

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 18, 1959

BRUNS NORDMAN HEARING POSTPONED. At the request of counsel for Bruns, Nordeman & Company, Inc., the Commission has authorized a further continuance from January 5 to February 9, 1960, of the hearing in proceedings under the Securities Exchange Act to determine whether that company's broker-dealer registration should be revoked and whether it should be suspended or expelled from exchange membership.

LOUISIANA GAS SERVICE PROPOSES BOND OFFERING. Louisiana Gas Service Company, Harvey, La., has applied to the SEC for authorization to issue and sell at competitive bidding \$7,500,000 of First Mortgage Bonds, due January 1, 1985; and the Commission has issued an order (Release 35-14118) giving interested persons until January 7, 1960, to request a hearing thereon. Net proceeds of the bond sale are to be used to pay outstanding notes in the amount of \$6,000,000 held by its parent, Louisiana Power & Light Company, for construction expenditures, and for other corporate purposes.

FURTHER TIME FOR DIVESTMENTS GRANTED DEVELOPMENT CORP. The SEC has issued an order (Release 40-2950) granting a three months extension to March 16, 1959, of the period within which Development Corporation of America may comply with the conditions in the Commission's order of April 16, 1959, granting DCA an exemption from the Investment Company Act. The order was conditioned upon DCA's disposition of the major portion of its investment securities. The order also provided that Equity General Corporation, a subsidiary of The Equity Corporation, might acquire all the stock of DCA under its then-proposed merger with another company, provided that unless DCA had ceased to be an investment company within eight months Equity would dispose of all voting securities of DCA.

DEVELOPMENT CORP. PROPOSES PURCHASE OF UNITED SECURITY. Development Corporation of America, a subsidiary of The Equity Corporation, a registered holding company, has applied to the SEC for an exemption order under the Investment Company Act with respect to the proposed purchase by DCA of common stock of United Security Life Company in exchange for common stock of Financial General Corporation; and the Commission has issued an order (Release 40-2951) giving interested persons until December 29, 1959, to request a hearing thereon.

Equity owns, through a subsidiary, 89.07% of the outstanding voting securities of DCA. Equity and DCA together own 22.69% of the outstanding voting securities of Financial General, which in turn has various subsidiaries including insurance companies which together control United Security Life (of Des Moines) through the aggregate ownership of 47.07% of its outstanding voting securities (common stock). Of the outstanding 2,491,394 shares of common stock of Financial General, Equity owns 315,448 shares (12.66%) and DCA 250,000 shares (10.03%).

It is proposed that DCA acquire from various shareholders of United Security Life 15,153 shares or 75.8% of the latter's common stock in exchange for 162,890 shares of Financial General common. Of the 15,153 common shares to be acquired by DCA, 9,414 shares (47.07%) are to be acquired from insurance companies controlled by Financial General and Equity and most of the balance from persons who are directors of Financial General.

THREE STOCKS DELISTED. The SEC has granted applications to strike from listing and registration the 5 1/2% Series Cumulative Preferred Stock of City Investing Company on the New York Stock Exchange, the \$3 Cumulative Preferred Stock of Di Giorgio Fruit Corp. on the Pacific Coast Stock Exchange, and the common stock of Union Trust Company of D. C. on the Philadelphia-Quillman Stock Exchange, effective at the close of the trading session December 14, 1959, as to the Union Trust common and December 31, 1959 as to the preferred stock issues of the other two companies. (Release 34-6145).

For further details, call NY 5-7000, ext. 4200

CLAYTON SILVER MINES STOCK WITHDRAWN FROM ONE EXCHANGE. The SEC has granted an application of Clayton Silver Mines to withdraw its common stock from the Pacific Coast Stock Exchange, effective December 31, 1959, the stock to remain listed on the Spokane and Salt Lake Stock Exchanges. (Release 34-6145)

UNLISTED TRADING IN TWO STOCKS GRANTED. The SEC has issued orders granting applications of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in the common stocks of Brunswick-Balke-Collender Company and Lear, Incorporated. (Release 34-6145)

AL-DUN AMUSEMENT SUSPENSION VACATED. At the request of Al-Dun Amusement Company, West Point, Georgia, the SEC has vacated an order which temporarily suspended a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Al-Dun Amusements.

In a Regulation A notification filed December 8, 1958, Al-Dun Amusements proposed the public offering of 250 shares of Class A preferred at \$100 per share and 500 shares of common stock at \$100 per share which included options to purchase 250 common shares for an aggregate of \$75,000. By reason of its failure to comply with a condition of Regulation A requiring the filing of semi-annual reports of stock sales pursuant to the offering, the Commission on November 6, 1959, ordered the temporary suspension of the exemption from registration.

Subsequently, such a report was filed reflecting that 166 shares of Class A preferred and 392 shares of common had been sold as of November 25, 1959, and the unsold portion was withdrawn from offering.

Under the circumstances, the Commission concluded that its suspension order might be vacated.

STANDARD OIL (IND.) FILES STOCK PLAN. Standard Oil Company (Ind.) of 910 South Michigan Ave., Chicago, filed a registration statement (File 2-15940) with the SEC on December 17, 1959, seeking registration of options to purchase 470,000 shares of Standard Oil stock pursuant to the company's Second Incentive Stock Option Plan for Key Executives.

TENNY ENGINEERING FILES FINANCING PROPOSAL. Tenny Engineering, Inc., 1090 Springfield Rd., Union, N. J., today filed a registration statement (File 2-15941) with the SEC seeking registration of \$500,000 of 6½% Convertible Subordinated Debentures due January 1970 and 25,000 shares of common stock. The debentures are to be offered for public sale at 100% of principal amount with a 9% commission to the underwriters, headed by Milton D. Blauner & Co., Inc. Offering price and underwriting terms for the common stock are to be supplied by amendment.

The company is engaged primarily as a manufacturer of environmental equipment used for the simulation of climatic conditions and the manufacture of refrigeration and heating equipment. It has outstanding 500,079 shares of common stock and various indebtedness. Of the net proceeds of this financing, \$425,000 will be used to retire a bank loan; \$125,000 will be devoted to the cost of moving the company's coil business from Michigan and setting up the new plant in Wilmington, N. Car.; and the balance will be added to working capital.

CHESAPEAKE AND POTOMAC TELEPHONE PROPOSES DEBENTURE OFFERING. The Chesapeake and Potomac Telephone Company of Maryland, 320 St. Paul Place, Baltimore, Md., today filed a registration statement (File 2-15942) with the SEC seeking registration of \$25,000,000 of Thirty-Six Year Debentures, due January 1, 1996, to be offered for public sale at competitive bidding. Net proceeds will be used to repay advances from American Telephone and Telegraph Company, parent, which are expected to exceed \$25,000,000 when such proceeds are received. These advances were obtained for construction and other purposes.

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