

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington 25, D.C.

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)

FOR RELEASE March 23, 1959

## Statistical Release No. 1592

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended March 20, 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>Percent Change</u>	<u>1958 - 1959</u>	
	<u>3/20/59</u>	<u>3/13/59</u>		<u>High</u>	<u>Low</u>
Composite	414.6	417.2	-0.6	417.2	299.0
Manufacturing	509.3	512.3	-0.6	512.3	373.3
Durable Goods	475.9	481.0	-1.1	481.0	332.2
Non-Durable Goods	530.1	531.1	-0.2	534.8	402.2
Transportation	353.1	357.9	-1.3	357.9	219.7
Utility	222.1	222.6	-0.2	222.6	155.5
Trade, Finance & Service	402.1	409.5	-1.8	409.5	263.2
Mining	346.5	352.2	-1.6	360.4	261.3

### INDUSTRO TRANSISTOR HEARING POSTPONED

The hearing scheduled for March 23, 1959, in the proceedings under the Securities Act of 1933 to determine whether a stop order should be issued suspending the effectiveness of the registration statement filed by Industro Transistor Corporation, of Long Island City, N. Y., has been postponed to April 20, 1959, on request of counsel for the respondent, in order to allow additional time for the parties to negotiate a stipulation of the facts which would avoid an evidentiary hearing.

### DORSEY CORP. FILES FINANCING PROPOSAL

The Dorsey Corporation, 100 West 10th St., Wilmington, Del., filed a registration statement (File 2-14853) with the SEC on March 20, 1959, seeking registration of 150,000 shares of its \$1 par Common Stock and 25,000 shares of 6% Cumulative Preferred Stock Series A, \$50 par (with warrants attached for the purchase of 50,000 common shares). The two stock issues are to be offered for public sale through an underwriting group headed by Blair & Co., Inc. The public offering price and underwriting terms with respect to each issue is to be supplied by amendment.

Since 1956 the company (under the name Allied International Investing Corp.) has been a holding company engaged through subsidiaries in manufacturing enterprises. It has recently divested itself of its other manufacturing activities and changed its name to "The Dorsey Corporation"; and it proposes, through its subsidiary, to engage in the business of manufacturing a general line of highway trailers constructed of aluminum, steel or wood or combinations of such materials. Its only assets now consist of \$515,000 of cash and the stock of the subsidiary, which is the assignee of an agreement to purchase all of the assets of Dorsey Trailers, Inc. Net proceeds of the financing, together with \$1,000,000 of institutional borrowings and other company funds, will be applied (a) to the purchase by the subsidiary of the assets of Dorsey Trailers and (b) to the retirement of the

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latter company's notes and installment contracts, in the approximate amounts of \$4,000,000 and \$670,392, respectively.

The agreement providing for the purchase of all assets of Dorsey Trailers is to be assigned to the subsidiary by William H. Husted, a director of Dorsey Corp., on payment of \$25,000 to Husted, representing the amount paid by him. The purchase price is \$4,000,000 plus the assumption of certain liabilities. The purchase price will increase if not consummated by April 15, 1959.

The subsidiary which received the assignment of the purchase agreement from Husted had outstanding 80,000 shares of stock, acquired by Husted and four other persons for \$1 per share. These shares were transferred to Dorsey Corp. in exchange for a like number of the shares of its stock.

Dorsey Corp. has outstanding 256,690 common shares, 75,000 shares of which were or are to be acquired in March 1959 at \$3 per share by 24 persons, including Blair & Co., Inc. (25,000 shares).

#### NEW YORK SHIPBUILDING FILES EXCHANGE OFFER

New York Shipbuilding Corporation, Camden, N. J., filed a registration statement (File 2-14854) with the SEC on March 20, 1959, seeking registration of 83,334 shares of Common Stock. The company proposes to offer this stock in exchange for shares of the common stock of Higgins, Inc., at the rate of one share of New York Shipbuilding common for each 24 shares of Higgins common. The offer is to be made pursuant to an agreement and plan of reorganization dated March 4, 1959, between the company, Higgins and certain stockholders of Higgins, and is subject to the terms and conditions of the agreement. If such conditions are satisfied, New York Shipbuilding will accept all the shares deposited pursuant to the exchange offer of 1,600,000 or more shares so deposited, and may elect to accept all the shares deposited if less than that amount but more than 1,000,000 shares are deposited. Higgins has outstanding 2,000,000 common shares. It operates a ship yard on the Industrial Canal in New Orleans; its principal products are offshore drilling structures, barges and small pleasure boats. Members of the Higgins family own 629,583 common shares, or 31.5% of the outstanding stock.

#### FRANKLIN INVESTMENT FILES FOR OFFERING

Franklin Investment Programs, New York investment company, filed a registration statement (File 2-14856) with the SEC on March 20, 1959, seeking registration of \$5,000,000 of Programs for the accumulation of shares of Franklin Custodian Funds, Inc.

#### BARNES ENGINEERING FILES FOR OFFERING AND SECONDARY

Barnes Engineering Company, 30 Commerce Road, Stamford, Conn., filed a registration statement (File 2-14855) with the SEC on March 20, 1959, seeking registration of 110,000 shares of Common Stock. Of this stock, 85,000 shares are now outstanding and are to be offered for public sale by Fox, Wells and Rogers, the holder thereof; and the remaining 25,000 shares are to be offered for sale by the issuing company. The offering is to be made by an underwriting group headed by Hayden, Stone & Co.; and the public offering price and underwriting terms are to be supplied by amendment.

The registration statement also includes an additional 25,000 common shares sold by Fox, Wells and Rogers to Kidder, Peabody & Co. and Hayden, Stone & Co. (in the amount of 10,500 shares each), and Carl W. Knobloch, Jr., an associate of Kidder, Peabody (4,000 shares), on February 16, 1959, at the price of \$8 per share. These holders have advised the company they may sell such shares from time to time on the American Stock Exchange, or otherwise, at prices then prevailing on the Exchange. Fox, Wells and Rogers is listed as the owner of 114,837 shares (38.3%).

The company is engaged in the design, development and manufacture of infrared and electro-optical components, instruments and systems. Over 95% of its current sales are to the United States Government under prime and sub-contracts. Of the net proceeds of its stock sale, \$104,995 will be used to prepay a 4% note due in December; \$100,000 will be applied to the payment of the remaining tax liability of a former subsidiary; and the balance will be added to working capital and used for general corporate purposes including approximately \$100,000 for plant and test equipment, fixtures and leasehold improvements in connection with plant expansion.

## ADRS FOR FREE STATE GEDULD MINES FILED

Guaranty Trust Company of New York filed a registration statement (File 2-14857) with the SEC on March 20, 1959, seeking registration of American Depositary Receipts for 50,000 Ordinary Registered Shares of Free State Geduld Mines, Limited, of the Union of South Africa.

## METROPOLITAN EDISON PROPOSES STOCK SALE

Metropolitan Edison Company, Reading, Pa., subsidiary of General Public Utilities Corporation, has applied to the SEC for an order under the Public Utility Holding Company Act authorizing its sale to GPU of an additional 60,000 common shares at \$100 per share; and the Commission has issued an order (Release 35-13957) giving interested persons until April 6, 1959, to request a hearing thereon. Metropolitan Edison proposes to use the additional funds as follows: (a) \$1,000,000 to repay bank borrowings used for construction purposes prior to January 1, 1959; (b) \$2,750,000 to reimburse its treasury, in part, for construction expenditures; and (c) the balance of \$2,250,000 for its post-1958 construction program, or to reimburse its treasury for expenditures for such purpose, or to repay bank loans the proceeds of which were so used.

## VIOLATIONS CHARGED TO ASSOCIATED SECURITIES CORP.

The Securities and Exchange Commission has authorized proceedings under the Securities Exchange Act of 1934 to determine whether Associated Securities Corporation ("Associated"), of 626 Continental Bank Building, Salt Lake City, Utah, has violated the registration, anti-fraud and other provisions of the Federal Securities Laws and, if so, whether it is in the public interest to revoke its broker-dealer registration.

Associated previously was known as Ackerson-Hackett Investment Company. George L. Hackett, Norman B. Jenson, and Grant Nelson are listed as president, vice president and treasurer, and secretary, respectively. Each also is a director and owner of 10% or more of Associated's outstanding stock (Hackett being such an owner until July 1958).

According to the Commission's order, information developed in an investigation conducted by its staff tends if true to show that Associated and Hackett offered and sold stock of Blue Lizard Mines, Inc., during the period April to July 1956 in violation of the registration requirements of the Securities Act of 1933; that Associated, Hackett, Jenson and Nelson, during the period February 1958 to July 1958 offered and sold New Hemisphere Life Insurance Company stock by means of false and misleading statements of material facts "which operated as a fraud and deceit upon certain persons; and that from February 1958 to date Associated violated Commission rules governing the maintenance of proper books and records with respect to its securities transactions. The misrepresentations with respect to the New Hemisphere stock related to the past and expected increase in the market price of the stock, the limited amount of such stock available for sale, and the market price of the stock.

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

(Note to Press: Foregoing also released in SEC Salt Lake Branch Office)

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Fidelity Fund, Inc., Boston investment company filed an amendment to its registration statement (File 2-11517) on March 20, seeking registration of 3,000,000 additional shares of its Capital Stock, \$1 par value.

Addendum to SEC News Digest of March 20, 1959

## TRADING IN F. L. JACOBS CO. STOCK FURTHER SUSPENDED

The SEC on Friday, March 20, 1959 announced the issuance of an order (Release 34-5914) suspending trading in the common stock of F. L. Jacobs Co. for a further ten-day period March 23, to April 1, 1959, inclusive.