

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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AMERICAN MORTGAGE INSURANCE FILES FOR STOCK OFFERING. American Mortgage Insurance Company, 300 South Salisbury St., Raleigh, N. C., filed a registration statement (File 2-21012) with the SEC on January 10 seeking registration of 31,070 shares of common stock, to be offered for public sale at \$18 per share in North Carolina, South Carolina, Georgia and Virginia. The 31,070 shares will initially be offered to present stockholders at \$18 per share at the rate of one share for each five shares owned of record on the effective date of this registration. No underwriting is involved. In any state in which the offering of the stock is required to be made through a local securities dealer, the company may pay not more than a 90c per share selling commission. The statement also includes 12,000 shares underlying an option, exercisable at \$3.75 per share, granted to William A. Granberry, president.

The company is engaged in the business of insuring lenders against loss on residential first mortgage loans and loans on multi-unit apartments and semi-commercial property. The net proceeds from the stock sale will be invested in securities approved for investment by insurance companies by the State of North Carolina. The company has outstanding 155,350 common shares, of which management officials as a group own 30,390 shares. Frederick Willets, Sr., is board chairman. Sale of new stock at \$18 per share will result in an increase in the book value of stock now outstanding from \$4.07 to \$6.31 per share, with a resulting dilution of \$11.69 per share in the book equity of stock purchased by new investors.

WHITEHALL FUND SEEKS ORDER. Whitehall Fund, Inc., New York open-end investment company, has applied to the SEC for an order under the Investment Company Act authorizing the proposed issuance of its shares at net asset value for the cash and securities of Lincoln Securities Corporation, a New Jersey company; and the Commission has issued an order (Release IC-3616) giving interested persons until February 1 to request a hearing thereon. Lincoln is engaged primarily in investing and reinvesting its funds; and as of December 12, 1962 it owned cash and securities with an approximate value of \$838,337. When received by Lincoln, the shares of Whitehall are to be distributed to Lincoln shareholders (numbering ten, with two other persons having a beneficial interest in its stock) on liquidation of Lincoln. At December 12, the net assets of Whitehall amounted to \$12,986,255. If the exchange had taken place on December 12 Lincoln would have received 66,482 Whitehall shares.

PUTNAM GROWTH FUND SEEKS ORDER. The Putnam Growth Fund, Boston open-end investment company, has applied to the SEC for an order under the Investment Company Act authorizing the proposed issuance of its shares at net asset value for substantially all of the assets of Brotherton Corporation, a Delaware company; and the Commission has issued an order (Release IC-3617) giving interested persons until February 1 to request a hearing thereon. Brotherton is a personal holding company with 19 shareholders which is engaged in investing and reinvesting in securities. The cash and securities of Brotherton have an approximate value of \$1,253,300.

DIXILYN FILES EXCHANGE OFFER. Dixilyn Corporation, P. O. Box 3427, Odessa, Texas, filed a registration statement (File 2-21015) with the SEC on January 15 seeking registration of 1,046,628 shares of common stock. It is proposed to offer such stock (and cash) in exchange for outstanding shares of Class A convertible stock, at the rate of one and 1/5 share (plus 50c) for each Class A share. Hemphill, Noyes & Co., 8 Hanover St., New York, and Dallas Union Securities Company, 1001 Adolphus Tower, Dallas, will form and manage a group of dealers to solicit exchanges, and they will be paid 10c for each Class A share deposited for exchange. The managers will receive \$10,000 as compensation for services as managers.

The company is engaged in (1) the drilling of oil and gas wells on a contract basis for others and (2) the acquisition through lease, or otherwise, of prospective and proven oil and gas properties, the exploration, drilling and development of such properties and the production, gathering and sale of crude oil and natural gas therefrom. The prospectus reflects a net loss of \$91,315 for the year ended October 31, 1962 and of \$33,869 for the same period ended 1961. According to the prospectus, the company desires to retire its outstanding Class A shares because the existence of such class of stock has in the past "interfered with the company's ability to make acquisitions or to enter into transactions which would have required the issuance by the company of shares of its stock. The other parties to the proposed transactions were unwilling to accept Common Stock of the Company because of the existence of the Class A Convertible Stock." In addition to certain indebtedness, the company has outstanding 872,190 Class A and 587,760 common shares. M. O. Boring, Jr., president, together with his wife, own 42.3% of the total voting power of stock outstanding (70.5% of the common shares) and management officials as a group 54%.

TWO BROKER-DEALER HEARINGS POSTPONED. The SEC has authorized postponement, to the dates indicated, of hearings scheduled for this date in proceedings on the question of revocation of the broker-dealer registrations of the following: Palombi Securities Co., Inc., of New York City -- hearing postponed to January 30; East Coast Investors Co., Inc., of New York City -- hearing postponed to February 20. Both hearings will be held in the SEC New York Regional Office.