

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 June 30, 1959

WHITNEY-PHOENIX REGISTRATION REVOKED

In a decision announced today (Release 34-5995), the SEC revoked the broker-dealer registration of Whitney-Phoenix Company, Inc., 52 Wall Street, New York, for fraud in the sale of securities and other violations of the Federal Securities Laws. Strabo V. Claggett, its president, was held to be a cause of the revocation order. The company and Claggett consented to entry of the order.

The Commission ruled that Whitney-Phoenix and Claggett had made fraudulent misrepresentations in connection with the offering and sale of stock of Selelevision Western, Inc., and of its parent, Western and Selelevision Corporation of America. The parent company was organized in 1953 to develop and operate a system for the wholesale marketing of fruits and vegetables through exchanges in key cities and a wire service carrying quotations on produce to the various exchanges on a closed circuit. It made a public offering of stock in 1953, through Whitney-Phoenix. The subsidiary was organized in 1954 to finance the expansion of the said system in western United States. Whitney-Phoenix and Claggett own a controlling stock interest in the parent, which in turn owns a controlling stock interest in the subsidiary. Claggett is president of the parent and a director of the subsidiary.

Whitney-Phoenix also served as underwriter on a best efforts basis for an offering of 240,000 shares of the company's stock at \$1.25 per share, commencing in 1954. According to the Commission's decision, the offering circular used in this stock offering falsely represented that Whitney-Phoenix had increased its stock holdings in the parent company by the purchase of an additional 65,000 shares of its stock, when in fact no such purchase had been made. Other sales literature contained optimistic statements as to the parent company's business prospects and future operations, but failed to disclose that that company had discontinued part of its wire service the previous month. This was a material omission, the Commission stated, in view of the fact that the subsidiary had been organized to finance the expansion of the business.

Furthermore, according to the decision, Claggett represented to two purchasers of the parent company's stock in 1957 that "things were rolling along like a house afire" and that the price of the stock would double or triple, and he otherwise presented a very optimistic picture of the company's prospects. These representations were false and misleading, the Commission stated. The parent company's operations with respect to perishable commodities had been unsuccessful, and were discontinued in 1955. Thereafter, it decided to attempt to apply its marketing system in the real estate field, but its activities in this regard were limited to discussions and explorations and its real estate operations were unproven and speculative. Furthermore, the licensor of the patented processes underlying the marketing system had notified the parent in 1956 that the license agreement was terminated; had been made to customers of the patents and the license agreement, or of the notice of termination.

The offering of the subsidiary company stock was made pursuant to a Regulation A exemption from Securities Act registration. However, the Commission noted, the offering failed to comply with certain terms and conditions of the Regulation and, accordingly, no such exemption was available and the offering thus violated the registration requirement.

Moreover, according to the decision, Whitney-Phoenix engaged in the conduct of a securities business in violation of the Commission's net capital rule, failed to comply with requirements of SE "Fed" les for the filing of certified financial statements for the years 1955, 1956, and 1957; and refused to make its records available for reasonable examination by Commission representatives, in "deliberate disregard of the obligations imposed on a registered broker and dealer."

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

VIOLATIONS CHARGED TO FOUR FIRMS

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether the following have violated provisions of the Federal Securities Laws, and, if so, whether their broker-dealer registrations should be revoked:

- (1) The First Washington Corp. ("First Washington")
1917 Investment Building
Pittsburgh 22, Pa.
- (2) Williams, Widmayer Incorporated ("Widmayer Inc.")
5506 Connecticut Ave., N. W.
Washington, D. C.
- (3) The Stanford Corporation ("Stanford Corp.")
2715 Connecticut Ave., N. W.
Washington, D. C.
- (4) Wesley Zaugg, doing business as
Wesley Zaugg and Company ("Zaugg")
4132 Howard Avenue
Kensington, Md.

According to the Commission, First Washington has been registered as a broker-dealer since April 30, 1957. The registration application listed Don Frederick Widmayer as president and owner of 10% or more of the company's stock and Richard Neilan Williams as executive vice president and owner of 10% or more of the stock. On June 2, 1958, it was reported that they no longer served as officers of the company; and on July 14, 1958, it was reported that they no longer were owners of 10% or more of the stock. An amendment filed June 2, 1958, reflected the transfer of the company's principal place of business from Washington to the Pittsburgh address and listed John Phillip Smith as president who later was reported to be the owner of more than 10% of the outstanding stock of the company. Subsequently, on March 11, 1959, an amendment was filed stating that Smith was no longer president and 10% stockholder and listing Edward L. Batz as president and 10% stockholder. Batz previously was employed as a trader.

The Commission's order asserts that information developed in an investigation conducted by its staff tends, it true, to show, that First Washington, Williams, Widmayer, Smith and Batz offered and sold common stock of Acme Tool and Engineering Corporation and of Polytronic Research, Inc., by means of false and misleading representations "and engaged in transactions, practices and a course of business which would and did operate as a fraud and deceit upon the purchasers" of such stocks. More particularly, the order charges that, while distributing the Acme and Polytronic stocks, in the eight months prior to March 31, 1958, First Washington quoted and published bids and offers, and caused certain other dealers to quote and publish bids and offers for the stocks at successively higher prices "for the purpose of creating an apparent market in and raising the prices" of said stocks; and that First Washington and the four individuals induced various persons to purchase the stocks at the successively higher prices without disclosing that the market prices for the stocks "had been artificially raised" by their acts. Furthermore, according to the order, they induced the purchase of said stocks by representing that the shares were being offered "at the market" or at a price related to the market price, without disclosing that the market price for the shares was established and controlled by them. It is also charged that Williams and Widmayer offered and sold Acme convertible bonds and First Washington and the two individuals offered and sold stock of Acme and of Polytronic, in violation of the registration requirement of the Securities Act.

The order with respect to Widmayer Inc., whose registration became effective January 7, 1959, states that Richard N. Williams is president and Don F. Widmayer, vice president; that the two individuals are the only general partners in Williams, Widmayer & Co., a general partnership, and that said partnership owns all the outstanding common stock of Widmayer Inc. In addition to the charges with respect to the offer and sale of Acme and Polytronic stocks referred to above, this order refers to the registration statement filed December 1, 1958, by Advanced Research Associates, Inc., of Kensington, Maryland, proposing the public offering of 400,000 common shares at \$6 per share states that the Williams-Widmayer partnership is a principal promoter and controlling stockholder of ARA and that Williams and Widmayer signed the said registration statement as principal officers and directors of ARA; and that the registration statement of ARA is false and misleading in respect of various material facts (proceedings are now pending under the Securities Act of 1933 on the question whether the said registration statement of ARA is false and misleading and, if so, whether a

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order should be issued suspending its effectiveness). The order asserts that Williams and Widmayer caused ARA to make the false and misleading representations.

The Stanford Corp. broker-dealer registration became effective June 12, 1957. George W. Stanford is president and a 10% stockholder; and until July 25, 1958, Robert L. Ramey was an officer and 10% stockholder. The Commission's order with respect to Stanford Corp. charges that it, Stanford and Ramey offered and sold stocks of Acme and Polytronic in violation of the Securities Act registration requirement and effected transactions therein in violation of the anti-manipulative provisions of the Securities Exchange Act, by reason of purchases of shares during the distribution of the stocks.

With respect to Zaugg, whose registration became effective December 24, 1958, the Commission's order states that he is an officer of ARA and is named as a co-underwriter of its stock offering, and that he signed the ARA registration statement as treasurer and principal financial and accounting officer of ARA. The order further asserts that during the period December 1, 1958 to May 11, 1959, Zaugg violated the registration and anti-fraud provisions of the Securities Act by offering ARA stock by means of the ARA prospectus which contained false and misleading representations of material facts.

The foregoing matters are consolidated with the pending stop-order proceedings in respect of ARA and proceedings on the question whether to vacate or make permanent a prior order of the Commission temporarily suspending a Regulation A exemption from registration with respect to a stock offering by Acme; and the consolidated hearing is to be resumed on July 20, 1959. The proceedings with respect to First Washington and Stanford Corp. also present the question whether they should be suspended or expelled from membership in the National Association of Securities Dealers, Inc.

VIOLATIONS CHARGED TO ARONSON AND CO.

The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of Milton R. Aronson, doing business as Aronson & Co., 426 South Spring Street, Los Angeles, California.

Aronson became registered with the Commission as a broker-dealer on June 25, 1956. According to the Commission's order, he was permanently enjoined by a September 30, 1958 decree of the United States District Court for the Southern District of California, Central Division, from engaging in and continuing certain conduct and practices in connection with the purchase and sale of securities. The Commission's complaint in that action alleged that Aronson had engaged in the conduct of a securities business while insolvent and that he failed to disclose such insolvency to his customers and other brokers and dealers.

The Commission's order further asserts that information developed in an investigation conducted by its staff tends, if true, to show that Aronson engaged in the conduct of a securities business in violation of the Commission's net capital rule, in that his aggregate indebtedness to all other persons exceeded 2,000 per centum of his net capital; that he violated Commission rules governing the maintenance of certain books and records relating to his business by reason of the failure to make certain entries with respect to purchases of securities; and that he failed to file a report of financial condition for 1958 in violation of the reporting requirement.

A hearing will be held at a time and place later to be announced, for the purpose of taking evidence on the foregoing and to determine whether it is necessary or appropriate in the public interest to revoke Aronson's broker-dealer registration.

HEARING ORDERED IN AMERICAN RADIO AND TELEVISION CASE

The SEC has granted a request of American Television and Radio Co., 300 East Fourth St., St. Paul, Minn., for a hearing on the question whether to vacate, or make permanent, an earlier order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by American Television. The hearing is scheduled for July 14, 1959, in the Commission's Chicago Regional Office.

American Television filed a notification with the Commission on March 23, 1959, proposing the public offering of 100,000 shares of common stock at \$3 per share pursuant to the conditional exemption

from registration provided by Regulation A. In its suspension order, issued June 10, 1959 (Release 33-4096), the Commission asserted that the company's offering circular contained false and misleading representations and that the stock offering violated Section 17 (the anti-fraud provision) of the Securities Act.

At the July 14th hearing, inquiry will be conducted into these and related matters for the purpose of determining whether to vacate the suspension order or make it permanent.

RESCISSION OF RULE 9 DEFERRED

The SEC today announced the postponement from June 30, 1959 to December 31, 1959 of the effective date for the rescission of Rule 9 promulgated under the Public Utility Holding Company Act of 1935 ("Act"), which rule affords a basis for claiming exemption from all provisions of the Act by small holding company systems.

While considerable progress has been made by these systems in conforming to the requirements of Section 3 of the Act, which affords exemptions not based upon size, or in ceasing to be holding companies altogether, a few of such holding companies, by reason of special problems, find it impossible to complete their reorganization programs within the time heretofore provided and have requested this further extension of the exemption afforded by Rule 9.

WESTERN EMPIRE LIFE FILES FOR OFFERING AND SECONDARY

Western Empire Life Insurance Co., 2801 East Colfax Ave., Denver, filed a registration statement (File 2-15283) with the SEC on June 29, 1959, seeking registration of 212,000 shares of common stock and options to purchase 172,701 shares (plus the underlying shares).

The company proposes to make a public offering of three blocks of stock in amounts of 40,430, 38,570 and 36,935 shares, at prices of \$1, \$2 and \$3, respectively. The remaining 96,065 common shares and options for the 172,701 shares (together with shares underlying such options) are to be offered by the present holders thereof. The options permit purchase of the underlying shares at \$1 per share. They are now held by a long list of salesmen and former salesmen of Capitol Underwriting Co., present and former insurance agents of Western Empire, members of its advisory board, certain other persons, and certain transferees of the foregoing.

Net proceeds to the company from its stock sale are estimated at \$161,421, but without any deduction of the \$15,157 in underwriting commissions possibly to be paid to Capitol Underwriting, which are to be used for general corporate purposes.

MAGNUSON PROPERTIES PROPOSES STOCK OFFERING

Magnuson Properties, Inc., 20 S. E. 3rd Ave., Miami, Fla., filed a registration statement (File 2-15291) with the SEC on June 29, 1959, seeking registration of 500,000 shares of Class A Common Stock, to be offered for public sale through an underwriting group headed by Blair & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

Organized in January 1957, Magnuson Properties is the parent company for 39 subsidiaries, all operating as one integrated organization engaged in the development and sale of Florida homesites. The business was founded in 1937 by Frank N. Magnuson, company president. Recently, the company acquired its subsidiaries and certain other properties owned by the Magnuson family, who own all of the outstanding stock of the company, consisting of 500,000 shares of Class B common. The company also has outstanding about \$2,900,000 of indebtedness.

Of the net proceeds of the sale of the Class A shares, \$443,071 is to be expended during the period ending August 31, 1960, for mortgage payments and releases; \$465,000 will be paid on notes acquired by members of the Magnuson family in the transfers of subsidiaries and properties to the company; \$350,000 will be used to pay off an existing loan secured by a mortgage on the Florida Shores properties in Edgewater, Fla., and an assignment of a lot contract receivable; about \$1,000,000 for the construction of the first four stories of the company's proposed office building in Miami (the balance estimated at \$150,000 will be secured by a mortgage on the building), and \$93,200 to close certain options and purchase contracts covering lands in the Melbourne-Cape Canaveral area. The balance will be added to the company's general funds and will be available, together with funds

received from payments on lot sales, principally for the development of the Palm Shores properties (at Eau Gallie) and for future acquisitions, and for use as working capital.

NATIONAL LEAD FILES FOR EXCHANGE OFFER

National Lead Company, 111 Broadway, New York, filed a registration statement (File 2-15292) with the SEC on June 29, 1959, seeking registration of 28,863 shares of its common stock. On June 23, 1959, National Lead entered into an exchange agreement providing for the acquisition of the assets of Goldsmith Bros. Smelting & Refining Co., of Chicago, subject to the requisite approval of the stockholders of Goldsmith, and the dissolution and liquidation of Goldsmith. Under the agreement, National Lead will acquire the assets, property and business of Goldsmith in exchange for 30,000 shares of National Lead common stock (or such lesser number as provided for in the agreement) and the assumption by National Lead of certain liabilities of Goldsmith. The prospectus lists a number of persons who will receive and may sell the National Lead stock received by them under the agreement, including Marc S. Goldsmith, 5,644 shares; Lambert N. Goldsmith; 5,714 shares, Edith F. Adelsdorf (Gordon), trustee under the will of Sam L. Adelsdorf, 2,028 shares; and Agnes M. Goldsmith, 2,037 shares.

STRATEGIC MATERIALS FILES FOR RIGHTS OFFERING

Strategic Materials Corporation, Marine Trust Bldg., Buffalo, N. Y., filed a registration statement (File 2-15293) with the SEC on June 29, 1959, seeking registration of 368,571 shares of common stock. The company proposes to offer the stock for subscription by its common stockholders at the rate of one new share for each five shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. S. D. Lunt & Co. and Allen & Company are listed as the principal underwriters.

The company and its subsidiaries are said to be in the development stage, both as a metallurgical and as a mining enterprise. Its general policy is to devote itself primarily to exploiting the commercial possibilities of its principal metallurgical processes, assigning a subordinate position to the further development of its mineral holdings and of those metallurgical processes which are still in the laboratory stage. The company intends to apply the net proceeds from its stock sale, estimated at \$4,150,000, as follows: \$350,000 for payment of bank loans; \$500,000 for payment of a note; \$450,000 for working capital; \$2,400,000 for expenditures by Strategic-Udy Metallurgical & Chemical Processes Ltd., which owns and operates a pilot plant at Niagara Falls, Ontario, and is a subsidiary of Stratmat Ltd., Strategic's principal subsidiary, and by its other direct subsidiary, Strategic-Udy Processes, Inc., which owns and operates a laboratory at Niagara Falls, New York; \$250,000 as working capital for a mining subsidiary; \$150,000 for payment of a mortgage; and \$50,000 as working capital for another subsidiary.

MATRONICS PROPOSES STOCK OFFERING

Matronics, Inc., 558 Main St., Waterbury, N. Y., filed a registration statement (File 2-14294) with the SEC on June 29, 1959, seeking registration of 200,000 shares of capital stock. The stock is to be offered for public sale at \$3.75 per share. The offering is to be made on a best efforts basis by Vermilye Brothers, for which it will receive a selling commission of 60¢ per share. The company has agreed to sell warrants to the underwriter at \$.001 each at the rate of 1 warrant for each five shares sold by the underwriter. Each warrant entitles the holder to purchase 1 share of stock, at an initial exercise price of \$4 per share.

The company was organized under New York law in October 1957 to develop, design and manufacture business machines incorporating a digital "memory" to handle data processing and inventory control applications principally for small and medium sized businesses. Construction of the initial prototype unit was completed in May 1958, and the company is now completing the manufacture and installation of equipment on initial orders and some equipment has recently gone into actual business use. Net proceeds of the stock sale will be used for sales promotion, production test equipment, research and development, demonstrators for special systems, receivables, inventories, prepayment of notes and other purposes.

The organizers and promoters of the company are Robert Meisel, Marie Meisel and Oscar Nadel. Robert Meisel is president. The company has outstanding 192,435 shares of stock, of which Marie Meisel owns 20,000 and Oscar Nadel 21,000. Robert Meisel owns 14,500 and his mother 10,500 shares.

VULCAN MATERIAL FILES FOR EXCHANGE OFFER

Vulcan Materials Company, Mountain Brook, Ala., filed a registration statement (File 2-1529) with the SEC on June 29, 1959, seeking registration of 10,000 shares of 6-1/4% Cumulative Preferred Stock and 560,000 shares of common stock. Vulcan proposes to issue the preferred and common shares to the stockholders of Ralph E. Mills Company, Talbott Construction Corporation and Talco Constructor Inc., in exchange for all the outstanding capital stock of those three corporations, and to the owners of Sherman Concrete Pipe Company, Chattanooga, Tenn., for the business and assets of that company.

The principal stockholders of Mills Company are Ralph E. Mills and the Kentucky Trust Company, trustee under a trust revocable by Mills; these persons together own 91% of the outstanding stock of Mills Company. The principal stockholders of Talbott and Talco are Ralph E. Mills and J. Scott Talbott who own, respectively, 34% and 24% of the outstanding stock of each. In addition, Clinton H. Wood owns 10% of the stock of Talbott and Talco and 7% of the stock of Mills Co. Sherman Concrete Pipe is owned by Charles C. Miller. The prospectus indicates that Mills and the Kentucky Trust Company will receive 9,104 preferred and 329,022 common shares; Wood 667 preferred and 33,727 common; Talbott 31,419 common; and Miller 19,076 common.

I C INC. PROPOSES STOCK OFFERING

I C Inc., 704 Equitable Building, Denver, filed a registration statement (File 2-15296) with the SEC on June 29, 1959, seeking registration of 600,000 shares of common stock, to be offered for public sale at \$2.50 per share. The offering is to be made on a best efforts basis by Purvis & Company and Amos C. Sudler & Co., for which they will receive a commission of \$.375 per share.

The company was organized under Colorado law on February 26, 1959. Initially, it intends to engage in the preparation and sale of concentrate bases for the bottling of two cola beverages to be sold under the trade names and brand of I C Cola Regular and I C Cola Lighter. The proceeds derived from the sale of the shares will be used to further the corporate purposes and in the preparation of the concentrate and the enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers for the purchase of glass for the bottling of the beverages. The amount of \$1,043,000 is slated for advertising, advances, working capital and general corporate purposes, and \$160,000 for acquisition of fixed assets for manufacturing purposes.

The company's president is John Czuby. It has outstanding 200,000 shares of stock, all held by Czuby and six other holders, including 150,000 held by Kobey & Mitchell of Denver. The 200,000 shares were issued as consideration for the transfer to the corporation of the formulae for making of the concentrates. The monetary cost to them for the development and acquisition of the formulae was nominal.

TRADING IN JACOBS CO. STOCK FURTHER SUSPENDED

The SEC today announced the issuance of an order (Release 34-6002) suspending trading in the common stock of F. L. Jacobs Co. on the New York and Detroit Stock Exchange and in the over-the-counter market for a further ten-day period, July 1 to July 10, 1959, inclusive.

PAN AMERICAN WORLD AIRWAYS PROPOSES DEBENTURE OFFERING

Pan American World Airways, Inc., 135 East 42nd St., New York, filed a registration statement (File 2-15302) with the SEC on June 29, 1959, seeking registration of \$46,962,100 of Convertible Subordinated Debentures, due August 1, 1979. The company proposes to offer the debentures for subscription by its stockholders on the basis of \$100 of debentures for each 14 shares of capital stock held. The record date, interest rate, subscription price and underwriting terms are to be supplied by amendment. Lehman Brothers and Hornblower & Weeks are listed as the principal underwriters.

Net proceeds of the sale of the debentures will initially be added to the company's corporate funds. It is anticipated that such proceeds will be used either as an addition to working capital, or as a portion of the funds required in connection with the acquisition of jet powered aircraft, including all-cargo aircraft, and related flight and group equipment, or both. According to the prospectus, the company has purchased and placed in service six Boeing aircraft (B-707-121 type),

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cost of \$29,000,000 (plus \$4,000,000 for spare parts). Deliveries of an additional 17 such aircraft are scheduled to commence in August 1959 and to be completed by May, 1960; and deliveries of 21 Douglas DC-8 jet aircraft are scheduled to commence in late 1959 and to be completed in the spring of 1961. Both of these aircraft types will be larger and somewhat faster and will have greater nonstop range with full loads than the Boeing 707-121 aircraft presently in service. The total purchase price of the 17 Boeing 707 and 21 Douglas DC-8 jet aircraft (including four which may be released for sale to Panair do Brasil, S. A.) is approximately \$206,000,000. It is estimated that an investment of \$46,000,000 in spare engines, equipment and repair parts will also be required.

RAYTHERM CORP. FILES FOR OFFERING AND SECONDARY

Raytherm Corporation, Oakside at Northside, Redwood City, Calif., filed a registration statement (File 2-15299) with the SEC on June 29, 1959, seeking registration of 150,000 shares of common stock. Of this stock, 118,000 shares are to be offered for public sale for the accounting of the issuing company; and the remaining 32,000 shares, representing outstanding stock, are to be offered for sale by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Blyth & Co., Inc., and Schwabacher & Co. are listed as the principal underwriters. The company and its subsidiary are engaged in the design, development, manufacture and sale of insulated hook up wire and cable, miniature coaxial cable and shrinkable tubing designed to meet the specifications of individual customers and used primarily in the internal wiring systems of aircraft, missiles and electronic devices. It has outstanding 831,526 common shares. Net proceeds of the company's sale of additional stock will be used as follows: \$145,000 to retire bank loans \$300,000 to expand plant capacity and research facilities through purchase of machinery and equipment and through leasehold improvements; and the balance for working capital.

The prospectus lists 21 selling stockholders, whose aggregate holdings amount to 737,854 shares. The principal stockholders are Paul M. Cook, president, 184,318 shares; Richard W. Muchmore, vice president, 105,500; Frederick L. Anderson, director, 72,240; Edward H. Heller, director, 56,688; and Robert M. Halperin, treasurer, 49,978. They propose to offer 7,579, 4,388, 2,970, 4,313, and 2,055 shares, respectively.

NEIMAN-MARCUS FILES FOR OFFERING AND SECONDARY

Neiman-Marcus Company, Main and Ervay Sts., Dallas, filed a registration statement (File 2-15300) with the SEC on June 29, 1959, seeking registration of 133,800 shares of common stock. Of this stock, the issuing company proposes to offer 31,200 shares for public sale; and the remaining 102,600 shares, constituting outstanding stock, are to be offered for sale by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Lehman Brothers is listed as the principal underwriter.

Net proceeds to the company from its stock sale will be added to the general funds of the company and used for working capital requirements.

The company now has outstanding 598,800 shares of stock, of which 368,550 shares (61.56%) are held by the eleven selling stockholders. The largest blocks are held by Mrs. Herbert Marcus, Sr., vice president, 97,260 shares; Stanley Marcus, president, 59,835; Edward Marcus, executive vice president, 45,345; Lawrence Marcus, senior vice president and secretary, 36,105; Herbert Marcus, Jr., 32,085; and Trustees under Will of Herbert Marcus, Sr., 43,320. They will continue to hold, after this offering, 64,260, 51,615, 39,215, 32,085, 30,885, and 25,320 shares, respectively.

GREAT WESTERN LIFE FILES FOR RIGHTS OFFERING

Great Western Life Insurance Company, 101-111 N. W. Second St., Oklahoma City, filed a registration statement (File 2-15297) with the SEC on June 29, 1959, seeking registration of 500,000 shares of its common stock and options to purchase 200,000 additional shares of outstanding stock. These securities are to be offered in units, each consisting of 5 shares of common stock and an option to purchase 2 additional shares, the units to be offered for subscription by holders of the 1,500,000 outstanding common shares at the rate of one unit for each 15 shares held. The options evidence the right to purchase the 200,000 outstanding shares owned by Great Western Building and Loan Corporation. The record date and subscription price are to be supplied by amendment. The offering is to be made on a best efforts basis by G. J. Mitchell, Jr. Co., and Purvis & Company, the underwriting terms to be supplied by amendment. In addition to the selling commission, the underwriters will receive up to \$21,500 as reimbursement for its expenses, plus warrants to purchase 100,000 of outstanding shares.

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The net proceeds of the offering are to be utilized to loan to the subsidiary \$250,000. The subsidiary (Great Western Building and Loan) will use these funds to liquidate its obligations incurred on the purchase of 300,000 shares of Great Western Life stock from J. L. Fife, one of the organizers of the company and the former board chairman. Net proceeds in excess of this amount are to be used to increase the company's capital and surplus and thereby furnish the company with additional capital funds to expand its business. At the time of Fife's resignation as board chairman in December 1958, Great Western Building and Loan acquired the 300,000 shares of stock from him for \$250,000. The subsidiary paid him \$100,000 in January 1959, the balance being due January 1, 1960. To finance this transaction, the subsidiary borrowed \$100,000 due December 31, 1959, the loan being guaranteed by James E. McDowell, president.

ESA MUTUAL FUND FILES FOR OFFERING

ESA Mutual Fund, Inc., 1028 Connecticut Ave., N. W. Washington, D. C., investment company, filed a registration statement (File 2-15298) with the SEC on June 29, 1959, seeking registration of 2,000,000 shares of its capital stock. The company was organized under Maryland law on May 15, 1959. The prospectus lists Yates, Heitner & Woods of St. Louis as investment adviser; ESA Distributors, Inc., as underwriter, and Joseph Amann of Washington as board chairman and president. American Diversified Mutual Securities Company will serve as business manager of the Fund.

REPUBLIC RESOURCES AND DEVELOPMENT PROPOSES OFFERING

Republic Resources and Development Corporation, 410 Rosario St., Binondo, Manila, Philippines, filed a registration statement (File 2-15303) with the SEC on June 29, 1959, seeking registration of 1,250,000 unit shares of capital stock. The shares are to be offered for public sale at \$2 per share. The offering is to be made on a best efforts basis by John G. Carvin & Co., of New York, for which it will receive a selling commission of 50¢ per share, plus expenses up to \$35,000.

Republic was organized under Philippine law in 1956 to search for oil and other basic minerals and metals in the Philippines. Net proceeds of the stock sale will be used in its oil exploration program for the purchase of oil exploration and drilling equipment, supplies and materials; to contract with U. S. geophysical contractors for technical services; and to pay its pro-rata share of the dollar exploration expenses under its agreements with three other companies for joint exploration of concessions held in the Philippines. The prospectus indicates that in "all likelihood" the proceeds of the proposed stock sale will be insufficient to meet all the prospective dollar needs of the company.

According to the prospectus, the company has outstanding 560,831,560 shares of stock, of which the Manila brokerage firm of Tiong, Garcia, Chezzi & Co. Inc., owns of record 71,214,960, or 12.7%. The company's president, Jose Tiong, has subscribed for 35,789,000 shares and paid for 15,168,500 shares.

AMERICAN MINES PROPOSES OFFERING

American Mines, Inc., Bank of the Southwest Building, Houston, filed a registration statement (File 2-15301) with the SEC on June 29, 1959, seeking registration of 150,000 shares of common stock, to be offered for public sale at \$5 per share. The company proposes to offer the shares directly to the public. If no underwriter is secured, the offering will be made through Sam Higgason, company president. Selling expenses are estimated at \$.375 per share.

The company was organized in March 1958 to engage principally in the acquisition, exploration and development of gold-bearing properties and the marketing of gold. Net proceeds of the stock sale will be used as follows: (1) assume and pay an option held by its Mexican subsidiary to purchase certain mining claims in the State of Durango, Mexico owned by Compania Minera La Bufa, S. A. by paying to such company \$50,000; (2) to construct and place in working operation a mine, mill and accessories capable of processing 100 tons of gold ore per day estimated to cost \$350,000; (3) Payment of about \$15,000 of other obligations; (4) to carry on with the balance of the proceeds an exploration program for acquiring and exploring for additional gold and mineral properties both in Mexico and the United States.

According to the prospectus 75,000 common shares are now outstanding. In exchange for 67,000 shares and a commitment by the company to pay \$15,000 from the proceeds of this financing, Higgason, the principal promoter, exchanged all the outstanding shares of Compania Minera Urite, S. A. Higgason subsequently donated 27,400 shares to the company treasury.