

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington 25, D.C.

(In ordering full text of Releases from Publications Unit, cite number)

FOR RELEASE September 22, 1959

GOLD MEDAL STUDIOS PROPOSES STOCK OFFERING

Gold Medal Studios, Inc., 807 East 175th St., New York, filed a registration statement (File 2-15615) with the SEC on September 18, 1959, seeking registration of 500,000 shares of common stock, to be offered for public sale at \$1 per share through Arnold Malkan & Co., Inc., which will receive a commission of 11¢ per share.

Organized in 1956, the company is principally engaged in leasing and operating motion picture studio facilities for the production of motion picture and television entertainment, industrial short films and television commercials. Of the net proceeds of the stock offering, \$50,000 will be used for additional studio equipment; \$100,000 for a down payment to purchase some other building or buildings with a larger total working area than presently occupied; \$225,000 for investing in, producing, developing and otherwise exploiting properties or opportunities in and related to the entertainment field, including feature films for theatrical release, television film series and plays; \$4,000 for payment of a note payable to Martin H. Poll, president; and \$41,000 for general corporate purposes.

The company now has outstanding 177,315 common shares, of which Poll owns 66,864 shares. Certain trusts, of which Arnold Malkan, president of the underwriter, is trustee own an aggregate of 98,500 shares, of which 21,000 were purchased from another shareholder at 45¢ per share; and 77,000 shares are to be purchased from the company at 10¢ per share with the company entitled to repurchase the shares at the same price if the underwriter should not sell or purchase all the securities under the present underwriting. Malkan intends to hold these shares for investment. The company sold 22,500 shares on the same terms to Richard Richards of New York, a finder.

SECURITIES VIOLATIONS CHARGED TO THOMPSON AND SLOAN, INC.

The SEC has scheduled a hearing for October 12, 1959, in its Los Angeles Branch Office in the proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Thompson and Sloan, Inc., 7805 Sunset Blvd., Hollywood, Calif., should be revoked.

According to the Commission's February 11, 1959, order authorizing the proceedings, information developed in an investigation conducted by its Staff tends if true to show that, in connection with their transactions in securities, the company, together with two of its officials, Benjamin Michael Katz and Arnold Irwin Spatt, "engaged in acts, practices and a course of business which operated as a fraud upon certain persons" in violation of the anti-fraud provisions of the Federal securities laws, and otherwise violated provisions of the said laws and rules of the Commission thereunder.

At the hearing, inquiry will be conducted into these and related matters for the purpose of determining whether the violations occurred and, if so, whether the broker-dealer registration of Thompson and Sloan, Inc., should be revoked.

PUGET SOUND POWER & LIGHT PROPOSES BOND OFFERING

Puget Sound Power & Light Company, 860 Stuart Bldg., Seattle, Washington, filed a registration statement (File 2-15618) with the SEC on September 21, 1959, seeking registration of \$20,000,000 of

OVER

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

First Mortgage Bonds, Series due 1989, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be applied to the prepayment of outstanding bank loans, due January 31, 1960, incurred for construction purposes, which bank loans are expected to aggregate about \$23,000,000 at the time of such sale. New bank loans and cash generated from operations will be used to continue the company's construction program. It is estimated that 1959 construction expenditures will approximate \$23,700,000 (of which \$12,900,000 had been spent at June 30, 1959) and the 1960 program will require expenditures of about \$18,600,000.

BANK BORROWINGS PROPOSED BY SOUTHERN ELECTRIC GENERATING CO.

The SEC has issued an order (Release 35-14062) authorizing Southern Electric Generating Company, Birmingham, Ala., to issue and sell from time to time through June 30, 1960, up to an aggregate of \$40,000,000 of unsecured promissory notes to a group of twelve banks. A subsidiary of Alabama Power Company and Georgia Power Company, who in turn are subsidiaries of The Southern Company, SEGCO proposes to use the funds to carry on its 1959 and 1960 construction program. It intends to sell additional debt securities to the public and additional common stock to its parents in 1960 in order to provide funds for paying off the notes and to further finance said program.

MODIFICATIONS IN SERVICE COMPANY ARRANGEMENTS PROPOSED

Four former subsidiaries of The Middle West Corporation, namely, Middle West Service Company, Illinois Stock Transfer Company, Bureau of Safety, and Insurance Trust Fund, have petitioned the Commission for a modification of a 1949 order which approved, as steps in the dissolution of the parent, certain transfers of the stocks of the said subsidiaries; and the Commission has issued an order (Release 35-14064) giving interested persons until October 6, 1959, to request a hearing thereon.

The 1949 order related to the transfer by the parent, without consideration, of the capital stocks of Service Company, Illinois Stock Transfer, and Bureau of Safety to seven individuals, who were officers and department heads of one or more of such service companies. Service company proposed to render services to former associates and other clients at other than cost. Stock Transfer, Bureau and Trust Fund proposed to render services to former associates at cost. The 1949 declaration also provided for a profit-sharing arrangement for those employees of Service Company who did not become stockholders thereof and for the disposition by the parent of its interest in Trust Fund. The Commission's order imposed various conditions to its approval of the transactions proposed by said declaration; and the present application seeks modification of these conditions.

AMERICAN MOTORISTS INSURANCE FILES FOR RIGHTS OFFERING

American Motorists Insurance Company, 4750 Sheridan Rd., Chicago, today filed a registration statement (File 2-15619) with the SEC seeking registration of 166,666-2/3 shares of its capital stock, to be offered for subscription at \$12 per share by holders of outstanding stock of record October 26, 1959, in the ratio of one new share for each eight shares then held. No underwriting is involved.

The company has specialized in workmen's compensation and automobile insurance written under participating policies. For some years it has been writing an increasing volume of other types of business; and in 1957 it commenced writing ocean marine insurance. Net proceeds of the sale of additional stock will raise the ratio of its capital stock, surplus and surplus reserves to premium writings; and the additional capital will increase its underwriting capacity and will be used for general corporate purposes.

CROWN ZELLERBACH FILES STOCK PLAN

Crown Zellerbach Corporation, 343 Sansome St., San Francisco, today filed a registration statement (File 2-15620) with the SEC seeking registration of 232,790 shares of its common stock, to be offered to those employees of the company and its subsidiaries who hold options to purchase such shares granted pursuant to the company's Selected Employees Stock Option Plan.

CANADIAN RESTRICTED LIST

Correction: The September 18th News Digest failed to correctly identify the Canadian company which was added to the Canadian Restricted List, namely, FILE LAKE EXPLORATIONS LIMITED.