

# 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 14, 1959

**Statistical Release No. 1647.** The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended December 11, 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:

	1939 = 100		Percent Change	1959	
	12/11/59	12/4/59		High	Low
Composite	427.5	426.6 R	+0.2	441.3	400.1
Manufacturing	536.9	534.5 R	+0.4	554.2	490.7
Durable Goods	516.0	512.4 R	+0.7	527.7	457.8
Non-Durable Goods	545.7	544.5	+0.2	570.1	510.5
Transportation	327.8	325.4	+0.7	371.6	318.7
Utility	211.0	212.6	-0.8	231.8	207.1
Trade, Finance & Service	438.0*	437.1	+0.2	438.0	382.7
Mining	296.0	297.2	-0.4	360.4	283.8

\*New High  
R - Revised

**BISSONNET CO., OFFERING SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of securities by Bissonnet Company, 555 Fifth Avenue, New York.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. On October 22, 1959, Bissonnet Company (issuer), a limited partnership, filed a notification proposing the public offering of limited partnership interests, in units of \$5,000, for an aggregate of \$285,000. The partnership was formed to acquire certain Houston properties, consisting of land, buildings and equipment, which were to be leased to the Douglas Company. The Commission's suspension order asserts that certain terms and conditions of Regulation A were not complied with; that the issuer's offering circular is false and misleading by reason of its failure to disclose certain material facts; and that the offering of partnership interests is being and would be made in violation of Section 17 (the anti-fraud provision) of the Securities Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

With respect to the Regulation A notification, the Commission charges that the issuer failed to file a copy of an underwriting agreement entered into between it and M. Ferar Securities, a sole proprietor, of Miami, Fla., as well as the consent of the latter to be named as an underwriter. The Commission's order also charges that the issuer's offering circular (1) fails to disclose the employment of said underwriter and the commissions to be paid; (2) fails to disclose adequately the terms upon which the partnership interests will be offered; (3) fails to disclose that the Houston properties would be acquired subject to a \$390,000 mortgage at a stated cash price of \$260,000, from Edmund L. Dorman, the general partner of the issuer, who holds an option to purchase said properties for \$240,000; (4) fails to disclose the relationship between Dorman and the Douglas Company, the proposed lessee; and (5) fails to disclose pertinent information concerning the respective rights and obligations of Dorman and the purchasers of the limited partnership interests, particularly with respect to the interests and relationships of Dorman in and to the partnership enterprise and the operations of the properties through the Douglas Company, with the profits and remunerations to be received by Dorman therefrom.

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

**HEBREW KOSHER FOODS FILES FOR OFFERING AND SECONDARY.** Hebrew National Kosher Foods, Inc., 178 South Elliott Place, Brooklyn, N. Y., filed a registration statement (File 2-15919) with the SEC on December 11, 1959, seeking registration of 350,000 shares of its common stock. The company proposes to issue and sell 175,000 shares; and the balance of the shares, now outstanding, are to be offered for public sale by the present holders thereof. The stock is to be offered for public sale at \$4 per share, the offering to be made on a best efforts basis by Brand, Grumet & Seigel, Inc., and Arnold Malkan & Co., Inc., for which they will receive a selling commission of 40¢ per share. If all the shares are sold, the underwriters will receive five-year options to purchase 5,000 additional shares at \$4 per share. An additional 7,500 shares each have been sold to Brand, Grumet & Seigel, Inc., and to Arnold Malkan, president of the other underwriter, at \$1 per share.

The company (formerly Hebrew National Kosher Sausage Co., Inc.) is engaged in the manufacture, processing, purchase and distribution of 16 Kosher meat products and in the purchase and distribution of two Kosher poultry products. It now has outstanding 775,000 common shares. Net proceeds of the company's sale of the additional 175,000 shares, plus the \$15,000 proceeds of the sale to the underwriters, will be added to its general funds and applied to the company's program of expansion and modernization and to working capital. The principal items in the program are to construction of a new plant in Maspeth, Queens County, City of New York, on land owned by a subsidiary, and the purchase of equipment for such plant.

Management officials own all of the 775,000 common shares now outstanding, 387,500 by Leonard Pines, president, and 287,500 by Edward I. Sholemson, executive vice-president. Each of the latter proposes to sell 87,500 shares of his present holdings. Benjamin Sholemson, secretary and general counsel, is the beneficial owner of the remaining 100,000 shares, held of record by Edward I. Sholemson.

**COMMERCIAL CREDIT PROPOSES NOTE OFFERING.** Commercial Credit Company, 300 St. Paul Place, Baltimore, Md., filed a registration statement (File 2-15920) with the SEC on December 11, 1959, seeking registration of \$50,000,000 of Notes due January 1, 1980, to be offered for public sale through an underwriting group headed by The First Boston Corporation and Kidder, Peabody & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the notes will be used to increase or maintain the working capital of the company, which may be used for the purchase of receivables in the ordinary course of its financing activities, may be advanced to or invested in subsidiaries for such purposes or for other purposes related to their businesses, or initially applied to the reduction of short term loans.

**SOUTH BAY INDUSTRIES FILES FOR OFFERING AND SECONDARY.** South Bay Industries, Inc., 42 Broadway, New York, filed a registration statement (File 2-15921) with the SEC on December 11, 1959, seeking registration of 210,000 shares of Class A stock, to be offered for public sale at \$5 per share, 172,000 by the issuing company and 38,000 by the present holders of such shares. The offering is to be made on a best efforts basis by Amos Treat & Co., Inc., for which it will receive a selling commission of 75¢ per share plus \$7,500 for expenses. The underwriter has acquired an additional 20,000 shares of Class B stock from one of the selling stockholders at one mill per share. The same stockholder will pay a finder's fee of \$5,000 in cash and 12,500 Class B shares to Charles G. Freshwater.

The company was organized in August 1959 for the purpose of acquiring 100% of the outstanding stock of two affiliated California companies, South Bay Manufacturing Company, Inc., and Wood Fabricators, Inc., and has not yet engaged in any operations. Its temporary offices are in New York, but upon completion of this financing it will remove to 16020 South Broadway, Gardena, California, the present offices of the predecessor companies. The company's products fall within the category of medium sized ground handling equipment for aircraft and guided missiles. Net proceeds of the company's sale of Class A stock are estimated at about \$691,900. Of this, \$225,000 will be used to pay off bank loans, \$200,000 to purchase machinery and equipment and the balance will be added to working capital.

According to the prospectus, the company now has outstanding 118,000 shares of Class A and 362,500 shares of Class B stock. Edmoun P. Safady, president, is listed as the owner of 103,000 Class A and 250,000 Class B shares, and John H. Matthes, secretary, 15,000 Class A and 71,000 Class B. Safady proposes to sell 23,000 and Matthes 15,000 of the Class A shares. Safady has sold 20,000 Class B shares to the underwriter and paid an additional 12,500 shares to Freshwater.

**ADRs FILED FOR ASSOCIATED TELEVISION.** Morgan Guaranty Trust Company of New York filed a registration statement (File 2-15922) with the SEC on December 11, 1959, seeking registration of American Depositary Receipts for 50,000 shares of "A" Ordinary Registered Stock of Associated Television Limited, of England.

**ADDITIONAL BROAD STREET INVESTING SHARES IN REGISTRATION.** Broad Street Investing Corporation, New York investment company, filed an amendment on December 11, 1959, to its registration statement (File 2-10835) seeking registration of an additional 3,000,000 shares of capital stock.

**TITANIUM METALS FILES THRIFT PLAN.** Titanium Metals Corporation of America, 233 Broadway, New York, has joined with Allegheny Ludlum Steel Corporation, of Pittsburgh, and National Lead Company, of New York, in the filing of a registration statement (File 2-15923) with the SEC on December 11, 1959, seeking registration of 8,000 shares of Allegheny Ludlum common stock and 4,000 shares of National Lead common stock. Eligible salaried employees of Titanium Metals may participate in the TMCA Thrift Plan and may acquire U. S. obligations and common stocks of Allegheny Ludlum and National Lead, the holders of all the outstanding stock of TMCA.

**VOTING TRUST FOR LIFE INS. CO. OF FLA. FILES.** The voting trustees for a voting trust covering shares of the common stock of Life Insurance Company of Florida filed a registration statement (File 2-15924) with the SEC on December 11, 1959, seeking registration of voting trust certificates for 448,900 shares of the Insurance Company's common stock. The trustees are Alec S. Wallace and W. Finley Jones. Wallace is board chairman of the insurance company and Jones is vice president.

**LOCKHART CORP. FILES FOR SECONDARY.** Lockhart Corporation, 359 South Main St., Salt Lake City, today filed a registration statement (File 2-15925) with the SEC seeking registration of 100,000 outstanding shares of its common stock, to be offered for public sale by the present holders thereof through an underwriting group headed by Schwabacher & Co. The public offering price and underwriting terms are to be supplied by amendment.

Lockhart is primarily a holding company owning all the outstanding stock of (1) The Lockhart Company, an industrial loan company in Utah, (2) Royal Life Insurance Company, an Arizona corporation principally engaged in the reinsuring of life, health and accident insurance policies sold to numerous borrowers from The Lockhart Company in connection with their loans; and (3) eight small loan companies organized under the laws of Utah. The company also is indirectly engaged in the insurance agency business (other than life) in Utah.

The company has outstanding 225,605 shares of common stock in addition to certain other securities. The prospectus lists five selling stockholders, principal among which are Keyatone Insurance & Investment Co. which owns 195,441 and proposes to sell 79,000 shares, and Georgette Lockhart McNiff, who proposes to sell all of her holdings of 15,069 shares.

**NORTHWEST NITRO-CHEMICALS SEEKS INDENTURE QUALIFICATION.** Northwest Nitro-Chemicals Ltd., Medicine Hat, Alberta, Canada, filed an application with the SEC on December 11, 1959 (File 22-2710) seeking qualification under the Trust Indenture Act of a trust indenture pursuant to which \$8,500,000 of Subordinate Debentures of 1960, due June 30, 1979, bearing 6 $\frac{1}{2}$ % interest, are to be issued.

According to the application, Northwest has outstanding \$8,500,000 (U. S.) of Ten Year 5 $\frac{1}{2}$ % Subordinate Income Debentures, which were sold under a Securities Act registration statement in 1955. It also has outstanding 3,750,000 common shares, of which 1,150,000 shares were sold in the same registered offering. In addition, \$10,750,000 (Can.) of First Mortgage 4 $\frac{1}{2}$ % Series Bonds of 1958 are outstanding in the hands of a single holder. 10,000 preferred shares are also outstanding. On June 30, 1959, Northwest defaulted in the payment of \$1,000,000 principal payment due on the bonds, which automatically constituted a default under the indenture under which the old debentures were issued. It intends to propose a compromise or arrangement between it and the holders of the old debentures. Under such arrangement, it is proposed that Northwest issue \$8,500,000 (U. S.) of Subordinate Debentures of 1960 under the new indenture now to be qualified; and it is further proposed that the new debentures and 2,210,000 additional common shares be exchanged for the old debentures on the following basis: \$1,000 principal amount of debentures and 260 common shares for each \$1,000 principal amount of old debentures.

**JACOBS COMPANY ADMINISTRATIVE HEARING POSTPONED.** The SEC today announced a further postponement to January 18, 1960, of the hearing in proceedings under the Securities Exchange Act of 1934 to determine whether F. L. Jacobs Company, of Detroit, violated the reporting and disclosure requirements of that Act, and, if so, whether it is in the public interest to order the withdrawal of its stock from listing and registration on the New York Stock Exchange.

The hearing has been continued from time to time and was scheduled to commence December 15, 1959. The request for further postponement was made by counsel for the trustees of Jacobs Company, debtor in Chapter X reorganization proceedings pending in the U. S. District Court for the Eastern District of Michigan, Southern Division.

INDICTMENT NAMES GRUBER. The SEC Boston Regional Office announced December 8th the indictment of Joseph L. Gruber, Jr., of Los Angeles (formerly of Lynn, Mass.), on charges of violating registration and anti-fraud provisions of the Securities Act in the sale of Eagle Oil & Supply Co., Inc., stock (Lit. Release 1533).

INDICTMENT NAMES MAURICE OLEN, FOUR OTHERS. The SEC announced December 3, 1959, the indictment of Maurice Olen (former president of The Olen Company, Inc., and H. L. Green Company, Inc.), and four other individuals (including two certifying accountants) on charges of violating provisions of the Federal securities laws (and conspiracy) in connection with the issuance of 100,000 shares of Olen Company stock in April 1958 and the merger of Olen Company into Green Company in October 1958. (Release No. 1534)

INDICTMENT NAMES CAMPBELL INVESTMENT, TWO INDIVIDUALS. The SEC Fort Worth Regional Office announced December 9, 1959, the return of an indictment charging T. J. Campbell Investment Company, Inc., T. J. Campbell and Robert G. Trimble with fraud in their transactions with the Investment Company's customers.

EVERGREEN MEMORIAL PARK, MORRIS INDICTED. The SEC announced the indictment on December 9, 1959, of Evergreen Memorial Park Association and Thomas A. Morris, Philadelphia, on charges of violating anti-fraud provisions of the Securities Act in the sale of notes and bonds of the Association. (Lit. Release 1536)

STIPULATION APPROVED IN ALLEN INVESTMENT INJUNCTION ACTION. The SEC Denver Regional Office announced December 7, 1959, that under a court-approved stipulation between Commission counsel and counsel for Allen Investment Company and Allen J. Lefferdink in an injunction action involving alleged violations of the SEC net capital rule, Allen Investment (which at time failed to comply with rules) undertakes to limit its securities business to that of acting as agent for issuers in soliciting subscriptions for securities of such issuers, which will entitle it to exemption from the net capital rule, the action against Lefferdink being dismissed.

KINGSPORT UTILITIES PROPOSES BANK BORROWINGS. Kingsport Utilities, Inc., has applied to the SEC for an order under the Holding Company Act authorizing bank borrowings of \$600,000; and the Commission has issued an order giving interested persons until December 28, 1959, to request a hearing thereon. The funds are to be used to finance in part the company's construction programs for 1959 and 1960, estimated at \$820,000 and \$760,000, respectively. An additional \$400,000 of similar exempt borrowings will be used for like purposes.

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