

# 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 December 4, 1959

**EXTENSION GRANTED FOR COMMENTS ON RULE PROPOSAL.** The SEC today announced an extension of time from December 15, 1959, to January 15, 1960, within which comments on its proposed amendments to Rule 16b-3 under the Securities Exchange Act of 1934 may be submitted. This rule exempts from section 16(b) of the Act certain acquisitions of securities under certain bonus, profit sharing, retirement, stock option, thrift, savings or similar plans.

The extension was granted at the request of persons who stated that the additional time was needed to study the proposed amendments and submit their comments thereon.

**INSIDER TRADING RULE MODIFIED.** The SEC today announced the adoption of modifications of its "insider trading rules" as related particularly to stabilizing and related transactions (Release 34-6131). The amendments generally seek to clarify the nature and scope of Rule 16b-2, which contains certain exemptions from the "recovery" provision of Section 16(b) of the Securities Exchange Act of 1934 for transactions by underwriters and others in connection with a public distribution of securities; and Rule 16c-2, which contains certain exemptions from the short-sale prohibitions of Section 16(c) for transactions by underwriters and others in connection with such a distribution.

**SUSPENSION OF AELUS WING OFFERING BECOMES PERMANENT.** Aelus Wing Company, Inc., Trenton, N. J., has withdrawn its request for a hearing, and the SEC order of October 6, 1959, suspending a Regulation A exemption from Securities Act registration with respect to a proposed offering of common and preferred shares has become permanent (Release 33-4163).

**DELISTING OF FOUR STOCK ISSUES PROPOSED.** The SEC has issued orders giving interested persons until December 15, 1959, to request hearings (1) upon an application of Clayton Silver Mines to withdraw its common stock from listing and registration on the Pacific Coast Stock Exchange (because of inactive trading), the stock to remain listed and registered on the Spokane and Salt Lake Stock Exchanges; and (2) upon Exchange applications to strike the 5% cumulative preferred stock of City Investing Company, the \$3 cumulative preferred of Di Giorgio Fruit Corporation, and the common stock of Union Trust Company of D. C. from listing and registration upon the New York, Pacific Coast and Philadelphia-Baltimore Stock Exchanges, respectively.

**UNLISTED TRADING IN TWO STOCKS REQUESTED.** The SEC has issued orders giving interested persons until December 16, 1959, to request hearings upon applications of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in the common stocks of Brunswick-Balke-Collender Company and Lear, Inc., which stocks are listed and registered on the New York and American Stock Exchanges, respectively.

**AMERICAN FORGING EXEMPTED FROM REPORTING REQUIREMENT.** The SEC has issued an order granting an application under the Securities Exchange Act of 1934 filed by The American Forging & Socket Company, Pontiac, Mich., for an exemption from the requirement for filing annual and other periodic reports.

In connection with a public offering of stock in 1937 which was registered under the Securities Act of 1933, American Forging undertook to file periodic reports to keep current the information in its registration statement. According to the present application, the continued filing of such reports with the Commission is not considered necessary in the public interest in view particularly of the fact that 98.55% of the 158,275 outstanding shares of its stock is owned by United Industrial Syndicate, Inc., the balance of 2,300 shares being held by about 37 persons. American Forging will continue to send annual financial reports to its public stockholders.

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For further details, call ST. 3-7500, ext. 5526

**ADMIRAL PLASTICS PROPOSES STOCK OFFERING.** Admiral Plastics Corporation, 446 12th St., Brooklyn, N. Y., filed a registration statement (File 2-15895) with the SEC seeking registration of 160,000 shares of its common stock. The company proposes to make a public offering of 150,000 shares through Filor, Bullard & Smyth and Hardy & Co. The public offering price and underwriting terms are to be supplied by amendment. The underwriters are entitled to purchase, for \$500, five-year options to acquire the additional 10,000 shares at 75¢ per share.

The company is engaged principally in the design, production and sale of houseware products and advertising specialties made of thermoplastic and thermo-setting materials. It has outstanding 450,000 common shares, owned in equal amounts by Harold L. Schwartz, Jr., board chairman, and A. Harry Fishman, president. Of the net proceeds of the sale of additional stock, \$257,000 will be used for the development and manufacture of new plastic products; \$70,000 for new packing and decorating equipment; and the balance for working capital and general corporate purposes.

**PHOENIX SECURITIES HEARING POSTPONED.** On the request of respondent's counsel, the SEC has authorized a postponement from December 7, 1959, to January 11, 1959, of the hearing in proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of Phoenix Securities Corp., of New York.

**ADDITIONAL INSURANCE SECURITIES UNITS IN REGISTRATION.** Insurance Securities, Incorporated, Oakland, Calif., investment company, filed an amendment on December 3, 1959, to its registration statement (File 2-11021) seeking registration of additional units of its securities.

**JESSOP STEEL PROPOSES DEBENTURE OFFERING.** Jessop Steel Company, Washington, Pa., today filed a registration statement (File 2-15897) with the SEC seeking registration of \$3,000,000 of Convertible Subordinated Debentures due January 1, 1975, to be offered for public sale through an underwriting group headed by Hornblower & Weeks. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the debenture sale will be added to general funds of the company and as such will be available for any corporate purposes. About \$1,000,000 is to be used to modernize the company's melting facilities by modification of existing equipment; \$500,000 will be used to replace funds advanced as part of the cost of the addition to the warehouse of Steel Warehousing Corporation; and \$350,000 will be used to replace funds advanced to Chase Steel & Supply Company to enable it to discharge certain indebtedness. Green River has authorized the expenditure of about \$1,000,000 for the construction of additional conditioning facilities; and Jessop has agreed to advance Green River a minimum of \$355,400 and may advance up to an additional \$400,000 to the extent that such funds cannot be provided by Green River out of its current earnings or from other sources.

**LOUISIANA GAS FILES FOR BOND OFFERING.** Louisiana Gas Service Company, 1233 West Bank Expressway, Harvey, Louisiana, filed a registration statement (File 2-15896) with the SEC today seeking registration of \$7,500,000 of first mortgage bonds, due 1985, to be offered for public sale at competitive bidding.

The company was incorporated under the laws of the state of Florida in 1956 and began operations in October, 1958 after acquiring all of the non-electric properties of its parent company, Louisiana Power & Light Company. In exchange for these properties and other assets Louisiana Power received a promissory note in the amount of \$4,900,000 and 605,010 shares of common stock of Louisiana Gas. These transactions were part of a plan to comply with an SEC divestment order; and the order provides that Louisiana Power must dispose of its holdings of Louisiana Gas within 24 months from the date of transfer of the properties.

Proceeds from the sale of the bonds will be used to pay the promissory note plus additional promissory notes held by Louisiana Power in the amount of \$1,100,000 which were incurred for construction and other corporate purposes. The balance of the proceeds will be used for the construction of new facilities, for the extension and improvement of present facilities and for other corporate purposes.

**EKCO PRODUCTS TO ACQUIRE WASHINGTON STEEL PRODUCTS STOCK.** Ekco Products Company, 1949 North Cicero Ave., Chicago, today filed a registration statement (File 2-15898) with the SEC seeking registration of 21,609 shares of Second Cumulative Preferred Stock, 6% Series, and 54,064 shares of common stock. Ekco proposes to offer the preferred and common shares in exchange for outstanding common stock of Washington Steel Products, Inc., at the rate of one-half share of common stock and one-fifth share of preferred stock of Ekco for each share of Washington Steel common.

Ekco has agreed to make such exchange offer with respect to an aggregate of 58,570 shares (54.22%) of the common stock of Washington Steel under an agreement between Ekco and the holders of such shares. The agreement is subject to the condition, among others, that holders of not less than 90% (86,428 shares) of Washington Steel common agree to make the exchange. It is contemplated that Washington Steel will be operated as a subsidiary of Ekco under Washington Steel's present management. Washington Steel's office is located at Tacoma, Wash.

AMERICAN GYPSUM FILES FINANCING PROPOSAL. American Gypsum Company 323 Third Street, S. W., Albuquerque, N. M., today filed a registration statement (File 2-15900) with the SEC seeking registration of 518,050 shares of common stock and \$1,200,000 of 7% First Mortgage Notes. It is proposed to offer these securities only in units each consisting of \$100 principal amount of notes and 40 shares of common stock, at \$300 per unit. A commission of \$42 per unit is payable to the underwriters, headed by Jack M. Bass & Company and Quinn & Co.

The company was organized in June 1959 for the purpose of constructing and operating a plant in Albuquerque for the production of wallboard and other gypsum products. The organizers were N. M. Hardin, president, Jack M. Bass, Jr., vice president, Arthur P. Quinn, secretary, and William Mearns. Net proceeds of the sale of the units, together with \$158,000 realized from prior common stock sales, have been or will be used for land acquisitions (\$120,000), construction of plant and other facilities (\$965,000), equipment (\$965,000), architects' fee (\$84,000), and working capital (\$955,000). Management officials are record owners of 74,875 shares (75.4) and beneficial owners of 6,250 shares of the outstanding stock.

LAFAYETTE RADIO PROPOSES STOCK OFFERING. Lafayette Radio Electronics Corporation, 165-08 Liberty Ave., Jamaica, N. Y., today filed a registration statement (File 2-15899) with the SEC seeking registration of 275,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made by D. A. Lomasney & Co., which will receive a commission of 50¢ per share. The underwriter has acquired for investment 7,500 additional shares from two stockholders of the company, at \$1.50 per share; and a like amount has been acquired from said stockholders for investment by Louis M. Goldsamt at \$1.50 per share. The additional 50,000 shares are subject to the company's restricted stock option plan, of which 15,000 shares have been granted.

The company is a distributor of electronic parts and high fidelity components, as well as sound products, technical products for the electrical and electronics industries, scientific and other instruments. It has outstanding 800,000 shares, of which 319,360 were recently issued for 100% of the outstanding shares of four radio and electronics companies. Of the net proceeds of the sale of additional stock, \$200,000 will be used for the purchase of inventory required for expansion of the company's line of wired and unwired Lafayette kits and \$50,000 for leasehold improvements and the setting up of facilities for such kits. The balance of the proceeds will be used for working capital, to be used for various purposes, including the financing of any increase in inventories and accounts receivables. Of the outstanding stock, 38.34% is held by Abraham Pletman, president, and 36.68% by Max H. Kranzberg, executive vice president.

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