

# 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.

FOR RELEASE

August 19, 1957

## Statistical Release No. 1475

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended August 16, 1957, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1957, is as follows:

	<u>(1939 = 100)</u>		<u>Percent Change</u>	<u>1957</u>	
	<u>8/16/57</u>	<u>8/9/57</u>		<u>High</u>	<u>Low</u>
Composite	341.7	349.6	- 2.3	365.0	322.5
Manufacturing	438.8	450.9	- 2.7	472.5	405.7
Durable Goods	406.5	418.0	- 2.8	438.7	382.7
Non-Durable Goods	468.6	481.2	- 2.6	503.5	427.1
Transportation	285.8 *	290.4	- 1.6	317.5	285.8
Utility	154.6 *	155.8	- 0.8	163.5	154.6
Trade, Finance & Service	282.7	285.5	- 1.0	292.1	274.8
Mining	351.1	358.7	- 2.1	402.3	340.5

\* New low

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Foremost Dairies, Inc., Jacksonville, Fla., filed a registration statement (File 2-13546) with the SEC on August 16, 1957, seeking registration of 200,000 shares of its \$2 par Common Stock. These shares represent presently outstanding stock held by Grover D. Turnbow, company president and a director. Turnbow proposes to offer the shares for public sale through an underwriting group headed by Dean Witter & Co. and Allen & Company. The public offering price and underwriting terms are to be supplied by amendment. The company will receive no part of the proceeds. Turnbow is presently listed as owner of 408,798 shares of the company's 7,360,854 of outstanding shares.

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Sperry Rand Corporation, New York, filed a registration statement (File 2-13547) with the SEC on August 16, 1957, seeking registration of \$110,000,000 of Sinking Fund Debentures, due September 1, 1982, with Warrants to purchase Common Stock. The debentures (with warrants) are to be offered for public sale through an underwriting group headed by Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smoot. Public offering price and underwriting terms are to be supplied by amendment, as are the terms of the warrants.

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

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Net proceeds of the sale of the debentures (with warrants) will be added to the general funds of the company and will be available for capital expenditures and increased working capital required by the expansion of the company's activities. Initially, the net proceeds will be used to reduce outstanding short term bank loans, which were incurred to meet working capital requirements. It is expected that in the future the company will borrow additional funds from banks for working capital.

Capital expenditures in the last two fiscal years have amounted to approximately \$108,000,000, of which approximately \$67,000,000 was spent in the year ended March 31, 1957. It is expected that capital expenditures in the current fiscal year will exceed those for the prior year and that they will continue in a substantial amount for several years, according to the prospectus. Capital expenditures now contemplated include the acquisition of additional manufacturing facilities, new machinery and equipment for existing facilities, and the production of data-processing systems for rental.

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Frank M. McMahon and five other Voting Trustees under a voting trust agreement for shares of the Capital Stock for Westcoast Transmission Company Limited, Calgary, Alberta, Canada, filed a registration statement (File 2-13548) with the SEC on August 16, 1957, seeking registration of Voting Trust Certificates relating to 625,000 shares of the company's capital stock, being the estimated maximum number of shares into which its Series C Subordinate Debentures might be convertible at the initial conversion price. The debentures were included in a registration statement (File 2-13536) filed by the issuer on August 13, 1957.

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Inland Western Loan and Finance Corporation, Phoenix, Arizona, filed a registration statement (File 2-13549) with the SEC on August 16, 1957, seeking registration of 2,500,000 shares of its Class A Nonvoting Common Stock. Inland proposes to offer these shares for subscription at \$1.50 per share to holders of Special Participating Life or Endowment Contracts issued by Commercial Life Insurance Company. Inland Western Underwriters, a copartnership, will receive a 10% commission on such sales. The stock will not be sold by the partnership, but by Inland Western salesmen, most of whom are also licensed salesmen of Commercial Life.

Inland was organized in 1953. It does not engage directly in business. In 1954 it organized two wholly-owned subsidiary companies, Inland Western Loan Company and Inland Western Finance Company, which subsidiaries commenced business in 1955 as a small money lender and as an automobile and general consumer finance company, respectively. Seven of Inland's nine directors are also directors of Commercial Life. The directors of Inland have direct and indirect stockholdings of Commercial Life representing 28.87% of its outstanding stock; and they presently exercise effective control of Commercial Life through board memberships and by reason of stock proxies.

Proceeds to Inland from its sale of stock will be used first as operating capital for its two subsidiaries and, second, to finance the establishment and operation of additional loan and finance offices throughout Arizona and its neighboring states.

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Carolina Pipeline Company, Greenville, S. C., filed a registration statement (File 2-13550) with the SEC on August 16, 1957, seeking registration of \$1,050,000 of 7% Subordinate Interim Notes due 1963 and 42,000 shares of \$1 par Common Stock. The company proposes to offer these securities for public sale in units, each consisting of \$25 principal amount of notes and one common share. The registration statement also covers an additional 300,000 common shares which are to be the subject of a separate offering. White, Weld & Co. and Scott, Horner & Co. are named principal underwriters of each offering. The public offering price and underwriting terms, for both the offering of units and the separate offering of common shares, are to be supplied by amendment.

Organized in November, 1955, the company proposes to construct a transmission gas pipeline system connecting with the pipe line of its supplier, Transcontinental Gas Pipe Line Corporation, near Blacksburg. The proposed pipe line will extend southeastward toward the coastal area of South Carolina to serve natural gas to 21 distribution systems and various industrial customers. Of such distribution systems, six are to be constructed and operated by the company; four are to be operated by Consolidated Utilities Corporation (of which three are presently serving propane-air gas); nine are to be owned by three separate county natural gas authorities and managed by the company (of which two are now serving propane-air gas); and two are to be constructed and operated by municipalities. The company's proposed transmission lines will aggregate approximately 340 miles.

The company proposes to finance the construction of these facilities by the sale of \$6,160,000 of First Mortgage Pipeline Bonds, 4-3/4% Series A, due February 1, 1978, to institutional investors; the sale of the units of debentures and common stock; and the sale of the 300,000 common shares. The total estimated construction costs for the proposed transmission pipe line and six distribution systems (including financing expenses) is \$9,000,000.

J. W. Goodwin, Board Chairman, was the principal organizer of the company. He is listed as the owner of 55,156 shares (21%) of the 264,612 presently outstanding common stock, which was sold for cash at \$1 per share.

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Guardian Insurance Corporation, Baltimore, filed a registration statement (File 2-13551) with the SEC on August 16, 1957, seeking registration of 300,000 shares of Common Capital Stock. The company proposes to make a public offering of 200,000 shares at \$10 per share. No underwriting is involved. The remaining 100,000 shares are reserved for issuance upon the exercise of warrants which are to be sold at 25¢ per warrant to the organizers, incorporators, management, and/or directors of the company. These warrants give the holders thereof the right within seven years to purchase the 100,000 shares at \$10 per share.

Part of the proceeds of the sale of the 200,000 shares are to be invested in securities approved by the Insurance Commissioner of Maryland to meet requirements of the Maryland Corporation Act for a fixed amount of capital and paid-in surplus before an insurance license will be granted. The balance remaining after making cash deposits with the Insurance Commission and the required investment, will furnish the necessary working capital of the company.

Guardian was organized under Maryland law in April, 1957. Samuel H. Hoffberger of Baltimore is listed as the founder and general counsel; Millard E. Tydings as

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Board Chairman; and J. Brad Wharton, Jr., as President. The company proposes to offer the following insurance services:

1. To qualified and satisfactory uninsured Savings and Loan Associations, an opportunity to obtain "Insurance on Savings Deposits" up to \$10,000,000 per an insured account, when they become one of the Guardian Insured Institutions. Through this insurance the Savings Institutions can attract savers who otherwise may tend to avoid an Association lacking insured savings protection.
2. Guardian Insurance Corporation will provide the facilities for title, fire and life insurance to borrowers of accepted Associations at standard rates.
3. The Corporation proposes to write mortgage insurance for any lending institution served by Guardian Insurance Corporation.

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Truax-Traer Coal Company, Chicago, today filed a registration statement (File 2-13552) with the SEC seeking registration of \$360,000 of participations in its Employees Stock Purchase Incentive Plan, together with 15,000 shares of its \$1 par Common Stock which may be purchased pursuant to such plan.

Securities Act Release Nos. 3828 and 3829

The SEC today announced the adoption of revised registration Form S-2 and Form S-3 under the Securities Act of 1933 and the rescission of registration Form S-11.

Form S-2 is prescribed by the Commission for the registration of capital stock of any corporation, other than an insurance, investment or mining company, if the securities being registered are to be sold to the public for cash. It may be used only by such companies which have not had any substantial gross returns from the sale of their products or services, or any substantial net income from any source, for any of the past five fiscal years. If the registrant has succeeded or intends to succeed to any business, the form can be used only if such business meets the gross returns or net income tests. It may not be used if the registrant has or intends to have any subsidiaries, other than inactive subsidiaries with no more than nominal assets.

Form S-3 may be used for the registration of capital stock of any mining corporation which is engaged, or intends to engage primarily in the exploration, development or exploitation of mineral deposits, other than oil or gas, where the securities being registered are to be sold to the public for cash. It may be used only by such companies whose aggregate gross receipts from the sale of its products during the past five years have not exceeded the aggregate amount of its exploration, development and operating expenses for that period, exclusive of expenditures and liabilities incurred for plants and major equipment.

The revised Forms S-2 and S-3 bring the items and requirements of the two forms into line as nearly as practicable with the Commission's other forms for the registration of securities for public sale under the Securities Act. Form S-11 for

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registration of mining securities, which was rarely used, has been rescinded.

Securities Exchange Act Release No. 5566

The Commission has revised its Rule X-12b-35 under the Securities Exchange Act, which permits Securities Act registrants to file applications, for the listing and registration of their securities on a national securities exchange, which consist principally of the issuer's Securities Act registration statement and such annual, semi-annual or current reports as may be necessary to bring up to date the information contained in the registration statement. The principal purpose of the revision is to conform the rule to the requirements of existing registration forms and to provide that in appropriate cases the information contained in the Securities Act registration statement and in the required reports, if any, must be supplemented to provide up to date information in regard to the business and property of the registrant. The revised rule limits the use of the rule to cases in which the securities were registered under the Securities Act on Form S-1, since this is the only form which contains information comparable to that required by the basic Form 10 for the listing and registration of securities on exchanges.

The Commission has withdrawn a proposal to amend its Form 10-K annual reports form to require an annual recomputation of ore reserves by all mining companies required to file such form. Such a recomputation will be required, however, when Rule X-12b-35 is utilized to effect registration of securities on a national securities exchange.

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W. A. Krueger Co., of Milwaukee, Wisc., filed a registration statement (File 2-13532) with the SEC on August 12, 1957, seeking registration of 100,000 shares of its \$5 par Common Stock. The company proposes to offer these shares for public sale at \$8 per share, with an 88¢ per share commission to underwriters, headed by Straus, Blosser & McDowell.

Krueger Co. is engaged in the business of lithographic printing. It intends to use the net proceeds of the stock sale as follows: (1) \$155,000 for additional working capital (primarily for expansion of inventories); (2) \$200,000 for construction of a new plant (balance estimated at \$1,050,000 to be financed by a new mortgage and net proceeds of sale of present plant); (3) \$175,000 for payment of obligations being incurred and to be incurred in purchase of new equipment; and (4) \$150,000 for payment of term equipment notes relative to equipment now in operation. The company contemplates construction of a new modern plant just outside the city limits of Milwaukee, expected to cost \$1,250,000.

Among the company's principal magazine publications are "Arizona Highways," "Together," and "Ideals."

Holding Company Act Release No. 13530

The SEC today announced a proposal for the modification of its Rule U-70 under the Holding Company Act governing the connections with financial institutions of officers and directors of registered holding companies and their subsidiaries.

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Rule U-70 contains exemptions from the statutory limitation that no holding company or subsidiary shall have as many as one-half of its directors persons with a connection with any bank, trust company, investment banker, or banking association or firm. Under the revision proposal announced today, this limitation shall not apply to a person whose only financial connection is as a director, but not as an officer or employee, of one or more commercial banking institutions each having combined capital and surplus not in excess of \$2,500,000, provided that the person whose exemption is claimed serves the registered holding company or subsidiary only as a director and not as an officer or employee and that the registered holding company or subsidiary concerned is a public-utility company, and provided further that in no event shall the number of directors with financial connections exceed two-thirds of the total.

Interested persons are invited to submit views and comments upon the revision proposal by September 20, 1957.

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