consolidated tax liabilities of the group will be allocated (1) by computing the consolidated tax as though American Louisiana Pipe Line Company had not elected to use the accelerated amortization privilege for Federal income tax purposes and (2) by allocating to American Louisiana any decrease or increase in such tax due to accelerated amortization of emergency facilities. According to the application, \$29,803,943 of the cost of facilities completed by American Louisiana in 1956 and 1957 is eligible for accelerated amortization of emergency facilities under a Necessity Certificate; American Louisiana has elected to amortize such cost for tax purposes over the years 1956 to 1962, inclusive; and the inclusion of such amortization deductions in the consolidated tax returns of the American Natural group gives rise to certain inequities in the allocation of the consolidated tax liabilities among the members of the group if effected in accordance with SEC rules.

QUINBY & CO. PROPOSES PLAN OFFERINGS AT REDUCED PRICES

Quinby & Co., Incorporated, Rochester, N. Y., principal underwriter for, and sponsor of, The Quinby Plans for Accumulation of Common Stock of American Telephone and Telegraph Company, Eastman Kodak Company, E. I. duPont de Nemours & Company, General Electric Company, General Motors Corporation and Standard Oil Company, each of which is a unit investment trust, has filed an application under the Investment Company Act for an exemption order permitting Quinby to offer such plans at reduced public offering prices on group accounts; and the Commission has issued an order (Release 40-2885) giving interested persons until June 11, 1959, to request a hearing thereon.

FERRELL PROPOSES OIL OFFERING

Willard E. Ferrell, Box 5056, Philadelphia, filed a registration statement (File 2-15176) with the SEC on May 28, 1959, seeking registration of \$89,600 of Working Interests (non-producing) in Auburn Development Company to be issued by Ferrell, covering oil and gas interests in properties situated north of Auburn, Union District, Ritchie County, West Virginia.

OVER

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

**CANADIAN RESTRICTED LIST
First Supplement**

The Securities and Exchange Commission today announced the addition of seven Canadian companies and the deletion of one such company, from its Canadian Restricted List, as follows:

Additions

Augustus Exploration Limited
Baranouri Minerals Limited
Jaylac Mines Limited
Kelkirk Mines Limited
Marpoint Gas and Oil Corporation Limited
Milmar-Island Mines Limited
North Tech Explorations Limited

Deletions

Alscope Explorations, Inc.

The list comprises the names of Canadian companies whose securities, the Commission has reason to believe, recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

The May 20, 1959, revision of the Canadian Restricted List (Release 33-4086) contained the names of 191 Canadian companies; and the net addition of 6 companies brings the total number to 197. As indicated in that Release, deletions from the list may be made for various reasons, including discontinuance of the unlawful distribution and an undertaking to comply with the law in respect of any future distribution in the United States.

NORTH STAR OIL APPLIES FOR DELISTING

North Star Oil Company has applied to the SEC for permission to withdraw its common stock from listing and registration on the San Francisco Mining Exchange, and the Commission has issued an order (Release 34-5977) giving interested persons until June 9, 1959, to request a hearing thereon. According to the application, Exchange trading in the stock has been inactive, the company plans the raising of new capital, and the grant of authority by the California Commissioner of Corporations for such financing is conditioned upon withdrawal of the shares from listing.

STONE CONTAINER STOCK DELISTED FROM MIDWEST EXCHANGE

The SEC has granted an application of Stone Container Corporation to withdraw its common stock from listing and registration on the Midwest Stock Exchange, effective at the close of the trading session on June 9, 1959. The stock remains listed and registered on the American Stock Exchange (Release 34-5977).

TERMINAL TOWER CO. PROPOSES DEBENTURE OFFERING

The Terminal Tower Company, Cleveland, Ohio (the "Company"), today filed a registration statement (File 2-15177) with the SEC seeking registration of \$3,300,000 of 6% Sinking Fund Debentures due July 1, 1969, with Common Stock Purchase Warrants attached for the purchase of Terminal Tower common stock at the price of \$30 per share and at the rate of 10 shares for each \$1,000 of debentures. The debentures (with warrants) are to be offered for public sale at 100% of principal amount through an underwriting group headed by Fulton Reid & Co., Inc. The underwriting terms are to be supplied by amendment.

The Company was organized on May 23, 1959, for the purpose of acquiring the Terminal Tower Building in Cleveland pursuant to an agreement between Cleveland Terminal Properties, Inc., the present owner (and seller) and IMM, Inc., a New York corporation, Robert K. Lifton, Inc., a New York corporation, and Monty M. Simmonds, acting for a corporation formed or to be formed. The two names, both of New York City, and the interest of Monty M. Simmonds in the purchase contract has been transferred to Cleopatra Investments, Ltd., an Ontario corporation, the stock of which is owned in equal shares by Simmonds and Lawrence G. Candler, both of Toronto.

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The Purchasers have paid to the Seller under the Purchase Agreement the sum of \$500,000 in cash and have expended or obligated themselves to expend for commissions, legal fees, travelling expenses and other costs of acquisition amounts aggregating more than \$200,520, including the cost of incorporating the CLS Building Company, the Company's wholly-owned subsidiary. They have assigned the Purchase Agreement to the Company for \$700,520 and have paid to the company the sum of \$550,000 in cash, or an aggregate of \$1,250,520, in return for 61,300 shares of the common stock, par value \$1 per share, of the Company, at the rate of \$20.40 per share. Of the 61,300 issued and outstanding shares, IMM, Inc. owns 20,433 shares, Robert K. Lifton, Inc. 10,217 shares, and Cleopatra Investments, Limited 30,650 shares.

The purchase price, payable under the Purchase Agreement, consists of (a) the preliminary cash payments aggregating \$500,000, which have been made by the Purchasers, (b) an additional cash payment of \$3,500,000 to be made at the closing of the purchase on or about July 6, 1959, (c) the assumption of an issue of General Mortgage 4% Bonds, dated February 1, 1956, which will be outstanding in the principal amount of \$7,560,000 at the time of the closing and which are secured by a first mortgage on the Tower, and (d) the assumption of a Second Mortgage Note, dated February 21, 1956, which will have an unpaid principal amount of \$380,837 at the time of the closing and which is secured by a second mortgage on the Tower.

At the closing of the purchase of the Tower, the Seller will convey title to the Tower to The CLS Building Company, an Ohio corporation and a wholly-owned subsidiary of the Company, which will assume the outstanding General Mortgage Bonds and immediately transfer title to the Tower to the Company, subject to the General Mortgage. The Company will not assume the indebtedness secured by the general mortgage but will subscribe to certain terms thereof relating to insurance, eminent domain, major leases and after acquired property. The Company will assume the second mortgage.

The cash requirements for the acquisition of the Tower by the Company are \$4,000,000. As stated above, \$500,000 has already been paid on the Purchase Agreement, and the Company has deposited an additional \$550,000 with the Trustee of the Indenture under which the Debentures and Common Stock Purchase Warrants are being issued (the Indenture).

Net proceeds of the sale of the debentures will be paid by the underwriters directly to the trustee under the indenture. At the direction of the company, the trustee will pay to the seller for the account of CLS Building and in satisfaction of the purchase price of the Tower Property the sum of \$3,500,000. All expenses of acquisition of the Tower, other than the cost of this offering, have been or will be paid by IMM, Lifton, Inc., and Cleopatra Investments.

The company has entered into a Management Contract with IMM, Inc., Robert K. Lifton, Inc., and L. G. Candler & Associates of Ohio, Inc., a subsidiary of L. G. Candler & Associates, Ltd., a Canadian corporation controlled by Lawrence G. Candler and Monty M. Simmonds.

The prospectus lists Monty M. Simmonds as Board Chairman and L. G. Candler as president.

TIP TOP PRODUCTS FILES FOR DEBENTURE OFFERING AND SECONDARY

Tip Top Products Company, 1515 Cuming St., Omaha, today filed a registration statement (File 2-15178) with the SEC seeking registration of \$850,000 of 6% First Mortgage Sinking Fund Bonds, Series A (with warrants for 17,000 shares of Class A common stock), and 100,000 shares of Class A common stock.

The company proposes to offer the bonds (with warrants) for public sale at 100% of the principal amount of the bonds. The warrants will entitle the purchaser of \$1,000 of bonds to purchase 20 Class A common shares at \$11 per share. The underwriting commission is \$80 for each \$1,000 bond.

The 100,000 shares of Class A common are now outstanding and are to be offered for public sale by the present holder thereof, at \$10 per share, with a \$1 per share commission to the underwriters. The underwriters for both offerings are J. Cliff Rahel & Co., and The First Trust Company of Lincoln. The selling stockholder is Carl W. Renstrom, president, who owns all of the 100,000 outstanding shares of Class A stock and will continue to own all of the 200,000 outstanding Class B stock after sale of the Class A.

The company is engaged in the design, manufacture and distribution of a wide assortment of hair accessories; and it also manufactures and sells plastic toys, liquid solder and adhesives. Approximately \$340,000 of the net proceeds of the sale of bonds will be used to retire the present mortgage debt of the company, \$300,000 will be used to pay off short term bank borrowings, and the balance will be added to working capital.

FANON ELECTRONIC PROPOSES OFFERING

Fanon Electronic Industries, Inc., 98 Berriman St., Brooklyn, N. Y., today filed a registration statement (File 2-15179) with the SEC seeking registration of 150,000 shares of common stock, to be offered for public sale at \$3 per share. The stock is to be offered for public sale through an underwriting group headed by L. D. Sherman & Co. and three other firms, who will receive a commission of \$.45 per share. Principal stockholders of the company have agreed to sell to Lee D. Sherman, a partner of Sherman & Co., an aggregate of 30,000 shares for the sum of \$6,000 which shares are also included in the registration statement for possible future sale by Sherman. An additional 6,000 shares of outstanding stock are to be acquired by Frederick Entman, a "Finder," for \$1,200.

Organized in 1953, the company's products include monophonic and stereophonic phonographs, stereophonic conversion kits, intercommunication equipment, and telephonic intercommunication systems. Of the net proceeds of the sale of stock by the company, \$60,000 will be applied to retire an outstanding bank loan; and the balance will provide working capital to finance increased inventories and accounts receivable resulting from expanded volume.

The company now has outstanding 300,000 shares of stock. Salo Nachtigall, board chairman and president, owns 210,000 shares, Walter Nachtigall, treasurer, 60,000 and Mrs. Fanny Nachtigall, 30,000.

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