

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington 25, D.C.

(In ordering full text of Releases from Publications Unit, cite number)

FOR RELEASE May 23, 1960

Statistical Release No. 1679. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended May 20, 1960, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1960, is as follows:

	1939 = 100		Percent Change	1960	
	5/20/60	5/13/60		High	Low
Composite	398.1	393.6	+1.1	432.5	388.8
Manufacturing	477.4	471.0	+1.4	538.9	464.5
Durable Goods	461.9	456.7	+1.1	521.6	446.5
Non-Durable Goods	482.5	475.0	+1.6	544.4	472.1
Transportation	294.2	286.2	+2.8	329.3	286.2
Utility	231.8	231.6	+0.1	237.6	216.1
Trade, Finance & Service	438.3	436.0	+0.5	446.5	414.7
Mining	260.0	243.5	+6.8	299.7	243.5

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended May 19, 1960, 32 registration statements were filed, 23 became effective, 7 were withdrawn, and 378 were pending at the week end.

FILOSA SECURITIES REGISTRATION REVOKED. The SEC today announced the issuance of a decision (Release 34-6266) revoking the broker-dealer registration of Filosa Securities Company, 407 Main St., Grand Junction, Colo., for fraud in the purchase and sale of securities and other violations of the Federal securities laws.

Filosa Securities and its president, Frank Robert Filosa, waived a hearing, admitted (for the purpose of these proceedings) the facts charged, and consented to the revocation order. Filosa was found by the Commission to be a cause of said order.

According to the Commission's decision, during the period June 1957 to December 1957, the company and Filosa engaged in a course of conduct which operated as a fraud upon the company's customers, in that they (1) appropriated to their own use and benefit certain money and securities received from customers and (2) issued checks in payment for securities acquired, knowing that the company did not have sufficient funds to cover such checks, and failed to pay for or return the securities.

Furthermore, Filosa Securities engaged in the conduct of a securities business while insolvent and induced purchases and sales of securities and in connection therewith accepted delivery of money and securities from a customer without disclosing its insolvent condition; violated the Commission's net capital rule; failed to make and keep current various books and records, as required; and failed to amend its registration application to reflect the resignation of an individual as secretary-treasurer and a director.

OHIO EDISON SURPLUS TRANSFER APPROVED. The SEC has issued a supplemental order (Release 35-14232) with respect to an amendment filed by Ohio Edison Company to its proposal to transfer \$39,146,822 from earned surplus to common stock capital as part of a recapitalization.

COMPOSITE RESEARCH APPLIES FOR ORDER. Composite Research & Management Co., investment advisor to Composite Fund, Inc., and Composite Bond and Stock Fund, Inc., has joined with the two Funds in the filing of an application with the SEC for an exemption order under the Investment Company Act with respect to an April 20, 1960, letter agreement between the advisor and the Funds which constitutes an investment advisory contract, to the extent that such contract requires approval by a vote of a majority of the outstanding shares of the respective Funds; and the Commission has issued an order (Release 40-3035) giving interested persons until June 10, 1960, to request a hearing thereon. The application also seeks an exemption for all actions of the advisor for the Funds since March 23, 1960. The advisor has issued and outstanding 500 shares of capital stock of which 150 shares were owned by Robert M. Williams and his wife as community property prior to his demise on March 23, 1960, and 200 shares were owned by Marguerite A. Williams as her separate property prior to her demise on

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March 26, 1960. The transfer of the total number of shares to the estates of Robert M. and Marguerite A. Williams constitute a transfer of a controlling interest in Research and an assignment of the investment advisory contracts with the Funds.

AMERICAN STERILIZER PROPOSES OFFERING. American Sterilizer Company, 2424 West 23rd St., Erie, Pa., filed a registration statement (File 2-16616) with the SEC seeking registration of 152,415 shares of common stock, to be offered for public sale through Glore, Forgan & Co. and Fulton, Reid & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the business of designing and manufacturing sterilizers, surgical tables and surgical lights. It distributes these products and related hospital and medical equipment directly to hospitals, laboratories and other users. It now has outstanding 1,015,786 common shares and certain indebtedness. Of the net proceeds of the sale of additional stock, \$600,000 will be made available to Amsco Laboratories, Inc., a subsidiary, as an additional advance for the completion of a new manufacturing plant. The balance of the proceeds will be used to reduce short-term bank borrowings and for additional working capital.

The prospectus lists Walter S. Yahn as board chairman and Howard M. Fish as president. Management officials own 6.15% of the outstanding stock. The principal stockholders are Grace E. Hall of Springhill, La. (101,760 shares, or 10.03%) and the trustees under the will of J. E. Hall, deceased (126,885 shares, or 12.5%).

ARNOUX CORP. PROPOSES OFFERING. Arnoux Corporation, 11924 W. Washington Blvd., Los Angeles, today filed a registration statement (File 2-16617) with the SEC seeking registration of 133,000 common shares, to be offered for public sale through an underwriting group headed by Shearson, Hammill & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the business of designing, developing, manufacturing and selling electrical and electronic instruments and components as well as electronic systems and subsystems for use in various military, industrial and scientific installations. A subsidiary designs and manufactures multi-contact and environmental electric connectors. The company now has outstanding 380,337 common shares and certain indebtedness. Of the net proceeds of the sale of additional stock, \$150,000 will be applied to the repayment of loans in that amount from certain shareholders; \$225,000 will be used for expansion of the company's engineering and manufacturing capacity in the field of power supplies; \$150,000 will be used for expansion of the subsidiary's manufacturing capacity in the field of special purpose electrical connectors; \$100,000 for design, development and increased manufacturing capacity in the field of temperature measurement and control equipment; \$200,000 to finance raw material and work in process inventories; and \$64,000 to finance the purchase of 51% of the outstanding stock of Astra Technical Instrument Corp. The balance of the proceeds will be used for working capital.

The prospectus lists Richard W. Hodgson as president. Management officials own 12% of the outstanding stock; 33% is held by Draper, Gaither & Anderson and affiliated persons; and 11% is owned by Frederick L. Anderson. The company now owns 49% of the Astra stock and proposes to purchase the remaining 15% from Draper, Gaither & Anderson and William MacPherson, former president of Astra. 57%

ANNOUNCEMENT CLARIFIED. The reference in the SEC News Digest of May 18, 1960, to the indictment of John Milton Addison and others in Fort Worth is not to be confused with John Addison, a certified public accountant of 30 Broad St., New York.

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