

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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FOR RELEASE April 22, 1959

NORTH AMERICAN FINANCE STOCK SALE ENJOINED

The SEC San Francisco Regional Office announced on April 17, 1959, the issuance of a permanent injunction (USDC, Arizona) enjoining North American Finance Company, Eugene M. Rosenson, and Marcus T. Bauman from further violations of the prospectus requirements and the anti-fraud provisions of the Securities Act of 1933 in the offer and sale of North American Finance stock. The defendants consented to the injunction.

ECHLIN MANUFACTURING FILES FOR OFFERING AND SECONDARY

The Echlin Manufacturing Company of Connecticut, Inc., Branford, Conn., filed a registration statement (File 2-15018) with the SEC on April 21, 1959, seeking registration of 98,946 shares of Common Stock. Of this stock, 22,500 shares are to be offered for public sale for the account of the issuing company; and the balance, representing outstanding shares, is to be offered for sale by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Blair & Co., Inc., is listed as the principal underwriter.

The company is engaged in the manufacture and sale of replacement parts for electrical systems for automobiles, trucks, tractors and farm equipment. Net proceeds of its proposed stock sale, estimated at \$337,500, will be used in the approximate amount of \$300,000 to construct an addition to its Branford plant and the balance added to general funds.

Echlin now has outstanding 352,230 common shares, of which the selling stockholders, John E. Echlin, president, of Guilford, Conn., owns 113,394 shares and proposes to sell 49,200 shares, and Carlyle Fraser, board chairman, of Atlanta, Ga., owns 61,716 shares and proposes to sell 27,246 shares.

INFORMATION SYSTEMS PROPOSES OFFERING TO PANELLIT STOCKHOLDERS

Information Systems, Inc., 7350 North Ridgeway Ave., Skokie, Ill., filed a registration statement (File 2-15019) with the SEC on April 21, 1959, seeking registration of 170,000 shares of its common stock. Systems proposes to offer holders of common shares of Panellit, Inc., the right to subscribe for this stock, at \$3.50 per share, at the rate of one share for each three shares of Panellit common held of record May 15, 1959. No underwriting is involved.

Systems was organized March 10, 1959, as a wholly-owned subsidiary of Panellit; and on that date it took over certain assets of the Panascan Division of Panellit in consideration of \$2,601 and the issuance to Panellit of 140,000 shares of Systems common stock. The Panascan Division has been engaged primarily in the design, development, manufacture and sale or lease of products, devices and systems in the field of instrumentation, control, data handling, electronics and electrical machinery; and Services' products will consist generally of the data reduction and computing equipment formerly manufactured by the Panascan Division.

In order to furnish Services on a temporary basis with needed working capital, Leonard M. Sperry and Albert F. Sperry (who with three others constitute the board of directors of Panellit) loaned Services an aggregate of \$100,000 represented by unsecured 5% notes payable September 1, 1959; and these notes will be paid out of the proceeds of this stock offering by Services. The balance of the proceeds will be used for working capital and for additional research and engineering.

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

OVER

The prospectus indicates that the Sperrys and the three other directors of Panellit are entitled to subscribe for 56,287 shares of Services' stock, and intend to exercise their rights purchase such stock at the \$3.50 per share subscription price.

TWO SMALL BUSINESS INVESTMENT COMPANIES SEEK ORDERS

Applications have been filed with the SEC by the following newly-organized small business investment companies for exemption orders under the Investment Company Act of 1940 permitting said companies to have a board of directors consisting of persons who are officers or directors of stockholder-banks:

- 1) The Third's Small Business Investment Company, Nashville, Tenn.
Of the company's 16,000 outstanding shares of capital stock, 10,000 shares are owned by the Third National Bank in Nashville and the balance by Third National Company, whose stock is held by trustees for the benefit of the bank's stockholders. The application seeks an order permitting the new company to have a board of directors consisting of officers and directors of the Bank, except one director who shall not be an officer, director or employee of the Bank or any of its affiliates, or an officer or employee of the new company.
- 2) First Small Business Investment Corporation of New England, Boston, Mass.
All of its 32,500 outstanding shares are owned by The First National Bank of Boston; and it seeks an order permitting all except one of its directors to be officers or directors of the Bank.

The Commission has issued orders (Release Nos. 40-2868 and 40-2869, respectively) giving interested persons until May 6, 1959, to request hearings upon the exemption applications.

DVORETSKY-DENNIS CONSENTS TO TEMPORARY SUSPENSION

The SEC today announced that, following the signing of a consent by Alexander Dvoretzky, doing business as Dennis & Company, 744 Broad Street, Newark, N. J., to the temporary suspension of his broker-dealer registration pending further hearings and ultimate Commission decision on the question of revocation of registration, the hearing scheduled for 2:00 P. M. this date on the question of temporary suspension has been cancelled. Commission action upon the consent to suspension awaits the receipt of the papers from its New York Regional Office.

ASSOCIATED SECURITIES HEARING POSTPONED

The SEC has authorized a postponement to June 1, 1959, of the hearing previously scheduled for April 22, 1959, in the Salt Lake City Office of the Commission in the proceedings to determine whether the broker-dealer registration of Associated Securities Corporation, of Salt Lake City, U., should be revoked. In its order instituting the proceedings (Release 34-5929), the Commission charged that Associated and certain individuals had sold stock in violation of the registration and anti-fraud provisions of the Securities Act of 1933. The postponement was requested by counsel for George L. Hackett, company president, one of the persons named in the Commission's original order.

MIDDLE SOUTH UTILITIES HEARING POSTPONED

The SEC has issued an order (Release 35-13987) granting a request of Middle South Utilities, Inc., for a postponement from April 28, 1959, to June 10, 1959, of the hearing upon the proposal of Middle South to adopt a plan for granting stock options to certain key employees of the company and its subsidiaries.

UNION COLLIERY PARTIAL LIQUIDATING DIVIDEND CLEARED

The SEC has issued an order (Release 35-13988) authorizing Union Colliery Company, a subsidiary of Union Electric Company, to reduce its stated capital by \$550,000 by changing the par value of its 12,500 outstanding shares of capital stock (all owned by Union Electric) from \$100 to \$56 per share and to pay to Union Electric a partial liquidating dividend of \$550,000 in cash, to be charged to the capital surplus created by the reduction in capital.