

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 December 16, 1959

SEC ORDER EXEMPTS CENTENNIAL FUND TRANSACTIONS. The SEC has issued an exemption order under the Investment Company Act (Release 40-2946) permitting Centennial Fund, Inc., Denver investment company, to enter into escrow agreements with investors, as depositors, who will agree to place cash and securities in escrow to be exchanged for shares of the Fund in a simultaneous tax-free exchange if at least \$10,000,000 is raised pursuant to such procedure by March 1, 1960.

INSTITUTIONAL SHARES PURCHASE OF C.S.B. INC. APPROVED. The SEC has issued an exemption order under the Investment Company Act (Release 40-2945) permitting Institutional Shares, Ltd., to issue its shares at net asset value for substantially all of the cash and securities of C.S.B., Inc., a personal holding company with two stockholders.

BALDWIN SECURITIES WITHDRAWS APPLICATION. At the request of Baldwin Securities Corporation, New York investment company, the SEC has vacated its order of November 10, 1959, granting an exemption from the Investment Company Act with respect to the relationship of Baldwin with General Industrial Enterprises, Inc. (Release 40-2947). The order was conditioned upon the acceptance of an offer of Baldwin in exchange for stock of GIE by the holders of at least 44,765 shares of GIE stock, which offer was an integral part of a settlement agreement then pending before the U. S. District Court in Wilmington, Del., as a compromise of certain litigation then subject to that court's jurisdiction. The court disapproved the settlement.

PRELIMINARY ORDER ENJOINS TRANS-GLOBE LEASE. The SEC Washington Regional Office announces that an order of preliminary injunction was issued on December 14, 1959, by Judge R. B. Keach (USDC, DC) against further violations of Securities Act registration and anti-fraud provisions by Trans-Globe Lease & Land Exchanges, Inc., Frank S. Kimball and Charles Jackson, in the offer and sale of Trans-Globe oil leases. (Lit. Release 1539)

DAVIDSON AUTOMATIC MERCHANDISING PROPOSES OFFERING. Davidson Automatic Merchandising Co., Inc., 5950 West Jefferson Blvd., Los Angeles, filed a registration statement (File 2-15932) with the SEC on December 15, 1959, seeking registration of 120,000 shares of common stock, to be offered for public sale through an underwriting group headed by White, Weld & Co., Inc., and Cruttenden, Podesta & Co. The public offering price and underwriting terms are to be supplied by amendment.

Organized in February 1959, the company and subsidiaries are engaged in the business of selling a variety of products through coin-operated vending machines. In March 1959 it acquired all the outstanding stock of six companies which had been engaged in the automatic merchandising business; and more recently it acquired the stocks of two additional automatic merchandising companies, and a newly-organized subsidiary acquired the assets of a third.

Of the net proceeds of the sale of additional stock, the company will use \$500,000 for payment of a \$500,000 bank loan made to provide part of the purchase price of the stock of one subsidiary and \$1,500,000 in payment of a portion of notes issued to Devra J. Davidson and Harry R. Davidson in March 1959 to evidence part of the purchase price of the six first-acquired companies. The balance of the proceeds will be added to general funds of the company and used for new equipment, expansion of existing services, and for acquisitions. Concurrently with partial payment of the notes issued to the Davidsons, the company will issue to the Davidsons its 5% promissory notes in the amount of \$1,200,000 in satisfaction of the unpaid balance of the old notes.

The company now has outstanding 791,796 common shares, of which management officials own 314,988 shares. The Davidsons each own 85,981.5 shares. The stocks of five of the six first-acquired companies were acquired from the Davidsons for a consideration of \$1,250,000 in cash and \$3,000,000 of promissory notes; and for the sixth, the company issued 191,000 common shares, of which the Davidsons each received 83,100 shares. The cash payments were made from the proceeds

For further details, call SI 3-7600, ext. 3626

of the sale of 405,000 common shares to a group of private investors for \$1,350,000, including certain members of one of the underwriters. The stock of one of the other subsidiaries was acquired from two individuals for \$1,143,923 in cash, a \$108,750 note, and 60,000 common shares, and that of another for \$296,500 in cash and 10,500 common shares. The assets of the fifth company were acquired for \$500,000 (plus the assumption of certain liabilities) and an agreement to sell 1,000 common shares for \$30,000.

U. S. PLYWOOD FILES STOCK PLAN. United States Plywood Corporation, 55 West 44th Street, New York, filed a registration statement (File 2-15933) with the SEC on December 15, 1959, seeking registration of \$1,000,000 of participations in its Employees' Stock Purchase Plan for 1960 together with 23,000 common shares which may be acquired pursuant thereto.

MIDDLE SOUTH UTILITIES FILES STOCK PLAN. Middle South Utilities, Inc., Two Broadway, New York, filed a registration statement (File 2-15934) with the SEC on December 15, 1959, seeking registration of interests in its Stock Purchase Plan for eligible employees of the company and its subsidiaries, together with 25,000 shares of Middle South common which may be acquired pursuant thereto.

HORNE'S ENTERPRISES FILES FOR OFFERING. Horne's Enterprises, Inc., Bayard, Fla., today filed a registration statement (File 2-15935) with the SEC seeking registration of 235,000 shares of common stock, to be offered for public sale through an underwriting group headed by Pierce, Garrison, Wilburn, Inc., and The Johnson, Lane Space Corporation. The public offering price and underwriting terms are to be supplied by amendment. The registration statement includes an additional 45,000 shares reserved for issuance upon exercise of stock purchase options granted and to be granted to officers and employees.

Horne's operates a chain of stores along highways in the eastern United States which are combination candy, gift and luncheon stores and offer gasoline service facilities. It also manufactures candies for its own stores as well as others. It now has outstanding 215,000 common shares. Net proceeds of the sale of additional stock will be added to the company's general funds. The proceeds, together with some \$300,000 of treasury funds, will be used for the company's expansion program. The company will open new company stores either by purchasing property and constructing the stores thereon or by leasing the stores. It plans to open 20 additional stores and expects that about one half of the new stores will be leased. Under such arrangement the company will expend about \$700,000 for the new stores.

The Company has nine subsidiaries, each of which owns and operates one or more company stores. Prior to October 31, 1959, Robert I. Horne, president, owned about 66-2/3% and Alton I. Horne, secretary, 33-1/3% of the capital stock of the subsidiaries. Horne's acquired all the stock of the subsidiaries in exchange for 145,000 shares of its common stock.

CONTROLS CO. OF AMERICA SHARES IN REGISTRATION. Controls Company of America, 9555 West Soreng Ave., Schiller Park, Ill., today filed a registration statement (File 2-15936) with the SEC seeking registration of 110,400 shares of common stock. Electrosnap Corporation, of Chicago, is to be merged with and into Controls Company as of December 31, 1959, and an additional 110,400 shares of Controls Company stock will then become outstanding in conversion of the 92,000 shares of Electrosnap common now outstanding. Registration of the 110,400 shares is being effected in the event of possible redistribution thereof by the recipients over the Midwest or New York Stock Exchanges.