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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FOR RELEASE August 19, 1959

ADRs FOR DRESDNER BANK FILED

Morgan Guaranty Trust Company of New York filed a registration statement (File 2-15476) with the SEC on August 18, 1959, seeking registration of American Depositary Receipts for 50,000 Bearer Shares of Dresdner Bank Aktiengesellschaft, a German company.

NATIONAL CLEVELAND CORP. PROPOSES DEBENTURE OFFERING

National Cleveland Corporation, 11200 Madison Ave., Cleveland, filed a registration statement (File 2-15477) with the SEC on August 18, 1959, seeking registration of $600,000 of Convertible Subordinated Debentures, due September 1, 1971, to be offered for public sale through Loewi & Co. and Merrill, Turben & Co., Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is presently operated in two divisions, one of which manufactures special metal-cutting tools and the other machines for the forming of products from thermoplastic sheets. A subsidiary manufactures machines to blow mold plastics. A portion of the net proceeds of the sale of the debentures will be used for the payment in full of $400,000 of short-term bank loans, which loans were used principally to finance the inventory requirements and carrying of accounts receivable incident to the extension of the business into the field of manufacturing machines to form and mold plastics. The balance of the proceeds will be added to the general funds of the company for use as working capital as needed in the operation of the business.

FAIR LANES PROPOSES STOCK OFFERING

Fair Lanes, Inc., 610 North Howard St., Baltimore, filed a registration statement (File 2-15478) with the SEC on August 18, 1959 seeking registration of 120,000 shares of Class A common stock, to be offered for public sale through an underwriting group headed by R. S. Dickson & Co., Inc., and Alex. Brown & Sons. The public offering price and underwriting terms are to be supplied by amendment. The company has heretofore sold to the underwriters stock purchase warrants enabling the holders to purchase 12,000 Class A shares at $12 per share.

The company is engaged in the operation of modern bowling centers with accessory facilities, directly and through subsidiaries. It now has outstanding 262,500 shares of Class B common stock and certain indebtedness. Net proceeds of the sale of the Class A stock will, together with other funds of the company, be applied to the cost of expanding its business, additional working capital and other corporate purposes. According to the prospectus, the company has plans for the opening of approximately 22 new bowling centers by the end of 1960. It is estimated that approximately $50,000 of the company's own funds will be required to open a typical new bowling center. It is expected that additional funds needed for site acquisitions, leases and the construction of bowling centers thereon will be borrowed from commercial banks or other lending institutions on unsecured notes, notes secured by liens on equipment and mortgages on real estate.

Of the outstanding Class B stock, Sidney M. Friedberg, Herbert L. Friedberg, and Sylvia F. Nachlas, all of Baltimore, president, board chairman and vice-president, respectively, own 86,991, 86,991, and 87,487 shares, respectively.

OVER

LONG MILE RUBBER CORP. FILES FINANCING PROPOSAL

Long Mile Rubber Corporation, 6820 Forest Park Road, Dallas, filed a registration statement (File 2-15479) with the SEC on August 18, 1959, seeking registration of $1,500,000 of Sinking Fund Subordinated Debentures, due September 1, 1974, with warrants for the purchase of 60,000 shares of common stock. The debentures (with warrants) are to be offered for public sale at 100% of the principal amount of the debentures The interest rate and exercise price of the warrants, as well as the underwriting terms, are to be supplied by amendment.

The registration statement also covers 225,000 shares of outstanding common stock, to be offered for public sale by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment.

The prospectus lists Scherck, Richter Company, Burnham & Company and S. D. Lunt & Company as the principal underwritiers for both issues.

The company is the successor by merger, to be effective September 11, 1959, of Rubber & Tire Materials Corp. with and into The RTM Corporation, which as the surviving corporation is to change its name to Long Mile Rubber Corporation in order to identify it with the established trade name of its product. A predecessor corporation was formed in March 1953 to carry on the business of a prior partnership formed by W. R. Phillips and R. Cecil Murray in July 1949. Seven new corporations were organized principally to sell and distribute "Long Mile" tread rubber in various part of the United States, and 1 new corporation was organized to manufacture tire repair materials. The Phillips and Murray families transferred all the outstanding stocks of the said 9 coporations to Rubber & Tire Materials Corp.; and part of the consideration received by the Phillips and Murray families were purchase money obligations. Subsequently, the said predecessor was liquidated, Rubber & Tire Materials Corp. succeeding to its business and becoming the principal manufacturing corporation as well as the owner of the 8 other wholly owned subsidiaries. A new wholly owned subsidiary recently was organized to acquire a new plant site at Spartanburg, S. Car.

Of the proceeds of the sale of the debentures, $700,000 is to be used to prepay a 5% note payable to a bank, representing the refinancing of $200,000 previously borrowed from the bank for working capital and a commitment to lend an additional $500,000 over a period of 120 days from July 21, 1959 (to be used for the purchase of the plant site and the construction of improvements and the purchase of equipment and machinery for the factory to be opened at Spartanburg). An additional $700,000 is to be used to repay the $700,000 of outstanding purchase money obligations. Any proceeds which the company may receive from the exercise of the stock purchase warrants are required to be used for the purchase and redemption of debentures.

The 625,000 outstanding shares of common stock are to be owned by 38 stockholders, including E. M. Black, board chairman, W. R. Phillips, president, and R. Cecil Murray, vice president. They will acquire their shares upon the merger of Rubber & Tire Materials Corp. into the RTM Corporation, effective September 11, 1959. The number of shares to be offered for sale by individual stockholders is to be supplied by amendment.

CADOR PRODUCTION SEEKS STOCK REGISTRATION

Cador Production Corporation, Far Hills, N. J., filed a registration statement (File 2-15480) with the SEC on August 18, 1959, seeking registration of 1,500,000 shares of Class A stock ($1 par) and 225,000 shares of Class B stock (60¢ par).

The company now has outstanding 411,667 shares of Class A stock and 85,228 shares of Class B stock (together with certain indebtedness). It has acquired by exchange for all of its outstanding Class A stock and other considerations, various fractional undivided interests in oil and gas properties, mostly in Oklahoma, Texas, Kansas and New Mexico. The company's largest single property is the Messall Project in the Marlow Field in Stephens County, Okla. It now proposes to acquire additional oil and gas interests by exchange for the 1,500,000 shares of Class A stock.

The prospectus lists Charles S. Dewey, Jr., as president and Allan B. Grady as executive vice-president. Of the outstanding stock, about 18% of the Class A and 97.4 % of the Class B shares are owned by directors or by persons who have nominated directors.

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The 225,000 shares of Class B stock are not being offered for sale, but may be issued as commission in connection with the distribution of the Class B stock. Dewey & Grady Incorporated will act as exclusive agent for the company on a "best efforts basis" in the acquisition of properties and, hence, in the distribution of the Class A stock. The agent will be issued 15 shares of class B stock for each 100 shares of Class A stock issued for property interests. Dewey owns 30.55% and Grady 25% of the outstanding stock of the agent.

SOUTHEASTERN DEVELOPMENT FILES FOR STOCK OFFERING

Southeastern Development Corporation, 311 First Federal Bldg., Hattiesburg, Miss., filed a registration statement (File 2-15482) with the SEC on August 18, 1959, seeking registration of 738,964 shares of common stock. The company proposes to offer 340,000 shares for public sale at $2.50 per share. Each purchaser also will receive an option for the purchase on or before April 7, 1960, of the same number of shares at $2.50 per share. Public offering of the shares is to be made by management officials and employees, for which a 25¢ per share commission is to be paid (plus expenses). Dr. R. C. Cook, president and promoter, is to receive as his salary 5600 shares and a 2% cash override on the sale of the first 120,000 shares; but he is to receive no commission on the sale of stock by him.

An additional 37,429 shares are to be offered in exchange for the common stock of Southeastern Building Corporation, on a one-for-one basis, conditional upon the tender of sufficient Building Corporation stock for exchange so that the Development Corporation will own at least 75%. The remaining 21,535 shares are covered by outstanding options exercisable at $2.50 per share.

Southeastern Development was organized in May 1959 and proposes in general to engage in a number of varied activities, including the acquisition, development, construction and/or financing of timber lands, commercial buildings, suburban residential developments, and small business and manufacturing opportunities. It proposes to establish four operating Divisions: Land and Oil; Building and Land Development; Mortgage Brokerage; and Small Business. From the first proceeds of the stock sale, it is intended to supply Southeastern Building with $160,000 so as to provide it with sufficient funds to complete its building program; and an aggregate of $150,000 will be used to establish the four operating divisions. As additional proceeds are received, they will be used to expand the four divisions, with the largest amount ($300,000 going to the land and oil division).

The company now has outstanding 36,023 shares of stock. The prospectus indicates that the company may have incurred a contingent liability in the amount of $90,057 in the sale of this stock, being the purchase price thereof, which was sold pursuant to preorganization subscriptions obtained in April 1959 from 122 residents of Mississippi. The stock was sold without registration under the Securities Act of 1933 in reliance upon an exemption therefrom, which exemption may not in fact have been available. Certain of these subscribers obtained options for the purchase of the 21,535 additional shares of stock at $2.50 per share.

SKIATRON ELECTRONICS AND TELEVISION SHARES IN REGISTRATION

Skiatron Electronics and Television Corporation, 180 Varick Street, New York, filed a registration statement (File 2-15483) with the SEC on August 18, 1959, seeking registration of 172,242 shares of its common stock. Of this stock, 125,000 shares were issued or are to be issued pursuant to warrants issued in 1956 to Matthew M. Fox, of which Fox has purchased 75,000 shares at $3 per share and owns warrants to purchase 50,000 additional shares at $3 per share on or before October 31, 1959; 1,500 shares were issued by the company to William J. Shanahan, Chief Engineer, at $3.375 per share pursuant to a 1955 option; 1,000 to Tom Compere, public relations counsel, at $4.125 per share pursuant to a 1956 option; 1,000 to Robert A. Hall, director, at $4.50 per share pursuant to a 1956 option; and an aggregate of 13,742 shares to various persons in lieu of cash for services rendered, pursuant to authorization of the directors in January 1958.

The prospectus also covers 30,000 common shares owned by Arthur Levey, president, which will be offered for sale through brokers.

The company has added the cash proceeds, aggregating $238,696, received by it on the exercise of warrants and options to its working capital and intends to treat similarly the proceeds aggregating

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$150,000 to be received on the exercise of additional warrants. It will receive no part of the proceeds of the sale of stock by Levey. The company now has outstanding 1,424,559 shares of common stock. Levey is listed as the owner of 270,431 shares, and he holds an option for an additional 100,000 shares. 250,000 shares are reserved for issuance upon exercise of warrants issued pursuant to an agreement with Skiatron TV, Inc., in April 1957.

TEMPORARY EXEMPTION FOR MUTUAL TRUST ADVISORY CONTRACT GRANTED

The SEC has issued an order under the Investment Company Act (Release 40-2905) granting an application of Mutual Trust, Kansas City investment company, for a temporary exemption from a provision of the Act requiring stockholder approval of an investment advisory contract. Security Management, Inc., has acted as investment adviser since 1950. All its outstanding voting stock is owned by A. E. Weltner & Co., Inc. Of the latter's 600 outstanding shares of voting stock, 448 shares were owned by A. E. Weltner, who died in February 1959. Under the terms of his will, ownership of the 448 shares passed to his wife. This "assignment" of voting control resulted in automatic termination of the advisory contract. The Commission's exemption order permits the investment adviser to continue to serve until January 19, 1960, the date of the regular shareholders' meeting of Mutual Trust, at which shareholders will vote upon the continuance of the advisory contract with Security Management Inc.

TRADING IN JACOBS CO. STOCK SUSPENDED

The SEC has issued an order (Release 34-6048) 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, August 20 to 29, 1959, inclusive.

SEC CLARIFIES ANNOUNCEMENT ON JOHN CONNELLY INC.

In the News Diegest of July 30, 1959, announcement was made of the issuance of an SEC order temporarily suspending a Regulation A exemption from registration under the Securities Act with respect to a public offering of stock by John F. Connelly, Inc., 159 County St., Somerset, Mass. This company is not to be confused with Mr. John F. Connelly, president of Crown Cork & Seal Company, Inc., of Philadelphia, who is not associated in any way with the Somerset, Mass., company.

POSTAL FRAUD ORDER ISSUED AGAINST SALE OF STEPHEN NICKEL MINES STOCK

The SEC today announced that the U. S. Post Office, on application of the Commission, has issued a foreign fraud order against Canam Investments Limited of Saint John, New Brunswick, Canada, in connection with Canam's offering and sale of St. Stephen Nickel Mines Limited stock to residents of this country (Lit. Rel. 1480). The fraud order was based upon evidence supplied by the Commission that the stock was being offered for sale by means of false and fraudulent representations concerning the market price of the stock, its future value, and related matter. The order is directed to all postmasters authorized to dispatch mail to Canada, and instructs them to stamp "FRAUDULENT" on all letters addressed to either of the two companies and to return same to sender.

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