

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 November 27, 1959

COMMERCIAL METALS FILES FOR SECONDARY. Commercial Metals Company, 512 South Akard Street, Dallas, Texas, filed a registration statement (File 2-15862) with the SEC on November 25, 1959, seeking registration of 100,000 shares of outstanding common stock, \$5.00 par value, to be offered by the holders thereof for public sale through an underwriting group headed by Eppler, Guerin & Turin, Inc. The names of the selling stockholders, the price to the public, and the underwriting terms will be supplied by amendment. The company will not receive any of the proceeds from the stock sale.

Under a recapitalization plan effectuated in August, 1959, the company split its 80,380 shares of \$25 par value capital stock into common stock on a five-for-one basis and into class B common stock on a two-for-one basis. In addition to \$1,355,000 of subordinated debentures, the company now has outstanding 259,635 shares of common stock and 343,215 shares of Class B common stock.

The principal stockholders of the company include Jacob Feldman, President, 45,500 shares of common stock (17.5%) and 91,000 shares of Class B stock (26.5%) and Fannie Feldman Schaeen, 20,995 shares of common (8.1%) and 41,990 shares of Class B (12.2%), plus 7,500 shares of common and 15,000 shares of class B held beneficially only. Voting trustees, including Jacob Feldman, holders of record only, hold 98,505 shares of common stock (37.9%) and 197,010 shares of Class B stock (57.4%). Jacob Feldman has sold common stock purchase warrants covering 10,000 shares of the stock to the principal underwriter for \$1,000. The warrants are exercisable on or before January 31, 1962, at the same price per share as the initial offering price.

BENSON MANUFACTURING FILES FOR DEBENTURE OFFERING. The Benson Manufacturing Company, 1811 Agnes Avenue, Kansas City, Mo., filed a registration statement (File 2-15863) with the SEC on November 25, 1959, seeking registration of \$2,000,000 of 6% Convertible Subordinated Debentures, due November 30, 1971, and 130,000 shares of Common Stock, \$1 par value, to be offered for public sale through an underwriting group headed by S. D. Fuller & Co. The public offering prices and underwriting terms are to be supplied by amendment.

The company was incorporated in Missouri in November 1928 as Benson Brass Chandelier Works, Inc., a continuation of a business founded in 1907. Its name was changed to The Benson Manufacturing Company in June 1937. The company is a precision metal fabricator specializing in aluminum and also engages in the fabrication of magnesium, stainless steel, and titanium. According to the prospectus, the company serves the major missile, rocket, and aircraft companies through its Missile and Aircraft Division, and, as a manufacturer of its own proprietary products, serves the brewery, petroleum, and chemical industries through its Aluminum Container Division. The building and construction industry is served by the Architectural Metal Building Products Division, and the company also manufactures blowers and air and gas moving components for the missile, rocket, electronic, and building industries. The company has outstanding, in addition to indebtedness of approximately \$565,000, 198,636 shares of common stock and 49,659 shares each of four series of preferred stock. Arthur J. Benson, president, owns 13.8% of both the preferred stock and the common stock; Ernest H. Benson, vice president, owns 15.5% of both; Edward B. Benson, treasurer, owns 14.5% of both; and Emil L. Benson, secretary, owns 12.3% of both.

Of the net proceeds from the offering of the debentures and common stock, \$1,500,000 will be used to purchase additional manufacturing equipment for the manufacture of containers, and architectural, missile, and blower products; \$425,000 will be used to purchase buildings now leased at an annual rental of \$56,000; and \$500,000 will be used to retire the company's outstanding bank loan.

PUBLIC SERVICE ELECTRIC AND GAS FILES FOR STOCK OFFERING. Public Service Electric and Gas Company, 80 Park Place, Newark, N. J., filed a registration statement (File 2-15865) with the SEC on November 25, 1959, seeking registration of 800,000 shares of common stock to be offered for public sale through a group of underwriters headed by Merrill Lynch, Pierce, Fenner & Smith. The offering price and underwriting terms are to be supplied by amendment.

For further details, call ST. 3-7500, ext. 5525

Proceeds from the sale of the stock will be added to the general funds of the company and will be used for general corporate purposes, including the payment before maturity of unsecured short-term bank loans to be presently incurred in connection with the company's current construction program. The estimated cost of the program, as of August, 1959, amounted to approximately \$269,000,000. Of this amount \$54,000,000 has been or will be expended in the last four months of 1959 and the remainder in subsequent years.

DAVAGA STORES FILES FOR RIGHTS OFFERING. Davaga Stores Corporation, 215 Fourth Avenue, New York, N. Y., filed a registration statement (File 2-15866) with the SEC on November 25, 1959, seeking registration of 88,000 shares of common stock to be offered to present holders of common stock at the rate of \$7.00 per share on the basis of one share for each three shares held.

The company operates a chain of twenty-seven retail stores in the metropolitan New York area, for the retail sale of radios, television sets, electrical appliances, sporting goods and other merchandise. The company's plans for expansion include a shopping center in Syosset, Long Island. Proceeds from the sale of the stock will be used to finance the expansion program, for expenditures incident to the operation of its discount center, and for general corporate purposes.

COURT ORDER RESTRAINS TRANS-GLOBE LEASE & LAND, KIMBALL AND OTHERS. The SEC Washington Regional Office announced on November 23, 1959, that Judge R. B. Keach (USDC, Dist. of Columbia) had entered a temporary restraining order against Trans-Globe Lease & Land Exchange, Inc., Frank S. Kimball, and Charles Jackson. Trans-Globe recently moved its offices from New York, N. Y., to Washington, D. C. Judge Keach's order temporarily restrains all defendants from further violation of the registration and anti-fraud provisions of the Securities Act in the offer and sale of oil leases of Trans-Globe. Judge Keach set for hearing on December 1, 1959, the Commission's motion for a preliminary injunction. (Lit. Release No. 1523)

PUTNAM GROWTH FUND FILES FOR ADDITIONAL SHARES. The Putnam Growth Fund, Boston investment company, filed an amendment on November 25, 1959, to its registration statement (File 2-13644), seeking registration of 500,000 additional shares of beneficial interest, \$1 par value.

TRADING IN JACOBS CO. STOCK SUSPENDED. The SEC has issued an order under the Securities Exchange Act of 1934 summarily suspending trading on the New York and Detroit Stock Exchanges and in the over-the-counter market in the common stock of F. L. Jacobs Co. for a further ten-day period, from November 28, 1959, to December 7, 1959, inclusive.

SEC ORDERS HEARING ON LIQUIDATION PLAN FOR ARKANSAS FUEL OIL. The SEC has issued an order (Release 35-14099) for hearing on the plan filed by a group of minority stockholders of Arkansas Fuel Oil Corporation, under Section 11 (d) of the Public Utility Holding Company Act of 1935, for the sale of the assets of the assets of the company in an amount to net all of the stockholders \$40 per share on the 3,801,536 outstanding shares, and, thereafter, the liquidation and dissolution of Arkansas. (For details of the plan, see News Digest of November 23, 1959, and Release 35-14099).

The Commission's order consolidates the proceedings on the Liquidation Plan with the proceedings on the plan filed by Cities Service Company for compliance with a 1957 order of the Commission directing Cities to effect the elimination of the 48.97% public minority stock interest in Arkansas Fuel Oil Corporation or the disposition by Cities of its 51.51% stock interest in Arkansas Fuel. The hearing on Cities' plan is scheduled to be reconvened on December 7, 1959. The Commission's order provides that evidence with respect to the Liquidation Plan shall be taken at the conclusion of the cross-examination of the witnesses as to whom cross-examination has not as yet been completed in the proceedings on the Cities' plan, but in no event prior to December 16, 1959. Any person not heretofore granted leave to participate and who wishes to be granted such leave may file a request therefor with the Secretary of the Commission on or before December 15, 1959.

SINCLAIR OIL SEEKS EXEMPTION. Sinclair Oil Corp., New York, N. Y., has applied to the SEC for an order under the Holding Company Act declaring it to have ceased to be a holding company, and the Commission has issued an order (Release 35-14101) giving interested persons until December 8, 1959, to request a hearing on the application. The application states that Sinclair, in accordance with orders of the Commission, has disposed of all of its interests in companies which it acquired as a result of the reorganization and dissolution of Mission Oil Company and Southwestern Development Company. The application further states that on March 31, 1959, the Utilities Company, Sinclair's

only remaining public utility subsidiary, donated and transferred all its physical assets, including operating and customer contracts, to the Town of Sinclair, Wyoming; that on July 27, 1959, Utilities Company was liquidated; and that Sinclair no longer, either directly or indirectly, owns controls or holds with power to vote, any stock of any public utility or holding company.

MISSOURI EDISON PROPOSES BANK BORROWINGS. Missouri Edison Company, Louisiana, Mo., has applied to the SEC for an order under the Holding Company Act authorizing bank borrowings in an amount not to exceed \$1,500,000, maturing not later than June 30, 1961, and bearing interest at the prime rate (presently 5% per annum) effective in St. Louis at the time of the particular borrowing; and the Commission has issued an order giving interested persons until December 11, 1959, to request a hearing thereon. The amount of the borrowing, together with cash available in the company's treasury, will be used to repay \$600,000 of outstanding bank notes maturing on December 29, 1959, and to finance the company's necessary construction program to March 1961. The application states that the new notes will be repaid from funds to be obtained early in 1961 from the issue and sale of securities of a type and in amounts to be determined in the light of conditions at that time.

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