

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 January 2, 1959

DYCKMAN HOTEL ASSOCIATES FILES FOR OFFERING

Dyckman Hotel Associates, 60 East 42nd St., New York, filed a registration statement (File 2-14657) with the SEC on December 31, 1958, seeking registration of 128 Participations in Partnership Interests in Dyckman Hotel Associates, to be offered for public sale at \$10,000 per unit.

Associates, a partnership consisting of Lawrence A. Wien and Fred Linden, has contracted to purchase Hotel Dyckman in Minneapolis. The purchase price is \$2,068,783, payable \$1,100,000 in cash and the balance by taking subject to encumbrances aggregating \$968,783. A deposit of \$100,000 has been made on the purchase price. In addition to the purchase price, Associates will incur expenses of \$200,000 in connection with the transaction. Thus, the total cash cost of acquiring the property will be \$1,300,000.

Each of the two partners in Associates will himself contribute \$10,000 to the partnership capital and is offering Participations of \$640,000 in his partnership interest. The total partnership capital will be \$1,300,000, which will be used to reimburse the partners for the deposit advanced by them (\$100,000) to pay the cash balance due under the purchase contract (\$1,000,000), to defray costs incident to the acquisition (\$175,000) and to pay expenses of this offering (\$25,000).

Associates will not operate the property. The purchase will be made subject to a 15 year net lease, renewable for an additional 14 year term, under which the seller, Dyckman Hotel Company, whose partners have operated the property since 1945, will continue to do so.

PACIFIC AUTOMATION PRODUCTS FILES FOR SECONDARY

Pacific Automation Products, Inc., 1000 Air Way, Glendale, California, filed a registration statement (File 2-14658) with the SEC on December 31, 1958, seeking registration of 60,000 outstanding shares of its \$1 par Capital Stock, to be offered for public sale by the holders thereof through William R. Staats & Co. The public offering price and underwriting terms are to be supplied by amendment. The company will not receive any of the proceeds of the stock sale.

The company has outstanding 533,000 common shares (and options to purchase 70,000 shares). The selling stockholders are Frank Gard Jameson, of Pasadena, president, who proposes to sell 35,000 of 87,500 shares held of record and beneficially and 19,000 of 28,000 shares held of record only; and Frank W. Jameson, who proposes to sell 6,000 of 10,000 shares held of record. The 28,000 shares are held by Frank Gard Jameson for the benefit of the grandchildren of Mary Gard Jameson, mother of Frank Gard Jameson; and the 10,000 shares are held by Frank W. Jameson for the benefit of the children of Frank Gard Jameson.

UNITED STANDARD HEARING CANCELLED; SUSPENSION BECOMES PERMANENT

The Securities and Exchange Commission has cancelled the hearing requested by United Standard Corporation, of Brenham, Texas, on the question whether to vacate or make permanent a prior order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of 300,000 shares of United common

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For further details, call ST. 3-7600, ext. 5526

stock at \$1 per share. The company withdrew its request for a hearing, which had been scheduled for January 13, 1959, in the Commission's Fort Worth Regional Office.

In its order of October 28, 1958 (Securities Act Release No. 3983) temporarily suspending the Regulation A exemption from registration for United's stock offering, the Commission asserted that United had failed to comply with certain conditions of Regulation A and that its offering circular was false and misleading in respect of certain material facts. In view of United's withdrawal of its request for a hearing, the suspension of the exemption from registration becomes permanent.

HOLIDAY INNS PROPOSES RIGHTS OFFERING

Holiday Inns of America, Inc., 3736 Lamar Ave., Memphis, Tenn., filed a registration statement (File 2-14654) with the SEC on December 30, 1958, seeking registration of 35,298 shares of Common Stock. The company proposes to offer this stock for subscription by holders of outstanding common (other than the board chairman and president and their families) at the rate of one new share for each 4 shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. Equitable Securities Corporation (Nashville) is listed as the principal underwriter.

Holiday Inns and its subsidiaries operate a motel system, principally in the southern half of the United States. In addition to the offering to stockholders, it has arranged to sell for investment to Lazard Freres & Co. and to Equitable Securities Corporation, 80,000 shares and 20,000 shares, respectively, of common stock (at a price to be supplied by amendment), as well as to sell \$2,500,000 of convertible debentures to institutional investors. The aggregate proceeds of this financing are estimated at \$4,600,000.

The company during the past 16 months has expended some \$500,000 for land and improvements, and \$1,700,000 toward the construction and furnishing, of eleven new Inn locations in the South and Southwest. Some of these locations are completed and open for business. The company also has, in various stages of construction, a number of other potential locations as to which no financial commitments have been incurred. It is estimated that the balance of the current construction and equipment program will require expenditure of approximately \$4,000,000 within the next twelve to eighteen months. Initially, the company will add the net proceeds to its working capital and expenditures will be made to complete the current portions of construction costs.

CENTRAL HUDSON GAS PROPOSES STOCK OFFERING

Central Hudson Gas & Electric Corporation, South Road, Poughkeepsie, N. Y., today filed a registration statement (File 2-14659) with the SEC seeking registration of 350,000 shares of Common Stock. The public offering price and underwriting terms, as well as the names of the underwriters, are to be supplied by amendment.

Net proceeds of the stock sale will be applied toward payment for future construction. The company estimates its construction program at \$19,771,000 from December 1, 1958 to December 31, 1959.

SEC GRANTS MANAGED FUNDS EXEMPTION REQUEST

The SEC has issued an order (Release 40-2816) granting an application of Managed Funds, Incorporated, St. Louis investment company, for an exemption for six of its personal investment plans from a provision of the Investment Company Act prohibiting a company from making a public offering of securities unless it has a net worth of at least \$100,000.

LOEB, RHOADES AND DOMINICK FIRMS SEEK EXEMPTION ORDER

Carl M. Loeb, Rhoades & Co., and Dominick & Dominick, New York investment banking firms, applied to the SEC for an order under the Investment Company Act exempting the applicants from Section 9(a) of the Act to the extent that the same may be applicable by reason of the Final Judgment

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on December 12, 1958, by the United States District Court for the Southern District of New York. The order gives interested persons until January 16, 1959, to request a hearing upon the application.

Section 9(a) prohibits any person from serving in the capacity of officer, director, investment adviser, or depositor of any registered investment company, or principal underwriter for any registered open-end company, who has been enjoined by court order from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security. The Final Judgment above referred to enjoins the two applicants from offering common stock of Arvida Corporation or any other security of Arvida unless a registration statement for such securities has been filed with the Commission.

AMERICAN NATURAL GAS PROPOSES RIGHTS OFFERING

American Natural Gas Company, New York, has applied to the SEC for an order under the Holding Company Act authorizing its sale of an additional 486,325 shares of its common stock to holders of the outstanding 4,863,246 common shares; and the Commission has issued an order (Release 35-13905) giving interested persons until January 19, 1959, to request a hearing thereon. The offering would be made on the basis of one new share for each ten shares held. The offering is to be underwritten by means of competitive bidding. The company will use the net proceeds of the stock sale to purchase common stock of system companies, thereby aiding in financing the expansion program upon which the system is engaged.

AMERICAN NATURAL GAS FILES PLAN FOR ELIMINATION OF PREFERRED STOCK

American Natural Gas Company, New York holding company, has filed a plan with the Commission proposing compliance with the April 7, 1958, order of the Commission under the Holding Company Act directing American to eliminate its outstanding 27,481 shares of 6% cumulative non-redeemable \$25 par preferred stock; and the Commission has issued an order (Release 35-13906) scheduling the plan for hearing on February 11, 1959.

Under the plan as proposed, each holder of American preferred will be paid, on surrender of his shares, the sum of \$32.50 per share in cash plus unpaid dividends accrued on the preferred to the effective date of the plan. After the effective date of the plan the preferred shares shall no longer be considered as being outstanding and shall have no rights (except to receive the cash payment referred to). Upon surrender of the preferred stock for the cash payments, American will retire and cancel such stock. The plan is subject to Commission approval under the Holding Company Act as being fair and equitable to the persons affected thereby.

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The Putnam Growth Fund, Boston investment company, today filed an amendment to its registration statement (File 2-13644) seeking registration of an additional 500,000 shares of Beneficial Interest in the Fund at \$15.76 per share.

PARAMOUNT MUTUAL FUND PROPOSES OFFERING

Paramount Mutual Fund, Inc., 404 North Roxbury Drive, Beverly Hills, California, today filed a registration statement (File 2-14660) with the SEC seeking registration of 300,000 shares of its Capital Stock. The company was organized under Delaware law on September 8, 1958, and is managed by Paramount Mutual Fund Management Company. The minimum purchase of its shares is to be \$2,500, and the shares are only offered in lots of an aggregate selling price equal to or exceeding such amount. The prospectus lists Sid Levine of Los Angeles as president. Shares of the Fund will be offered through Paramount Mutual Fund Management Company.

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