



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington 25, D.C.

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

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

FOR RELEASE February 19, 1959

GENERAL MERCHANDISING CORP. FILES FOR OFFERING

General Merchandising Corporation, 1530 South Bellevue, Memphis, Tenn., filed a registration statement (File 2-14754) with the SEC on February 18, 1959, seeking registration of 250,000 shares of Class "A" Common Stock, to be offered for public sale at \$10 per share. The offering is to be made by Union Securities Investment Company of Memphis, on a best efforts basis, for which a selling commission of \$1.50 per share is to be paid.

The company was organized in June 1958 under Tennessee law. It proposes to conduct a merchandising business, namely, to offer for sale throughout the United States franchise rights to operate specially designed drive-in mail order stations and to arrange with manufacturers to make merchandise available for sale for cash through the purchasers of such franchises. The purchaser of a franchise will receive plans and specifications for the construction of the drive-in station and the right to use catalogues, catalogue holders, counters, and stools. This equipment will be furnished by the company for use by the dealer. Lue O. Garner is listed as principal promoter and president. Promoters and management officials have acquired 250,000 shares of Class "B" common at its 1¢ par value per share, or \$2,500. The voting power of the company is vested equally in the Class A and Class B stocks.

Net proceeds of the stock sale will be used to the extent of some \$341,900 to meet the cost of doing business during its first year of operation. Other expenditures include \$150,000 for salaries and \$150,000 for automatic catalogue counters on the basis of the management's estimate that 100 franchise dealers may be established during the first year. The balance of approximately \$1,740,000, together with any amounts not required for other purposes, will be used in the business operations of the company for the purpose of making merchandise available to the franchise dealers at lower cost through quantity purchases or cash deposits with manufacturers.

* * * * *

Amendments were filed on February 18, 1959, to the following registration statements, seeking registration of additional shares as indicated:

Nation Wide Securities Company, Inc., New York (File 2-10988)
300,000 shares of Capital Stock, \$1 par value

The Heritage Fund, Inc., New York (File 2-11193)
100,000 shares of Common Stock, \$1 par value

Investors Variable Payment Fund, Inc., Minneapolis, Minn., (File 2-13188)
5,000,000 shares of Common Stock, \$1 par value

Fidelity Capital Fund, Inc., Boston, Mass. (File 2-14676)
500,000 shares of Capital Stock, \$1 par value

* * * * *

OVER

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

SIMPLEX WIRE FILES FOR SECONDARY

Simplex Wire and Cable Company, 79 Sidney St., Cambridge, Mass., today filed a registration statement (File 2-14755) with the SEC seeking registration of 203,250 outstanding shares of its Capital Stock, to be offered for public sale by the holders thereof through an underwriting group headed by Paine, Webber, Jackson & Curtis. The offering price and underwriting terms are to be supplied by amendment.

The company has outstanding 600,000 shares of stock. The prospectus lists fifteen selling stockholders whose aggregate holdings amount to 282,140 shares. The largest individual block being sold, 35,000 shares, is held by Wells Morss, a director, who proposes to sell all of his holdings. Barbara Morss Marshall is selling 1,500 of her holdings of 5,695 shares; Charles A. Morss, a director, 5,000 of 38,750; John Munro Morss, 2,500 of 7,195; and Sherman Morss, a director, 10,000 of 25,000. Nine of the selling stockholders are trustees or executors for trust accounts held for the benefit of members of the Morss family, the shares being sold by them ranging from 5,000 to 25,000 (three will continue to hold shares amounting in the aggregate to 21,250 shares). The remaining 5,000 shares are being sold by Paladin Corporation, which is selling all of its holdings.

PROSPECTUS RULE AMENDMENT PROPOSED

The SEC has under consideration a proposal (Release 33-4032) to amend its Rule 434A under the Securities Act of 1933 regarding the use of summary prospectuses; and it has invited the submission of views and comments thereon not later than March 16, 1959.

Rule 434A provides for the use of summary prospectuses which omit in part or summarize information required to be set forth in the more complete prospectus required to be used in connection with the offering and sale of securities the subject of a Securities Act registration statement. At the present time the use of summary prospectuses is limited to companies which file reports under Section 13 or 15(d) of the Securities Exchange Act of 1934 (by virtue, respectively, of an undertaking to file made in connection with a public offering of stock previously registered under the Securities Act or of the fact that its securities are listed and registered on a national securities exchange under the Securities Exchange Act).

The proposed amendment would permit the use of summary prospectuses by certain other companies which do not file such reports but which meet certain standards as to size, earnings and the publication of reports, namely, (i) has a net worth of at least \$5,000,000 as shown by the latest balance sheet filed with the registration statement; (ii) has filed profit and loss or income statements with the registration statement for a period of at least three full fiscal years and has been engaged in substantially the same business during the period covered by such statements; (iii) has had a net income of at least \$500,000 for each of its last three fiscal years; and (iv) has distributed to its stockholders and made available to the public generally an informative annual report for each of its last three fiscal years which report included a profit and loss or income statement for such year and a balance sheet as of the end of such year, both prepared and certified in accordance with generally accepted accounting principles and practices. Notwithstanding the foregoing, clause (iv) shall not apply in a particular case if the Commission determines, upon a showing of good cause, that the use of a summary prospectus would not be inappropriate.

GENERAL TELEPHONE OF SOUTHWEST PROPOSES OFFERING

General Telephone Company of the Southwest, 2470 West Princeton St., San Angelo, Texas, today filed a registration statement (File 2-14756) with the SEC seeking registration of 250,000 shares of Cumulative Preferred Stock, \$20 par, to be offered for public sale at par through Paine, Webber, Jackson & Curtis and Mitchum, Jones & Templeton. The underwriting terms are to be supplied by amendment. There is no firm underwriting commitment, each underwriter having an option for 14 days (unless extended) to purchase up to 125,000 shares of the stock at the public offering price.

Net proceeds of the stock sale will be applied to the payment of \$3,810,000 of bank loans outstanding as of December 31, 1958 which were incurred for 1958 construction. The balance of the proceeds will be used for 1959 construction or payment, in part, of 1959 bank loans incurred for that purpose. Gross construction totaled some \$11,200,000 in 1958, and gross construction scheduled for completion in 1959 is estimated at \$11,360,000. The 1959 construction program will require new capital of approximately \$5,630,000, to be obtained initially through bank loans.