

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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)



Washington 25, D.C.

FOR RELEASE October 12, 1959

Statistical Release No. 1635

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended October 9, 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	
	<u>10/9/59</u>	<u>10/2/59</u>		<u>High</u>	<u>Low</u>
Composite	415.8	416.6	-0.2	441.3	400.1
Manufacturing	516.0	517.3	-0.3	554.2	490.7
Durable Goods	498.4	497.7	+0.1	527.7	457.8
Non-Durable Goods	522.1	525.2	-0.6	570.1	510.5
Transportation	340.4	339.1	+0.4	371.5	324.8
Utility	213.6	213.8	-0.1	231.8	207.1
Trade, Finance & Service	428.1	428.6	-0.1	433.0	382.7
Mining	289.5*	290.4	-0.3	360.4	289.5

*New Low

SECURITIES VIOLATIONS CHARGED TO STANLEY BROWN

The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Stanley Brown, 315 Fifth Avenue, New York, defrauded investors in the offering and sale of common stock of General Oil & Industries Co., Inc., or otherwise violated the Federal securities laws and, if so, whether his registration as a broker-dealer should be revoked.

According to the Commission's order, Brown has been registered since April 1957. The order asserts that information developed in an investigation conducted by the Commission's staff tends if true to show that, in the offer and sale of General stock, Brown made false and misleading representations of material facts and "engaged in transactions, practices, and a course of business which would and did operate as a fraud and deceit upon the purchasers." It is also alleged that the sale of General stock by Brown violated the registration requirements of the Securities Act of 1933.

The misrepresentations listed in the Commission's order concerned the earnings of General, the future price of its stock, and the listing of the stock on an exchange; the management of General; the merger of General with a prominent oil company; and the ownership by General of oil and gas wells with a current substantial production and the production of oil and gas from properties owned by General.

A hearing will be held to take evidence with respect to the foregoing matters at a time and place later to be announced.

(NOTE TO PRESS: Foregoing also released in the SEC New York Regional Office.)

OVER

AMERICAN FORGING SEEKS REPORTING EXEMPTION

The American Forging and Socket Company, Pontiac, Mich., has filed an application with the SEC pursuant to Rule 15d-20 under the Securities Exchange Act of 1934, for exemption from the requirements for filing annual and other periodic reports; and the Commission has issued an order giving interested persons until October 27, 1959, to request a hearing thereon.

In a registration statement under the Securities Act of 1933 filed in 1937 and proposing the public offering of common stock, American Forging undertook to file annual and other periodic reports to keep the information therein current. The present application seeks an exemption from the reporting requirements; and in support thereof the company asserts that the number of record holders of its common stock does not exceed 50 persons.

TWIN CITY RAPID TRANSIT OFFICIAL INDICTED

In an indictment returned September 18, 1959 (USDC, Minn., 4th Div.), Fred A. Ossanna, an officer of Twin City Rapid Transit Co., was indicted for violating reporting requirements of the Securities Exchange Act by falsifying Transit Co. reports filed with the SEC. Three others were also indicted for aiding and abetting. (Lit. Release No. 1503)

JET-HEET FINANCING CLEARED

The SEC has issued an order (Release 40-2916) granting an exemption application of Jet-Heet, Inc., Englewood, N. J., with respect to certain transactions incident to certain financial transactions by Jet-Heet (For details, see News Digest of September 29, 1959, and Release 40-2912). The financing includes the issuance of \$100,000 of subordinated notes, certain modifications of the provisions of the outstanding 5% debentures, and the sale of additional shares of common stock. American Research and Development Corporation, Boston investment company, which owns more than 5% of the outstanding voting securities of Jet-Heet, will participate in certain of these transactions.

LINDBERG STEEL TREATING FILES FOR SECONDARY

Lindberg Steel Treating Company, Inc., Melrose Park, Ill., filed a registration statement (File 2-15708) with the SEC today seeking registration of 85,035 outstanding shares of Class A stock. The shares are to be offered for public sale by a group of stockholders, including H. G. Magnussen, vice-president, and Alice L. Magnussen, and represent all the outstanding Class A stock. None of the proceeds will be received by the company. The offering is to be made through a group of underwriters headed by Cruttenden, Podesta & Co., Chicago, Illinois, and the public offering price and underwriting terms will be supplied by amendment.

The company is engaged in the business of heat treating of metals, including solid propellant rocket motor cases for the Minuteman Intercontinental Ballistic Missile. Of the stock to be offered, 63,907 shares are held by Alice L. Magnussen and 9,307 shares by H. G. Magnussen.

In addition to certain debt securities, the company also has 199,665 shares of \$5 par value class B stock outstanding. Officers and directors of the company own 24.1% of its outstanding stock.

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