

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.
November 26, 1956

FOR RELEASE _____

Statistical Release No. 1418

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended November 23, 1956, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1956, is as follows:

	<u>(1939 = 100)</u>		<u>Percent Change</u>	<u>1956</u>	
	<u>11/23/56</u>	<u>11/16/56</u>		<u>High</u>	<u>Low</u>
Composite	334.4	338.1	- 1.1	366.2	319.0
Manufacturing	425.2	430.2	- 1.2	468.6	398.6
Durable Goods	413.3	419.1	- 1.4	437.6	369.4
Non-Durable Goods	436.6	441.0	- 1.0	500.8	425.2
Transportation	307.6	310.9	- 1.1	353.0	303.2
Utility	152.0	153.2	- 0.8	161.5	151.6
Trade, Finance & Service	292.7	299.5	- 2.3	325.5	290.7
Mining	367.5	356.0	+ 3.2	383.2	326.8

Securities Exchange Act Release No. 5401

The Securities and Exchange Commission today announced the issuance of a decision revoking the broker-dealer registration of The Lewellen-Bybee Company, Washington, D. C., for false and misleading representations in connection with its offer and sale of certain securities, sale of securities in violation of the SEC registration requirement, and other violations of Commission rules.

Lewellen-Bybee's broker-dealer registration became effective January 20, 1955. It listed Rollo Lee Lewellen as president and director, who (with his wife) owned or controlled 50% of the company's outstanding stock. At the hearing, both the company and Lewellen consented to revocation of the company's broker-dealer registration and stipulated to violation of the registration and anti-fraud provisions of the securities laws, failure to make and keep current certain books and records, and failure to file the required report of financial condition with the company.

According to the Commission's decision, during the period February 1 to June 8, 1955, the company and Lewellen offered and sold securities of Venezuelan National Diamond Company, Powder River Uranium, Inc., and Hemisphere Productions Limited in

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violation of the registration requirement of the Securities Act. In connection with the offer and sale of Venezuelan National Diamond stock, the Lewellen-Bybee made false and misleading representations and omitted to state material facts concerning the incorporation of the issuer and the return to be expected from an investment in its securities. In the offer and sale of Hemisphere Productions stock, Lewellen-Bybee made false and misleading representations concerning the issuer's repurchase of its preferred stock, the soundness of an investment in its shares, and their future prices.

Furthermore, from June 1954 to September 1954, prior to incorporation of Lewellen-Bybee, Lewellen offered and sold stock of Juneau Uranium Corporation in violation of the Securities Act registration requirement; and in connection therewith Lewellen made false and misleading statements concerning the incorporation of the issuer, the purchase of claims and the value of claims to be purchased by it, and future rises in the market value of the stock.

Finally, following its registration with the Commission, Lewellen-Bybee failed to make and keep current required books and records and failed to file a report of its financial condition during the year 1955.

The Commission found these law violations to be willful and that it is in the public interest to revoke Lewellen-Bybee's broker-dealer registration. It also found that Lewellen was a cause of such revocation.

Securities Exchange Act Release No. 5409

The Securities and Exchange Commission has instituted proceedings under the Securities Exchange Act of 1934 to determine whether an application for registration thereunder as a broker-dealer filed by Leo J. Nied, of Irvington, N. Y., should be denied. A hearing for the purpose of taking evidence therein is scheduled for December 3, 1956, at 2:30 P. M., in the Commission's New York Regional Office.

Nied filed his application for registration on October 26, 1956, and registration has not yet become effective. According to the Commission's order, Nied formerly was registered with the Commission as a broker-dealer from January 20, 1952, to June 21, 1956, on which latter date withdrawal of such former registration became effective at Nied's request.

In its order, the Commission asserts that information reported by its Staff tends to show that, while registered as a broker-dealer, Nied failed to file reports of his financial condition for the years 1952, 1953 and 1955, as required by the Commission's Rule X-17A-5 under Section 17(a) of the Act.

At the December 3rd hearing, inquiry will be conducted into the question whether the reported information is true and, if so, whether Nied wilfully violated Section 17(a) of the Act and Rule X-17A-5 thereunder and whether it is in the public interest to deny his application for broker-dealer registration.

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Mutual Income Foundation, Columbus, O., investment company, filed a registration statement (File 2-12920) with the SEC on November 23, 1956, seeking registration of 175,000 shares of Beneficial Interest and \$5,000,000 of Monthly Purchase Plan Certificates.

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Hilton Hotels Corporation (Chicago) filed a registration statement (File 2-12921) with the SEC on November 23, 1956, seeking registration of 278,733 shares of 5½% Cumulative Convertible Voting Preferred Stock, Series A (\$25 par) and 278,733 shares of Common Stock (\$2.50 par). Hilton proposes to offer these shares in exchange for the issued and outstanding shares of capital stock of Savoy-Plaza, Inc., at the rate of three shares of the Hilton Series A preferred and three shares of the Hilton common for each share of Class A and Class B Common Stock of Savoy Plaza.

Hilton will accept all shares of Class A and Class B common of Savoy tendered for exchange, provided that at least 29,461 shares of Class A common and 7,264 shares of Class B common are so tendered in addition to the 26,604 Class A shares and 11,000 Class B shares heretofore deposited for exchange by certain principal stockholders of Savoy. This will result in the exchange of at least 80% of the 70,081 Class A shares and of the 22,830 Class B shares of Savoy presently outstanding. According to the prospectus, the 26,604 Class A shares and 11,000 Class B shares of Savoy have already been tendered in acceptance of the exchange offer by Benno M. Bechhold, Hunter S. Marston and the Beinecke Foundation, principal stockholders of Savoy.

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Genisco, Incorporated, Los Angeles, filed a registration statement (File 2-12922) with the SEC on November 23, 1956, seeking registration of \$300,000 of Twelve-Year 6% Subordinated Debentures, due December 1, 1968 (with Stock Purchase Warrants attached), and 33,000 shares of its \$1 par Common Stock. The company proposes to offer for public sale the \$300,000 of debentures and 10,000 shares of the common stock. The 23,000 remaining common shares are to be offered for sale by the holder thereof. The public offering prices and underwriting terms are to be supplied by amendment. Wilson, Johnson & Higgins and Lester, Ryons & Co. are named as the principal underwriter. Options to purchase 10,000 common shares have been granted by certain stockholders to the two principal underwriters.

The company is engaged in research, engineering, development and manufacturing in the electro-mechanical and related fields, with particular emphasis on the manufacture of flight control instruments and testing equipment. Net proceeds of its sale of the \$300,000 of debentures and 10,000 common shares are to be used as follows: \$220,000 for retirement of short-term borrowings, \$60,000 for investment in production machinery and tools, and the balance to increase inventories and for general corporate purposes.

The company has outstanding 177,592 common shares. The selling stockholder is Leo Fischer, vice-president, treasurer and director. Fischer now owns 47,098 shares (approximately 26.5%); and he is offering 23,000 shares for sale, which will reduce his holdings to 24,098 shares.

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The May Stores Realty Corporation, Akron, O., filed a registration statement (File 2-12923) with the SEC on November 23, 1956, seeking registration of \$25,000,000 of General Mortgage Bonds, Sinking Fund Series, due February 15, 1977, to be offered for public sale through an underwriting group headed by Goldman, Sachs & Co. and Lehman Brothers. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

May Stores Realty, a wholly-owned subsidiary of The May Department Stores Company, is to be engaged in the business of owning and leasing under net leases certain department store properties of May Department Stores. The operations of the company are presently limited to owning and leasing to the parent's Akron stores ("Oneil's") certain of the store properties in Akron having a net book value of \$3,008,255 at July 31, 1956. Additional store properties in Akron and the store properties at the Department Stores' other locations are to be transferred to May Stores Realty prior to the issuance of the new bonds. It is expected that the properties to be transferred will have a net book value of approximately \$17,700,000 at the time of transfer.

At the time of the transfer of properties, May Stores Realty will pay to May Department Stores as the purchase price of these properties an amount equal to the net book value thereof at the time of transfer. The net proceeds of the sale of the bonds will be used to pay the purchase price. The balance remaining will be added to the issuing company's general funds to be available for general corporate purposes, including payment of a \$2,100,000 indebtedness to May Department Stores and the acquisition or construction of additional properties to be leased to the latter.

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Florida Growth Fund, Inc., investment company of Palm Beach, Fla., filed a registration statement (File 2-12924) with the SEC on November 23, 1956, seeking registration of 2,000,000 shares of its common stock, to be offered for public sale at \$5 per share with a \$0.425 commission to the underwriter, Frank B. Bateman, Ltd.

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Rose Marie Reid, Los Angeles, today filed a registration statement (File 2-12925) with the SEC seeking registration of 250,000 shares of \$1 par Common Stock, to be offered for public sale at \$9 per share through an underwriting group headed by Van Alstyne, Noel & Co. The underwriting commission is to be 84¢ per share.

Of the 250,000 shares, 80,000 are being purchased by the underwriters from the issuing company and 170,000 from certain "selling stockholders." The company and the selling stockholders have agreed to pay First California Company the sums of \$4800 and \$10,200, respectively, as a finder's fee, and to reimburse the underwriters for counsel fees and expenses.

The company is engaged in the design, manufacture and sale of swimsuits for women. It proposes to apply the net proceeds of its sale of the 80,000 shares, estimated at \$635,000, to the general funds of the company to be available for general corporate purposes, including the carrying of larger inventories and receivables as

a supplement to short term bank borrowings. Certain portions of the funds may be utilized in the future to finance expansion of manufacturing facilities and the acquisition of additional machinery and equipment of these additional facilities. Any funds not so used will remain a part of working capital.

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Guardian Consumer Finance Corporation, Stamford, Conn., today filed a registration statement (File 2-12926) with the SEC seeking registration of 75,000 shares of its 60¢ Convertible Preferred Stock, \$10 par, to be offered for public sale through an underwriting group headed by Van Alstyne, Noel & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is a holding company which, through its subsidiaries, is engaged principally in the business of making small loans. Net proceeds of the sale of the new preferred shares are to be placed in the company's general funds. It is the present intention of the company to use such proceeds to reduce its current indebtedness consisting of outstanding bank loans. The reduction of the bank loans with the proceeds of the preferred stock will make it possible for the company to make additional bank borrowings for use in its business.

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