

# 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 May 11, 1959

## Statistical Release No. 1602

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended May 8, 1959, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1959, is as follows:

	<u>1939 = 100</u>		Percent <u>Change</u>	<u>1959</u>	
	<u>5/8/59</u>	<u>5/1/59</u>		<u>High</u>	<u>Low</u>
Composite	420.0	423.2	-0.8	425.4	400.1
Manufacturing	520.3	523.0	-0.5	523.2	490.7
Durable Goods	486.1	490.6	-0.9	490.8	457.8
Non-Durable Goods	541.6	542.7	-0.2	545.5	510.5
Transportation	352.0	359.5	-2.1	366.0	340.7
Utility	219.5	223.5	-1.8	231.8	208.6
Trade, Finance & Service	404.3	403.1	+0.3	409.5	382.7
Mining	329.2	327.6	+0.5	360.4	327.6

## FERRIS & CO. REGISTRATION REVOKED

The Securities and Exchange Commission today announced the issuance of a decision under the Securities Exchange Act of 1934 revoking the broker-dealer registration of John D. Ferris, doing business as Ferris & Co., 1401 First National Bank Bldg., Dallas, Texas, for fraud in the purchase and sale of securities and other violations of the Act.

According to the Commission's decision, Ferris effected transactions in securities in August and September 1957, in which he failed to meet his obligations to pay for or deliver securities. On two occasions he issued checks in the respective amounts of \$1,848 and \$1,600 in payment for securities purchased and delivered to him, despite the fact that his account was already overdrawn by \$2,968 and \$1,881, respectively. Payment of the checks was refused by the bank and Ferris has failed to pay for the securities. Ferris purchased securities from another dealer which were delivered to Ferris' bank with attached drafts drawn on him for the purchase price of \$5,876. When payment was refused, the seller resold the securities for \$1,375 below the price Ferris had purchased but Ferris has refused to make payment of such amount. In another transaction, a dealer cancelled a sale to Ferris for non-payment of the \$2,063 purchase price and suffered a \$625 loss on the transaction due to a decline in the market, which Ferris refused to pay. He also sold securities to another dealer for \$1,588 which he subsequently refused to deliver.

Furthermore, according to the decision, Ferris engaged in the conduct of a securities business which was insolvent, his liabilities exceeding his assets by amounts ranging from \$4,400 to \$14,400. The Commission found that his undisclosed insolvency and repeated failure to meet his undertakings and obligations operated as a fraud upon persons with whom Ferris did business. Moreover, Ferris violated the net capital rules of the Commission, as well as its rules requiring the maintenance of proper books and records; and he also failed to file a financial report for 1956, as required.

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

## SEC ORDER CITES MEDANN &amp; CO.

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of K. Medann & Co., Inc., 1001 Franklin Ave., Garden City, New York, for denial of access to its books and records and failure to comply with Commission rules governing the maintenance of required books and records.

An initial hearing will be held before the Commission at 2:30 P. M. May 14, 1959, for the purpose of taking evidence on the question whether it is necessary or appropriate in the public interest or for the protection of investors to suspend the company's registration, pending final determination on the question of revocation.

Medann & Co. has been registered with the Commission since July 4, 1958. Jack Kissell is listed as president, a director, and owner of all its outstanding common stock. According to the Commission order, on or about April 30 and May 4, 1959, Medann & Co. and Kissell failed and refused to make available for examination by Commission representatives, various books and records required to be maintained by Commission rules. Furthermore, according to the order, Medann & Co. has failed to make and keep current certain of said books and records.

## TRADING IN JACOBS CO. STOCK SUSPENDED

The SEC has issued an order suspending trading in the capital stock of F. L. Jacobs Co. on the New York and Detroit Stock Exchanges and in the over-the-counter market for a further ten-day period, May 12 to 21, 1959, inclusive (Release 34-5956).

## SELECTED INVESTMENTS AMENDED REORGANIZATION PLAN FAIR

In a supplemental advisory report filed today with the U. S. District Court in Oklahoma City (Release CR-120), the SEC concluded that an amendment plan for reorganization of Selected Investments Corporation and Selected Investments Trust Fund is fair and equitable. In its initial report (Release CR-118), the Commission had concluded that the plan was feasible. The amendments include the following: (1) The method of election of members of the board of directors is altered to provide for cumulative voting; (2) The face value of the debentures and the par value of the common stock have been increased to approximately \$24 and \$10, respectively. Fractional interests will be dealt with by payment of cash or issuance of scrip or fractional shares; (3) Provision has been made for a 6% premium upon call of the debentures before maturity. The premium will be on a declining scale and each series will have its own formula; (4) The plan has been amended to provide for preemptive rights for the common stock. These rights will attach to all stock not offered to the public for cash, issued for property, or reserved for options; (5) The plan has been amended to provide for pro rata cash payments if cash requests for more than \$14,000,000 are made, and in any event that amount will be distributed.

## LOOMIS-SAYLES OF CANADA SEEKS REGISTRATION

Loomis-Sayles Fund of Canada, Ltd., Charlottetown, Prince Edward Island, Canada, has applied to the SEC for an order under the Investment Company Act permitting it to register with the Commission as a Canadian Investment Company and to make a public offering of its securities in the United States; and the Commission has issued an order (Release 40-2879) giving interested persons until May 22, 1959, to request a hearing thereon.

The Fund was organized in January 1959 to carry on business as an investment company, concentrating its investment principally in Canadian companies or companies whose principal activities are in Canada and securities of the Canadian Government, provinces or municipalities. It has an authorized capitalization consisting of 3,000,000 common shares, \$1 par, and 100 Deferred Shares, \$10 par. The initial capital in the amount of at least \$100,000 will be provided by Loomis, Sayles & Company, Inc., of Boston, and certain of the Fund's directors. Thereafter, the Fund proposes to make a continuous public offering of its common shares at net asset value in the United States.

## FUNDS FOR BUSINESS FILES OFFERING PROPOSAL

Funds For Business, Inc., 120 East 41st St., New York, filed a registration statement (File 2-5090) with the SEC on May 8, 1959, seeking registration of 500,000 shares of its Class A Stock, to be offered for public sale at \$1.50 per share. The offering is to be made on a best efforts basis

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by an underwriting group headed by Joseph Mandell & Co., Inc., of New York and Robert L. Ferman & Co., Inc., of Miami, for which a 30¢ per share selling commission is to be paid. The underwriters also will receive an additional commission at the rate of 1/10th of a share of Class A stock for each share sold by them, plus 5¢ per share sold for expenses. Ira Haupt & Co. is to receive as a finder's fee, in the event at least 100,000 shares are sold, one share of Class A stock for each 100 shares sold.

The company is engaged principally in commercial installment financing. Net proceeds of its proposed sale of stock will be employed for working capital. A substantial portion of the funds is to be utilized for expanding the company's business, primarily in the field of conditional sales financing and in the development of rental and lease of industrial equipment. The company now has outstanding, along with certain notes, 23,000 Class A and 361,136 Class B shares.

#### GENERAL DYNAMICS FILES EMPLOYEE STOCK PLAN

General Dynamics Corporation, 445 Park Ave., New York, filed a registration statement (File 2-15091) with the SEC on May 8, 1959, seeking registration of 400,445 shares of common stock, to be offered under the company's Restricted Stock Option Plan to officers and employees of the company and its subsidiaries.

#### BAUSCH & LOMB PROPOSES DEBENTURE OFFERING

Bausch & Lomb Optical Company, 635 St. Paul St., Rochester, New York, filed a registration statement (File 2-15092) with the SEC on May 8, 1959, seeking registration of \$8,750,000 of Convertible Debentures due 1979. The company proposes to offer the debentures for subscription by common stockholders at the rate of \$100 of debentures for each ten shares held. The record date, interest rate, subscription price and underwriting terms are to be supplied by amendment. Stone & Webster Securities Corporation is listed as the principal underwriter.

Of the net proceeds of the debenture sale, some \$6,000,000 will be used to retire all outstanding bank loans maturing December 31, 1959 (approximately \$1,300,000 of which was incurred during the past year to provide funds for working capital), and the balance will provide additional funds for working capital and other corporate purposes.

#### CAPITAL PROGRAM FILES FOR OFFERING

Capital Program Corporation, New York, Sponsor of Blue Ridge Monthly Accumulation Programs for the accumulation of shares of Blue Ridge Mutual Fund, Inc., filed a registration statement (File 2-15093) with the SEC on May 8, 1959, seeking registration of \$10,000,000 of such programs.

#### SPIEGEL PROPOSES DEBENTURE OFFERING

Spiegel, Inc., 1061 West 35th St., Chicago, filed a registration statement (File 2-15094) with the SEC on May 8, 1959, seeking registration of \$15,417,500 of Subordinated Debentures due June 1, 1984 (convertible). The company proposes to offer the debentures for subscription by common stockholders at the ratio of \$100 of debentures for each 12 shares held. The record date, interest rate, subscription price and underwriting terms are to be supplied by amendment. Wertheim & Co. is listed as the principal underwriter.

Net proceeds of the sale of the debentures will be added to the general funds of the company to be available principally to finance its increasing accounts receivable. The company also is negotiating with an insurance company for a new \$50,000,000 term credit, of which \$25,000,000 will be a refunding of an existing obligation and the balance will also be used to finance accounts receivable. Spiegel is engaged in the sale of merchandise by mail.

#### KNOX CORP. FILES FINANCING PROPOSAL

Knox Corporation, Thompson, Ga., filed a registration statement (File 2-15095) with the SEC on May 8, 1959, seeking registration of \$1,500,000 of 6% Subordinated Sinking Fund Debentures, with Class A common stock purchase warrants attached (for the purchase of 75,000 shares, or 25 shares for each \$500 of debentures), together with 100,000 Class A common shares. The debentures (with

warrants) are to be offered for public sale at 100% of principal amount. The public offering price of the common stock, and underwriting terms for both offerings, are to be supplied by amendment. Ira Haupt & Co. and Straus, Blosser & McDowell are listed as the principal underwriters.

Knox is engaged in the business of manufacturing and distributing prefabricated houses and mobile homes, and milling, finishing and distributing lumber. Net proceeds of this financing will be used, in the amount of from \$850,000 to \$1,000,000, to acquire in excess of 80% of the outstanding stock of American Houses, Inc. Approximately \$300,000 of the balance will be used for land acquisition and development for home erection; an additional \$250,000 will be devoted to the payment of notes to banks and suppliers; and the remainder will be used to increase working capital. The company has negotiated with two institutional lenders for an increase in its present first mortgage debt from \$524,000 to \$1,250,000. \$400,000 to \$500,000 of the proceeds thereof will be used for the operation of a proposed finance company subsidiary. In addition, the company has been advised that such subsidiary will be able to obtain bank loans of not less than \$1,000,000. The balance of the proceeds from the institutional loan will be added to working capital.

#### PEARCE-UIBLE FILES STOCK OFFERING PROPOSAL

Pearce-Uible Company, 3850 Beach Blvd., Jacksonville, Fla., today filed a registration statement (File 2-15096) with the SEC seeking registration of 555,000 shares of common stock. Of this stock, 500,000 shares are to be offered for public sale at \$3.50 per share through an underwriting group headed by Pierce, Carrison, Wulbern, Inc., and four other firms, who will receive a commission of 35¢ per share. The remaining 55,000 shares are subject to sale under Stock Purchase Options granted to employees of the company.

The company was organized under Florida law and came into existence on April 1, 1959, as the result of a statutory consolidation of 14 Florida corporations. It is engaged in the business of constructing single-family dwellings for sale to home owners; and it is currently developing and selling houses in Normandy Village and Harbor View subdivisions, the first being located on Normandy Boulevard in Southwest Duval County and the second on Soutel Drive in Northwest Duval County. Net proceeds of this financing will be added to general funds of the company and used by it in the acquisition and development of land and the construction of houses for sale. The company now has outstanding 497,569 common shares, of which 68.3% is held by Lawrence C. Pearce, board chairman, and 27.3% by F. C. Uible, president.

#### SECURITIES FUND FILES FOR ADDITIONAL SHARES

Securities Fund, Inc. (formerly Templeton & Liddill Fund, Inc.), Englewood, N. J., investment company, filed an amendment on May 7, 1959, to its registration statement (File 2-13657) seeking registration of 350,000 additional shares of common capital stock.

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✓ Simon M. Sheldon  
Insurance & Securities Commissioner, New Hampshire

✓ Frank N. Happ  
Securities Commissioner, Pennsylvania

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T. Nelson Parker  
Insurance Commissioner, Virginia  
(Representing the National Association of Insurance Commissioners)

Everett S. Francis  
Deputy Insurance Commissioner, Virginia

Samuel E. Orrbaugh  
Deputy Insurance & Securities Commissioner, and Counsel, Iowa

Oliver Bennett  
Insurance and Securities Commissioner, Iowa

William Young  
Securities Commissioner, Virginia



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