

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 January 26, 1959

Statistical Release No. 1581

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended January 23, 1959, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1958 and 1959, is as follows:

	<u>1939 = 100</u>		<u>Change</u>	<u>1958 - 1959</u>	
	<u>1/23/58</u>	<u>1/16/59</u>		<u>High</u>	<u>Low</u>
Composite	413.2*	411.1	+0.5	413.2	299.0
Manufacturing	511.5*	508.3	+0.6	511.5	373.3
Durable Goods	475.5	476.6	-0.2	476.6	332.2
Non-Durable Goods	534.8*	527.7	+1.3	534.8	402.2
Transportation	355.9	356.3	-0.1	356.3	219.7
Utility	212.5	213.8	-0.6	216.3	155.5
Trade, Finance & Service	404.8*	397.9	+1.7	404.8	263.2
Mining	360.4*	341.3	+5.6	360.4	261.3

*New High

INTERMOUNTAIN SECURITIES CITED IN SEC ORDER

The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Intermountain Securities, Inc., 309 Columbine Street, Denver, Colorado, has violated provisions of that Act and Commission rules thereunder and, if so, whether its broker-dealer registration should be revoked.

The company has been registered since October 6, 1955. An amendment filed November 7, 1956, to its registration application reported its principal business address as 309 Columbine Street in Denver, listed John W. Stewart as president, Ole A. Jacobsen as vice president, and Robert L. McCoy as secretary-treasurer; and named those three officers and Don Sandidge as the only persons owning 10% or more of its outstanding stock.

According to the Commission's order, information developed in an investigation conducted by its Staff tends if true to show that on February 1, 1957, Lamarr Carlisle Bailey, Sr., became president and owner of 10% or more of the outstanding stock of Intermountain and Lamarr Carlisle Bailey, Jr., became its vice president; that on March 5, 1957, Intermountain vacated the 309 Columbine Street office; that there was a failure to amend Intermountain's registration application to correct the previously reported information in the foregoing particulars; that Intermountain abandoned certain of its books and records at the 309 Columbine Street address and failed to preserve certain of its books and records in an easily accessible place; and that Intermountain

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failed to file a report of its financial condition for 1957. These act and/or failures to act are said to be violative of provisions of the Securities Exchange Act and Commission rules thereunder; and the two Baileys are said to have caused Intermountain to commit them.

A hearing for the purpose of taking evidence with respect to the foregoing matters will be held at a time and place later to be announced.

(NOTE TO PRESS: Foregoing also available SEC Denver Regional Office.)

TV JUNIOR PUBLICATIONS PROPOSES STOCK OFFERING

TV Junior Publications Inc., 225 Varick St., New York, filed a registration statement (File 2-14701) with the SEC seeking registration of 150,000 shares of common stock and warrants for the purchase of an additional 150,000 common shares. The issuing company proposes to make a public offering of 120,000 units of these shares and warrants, the offering price to be \$2.50 per unit. The offering is to be made on a best efforts basis by Charles Plohn & Co., of New York, for which it will receive a selling commission of \$.425 per share. The remaining 30,000 of units are to be offered by three selling stockholders in the amount of 10,000 units each, namely, David Zucker, a director, Richard Woike, and Leo P. Nathanson. The underwriter also has purchased from Zucker for \$30, 10,000 units, which it intends to hold for investment.

The issuing company publishes the TV Junior magazine, said to be devoted to and printed for children between the ages of 4 and 12. Net proceeds of this financing are intended to be used first to pay (a) the sum of \$60,000 to repay loans by company officials; (b) some \$15,000 of past-due payables owing chiefly to Promotion Press; and (c) the balance for working capital and expansion of circulation.

The company has outstanding 160,000 common shares. After sale of the 120,000 units by the company, David Zucker and those to whom he had sold securities will own approximately 57% of the outstanding common and 33% of the outstanding warrants, at a cost of \$80,000, and public investors will own 43% of the outstanding common and 67% of the outstanding warrants at a cost of \$300,000. The company has published 11 issues of the TV Junior magazine, is considered "still in the promotional and developmental stage." During the period from its organization to October 31, 1958, the magazine operated at a loss of \$113,005, and on that date had a working capital deficiency of \$31,957. The management, which anticipates that monthly operating deficits will continue for approximately three months, points out that such losses as these are not unusual with respect to new magazines.

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Massachusetts Investors Trust, Boston, Mass. investment company, filed an amendment on January 23, 1959, to its registration statement (File 2-11401) seeking registration of an additional 10,000,000 Shares of Beneficial Interest.

HARMAN-KARDON FILES FOR OFFERING AND SECONDARY

Harman-Kardon, Inc., 520 Main St., Westbury, N.Y., filed a registration statement (File 2-14700) with the SEC on January 23, 1959, seeking registration of 200,000 shares of common stock. Of this stock, the issuing company proposes to offer 95,000 shares for public sale while the remaining 105,000 shares are to be offered by the present holder thereof, Bernard Kardon, vice president and general manager. The offering price is to be \$3 per share; and the offering is to be made by Milton D. Blauner & Co., Inc., on a best efforts basis, for which a 39¢ per share selling commission is to be paid. Kardon also is selling 15,000 shares to Mr. Blauner, the controlling stockholder of the underwriter. Recently, the company exercised an option to purchase one-half of Kardon's holdings of 240,000 shares for \$10,000, following the latter's statement that he wished to retire from full-time active participation in the management of the company. He is to remain a director and also as vice-president until June 30, 1959.

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The company is engaged in the design, development, manufacture and sale of high fidelity amplifiers and tuners. Net proceeds of its sale of the 95,000 common shares will be used, first, to eliminate \$100,000 of outstanding bank loans, and for working capital purposes to permit increase in the company's volume in high fidelity component sales and expansion of its products.

INDICTMENT CHARGES FRAUD IN SALE OF INSURANCE STOCK

The SEC San Francisco Regional Office announced January 23, 1959, that an indictment had been returned by the U. S. District Court in Phoenix, Arizona, charging violations of the anti-fraud provisions of the Securities Act and the Mail Fraud Statute by William Isaac Lowry, William A. McLeod and Wilmot W. Trew, all of Phoenix. The indictment charges a scheme to defraud policy holders and stockholders of American Buyers Insurance Company, of Phoenix.

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