

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.

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FOR RELEASE June 1, 1959

Statistical Release No. 1607

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended May 29, 1959, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1959, is as follows:

	<u>1939 = 100</u>		<u>Percent Change</u>	<u>1959</u>	
	<u>5/29/59</u>	<u>5/22/59</u>		<u>High</u>	<u>Low</u>
Composite	428.3	428.4	0.0	428.4	400.1
Manufacturing	531.7*	531.6	0.0	531.7	490.7
Durable Goods	500.4	500.9	-0.1	500.9	457.8
Non-Durable Goods	550.2*	549.6	+0.1	550.2	510.5
Transportation	358.4	362.4	-1.1	366.0	340.7
Utility	221.6	221.5	0.0	231.8	208.6
Trade, Finance & Service	414.3*	411.9	+0.6	414.3	382.7
Mining	333.9	346.5	-3.6	360.4	327.6

*New High

CAPITOL UNDERWRITING WITHDRAWS; PROCEEDINGS DISMISSED

The Securities and Exchange Commission has dismissed proceedings to determine whether to deny an application filed by Capitol Underwriting Company, Denver, Colo., for registration as a broker-dealer under the Securities Exchange Act of 1934.

The dismissal was based upon the filing by Capitol Underwriting, immediately prior to the institution of said proceedings, (Release 34-5969), of a notice of withdrawal of the registration application.

COLUMBIA GAS BORROWINGS AND INTRA-SYSTEM FINANCING APPROVED

The SEC has issued an order under the Holding Company Act (Release 35-14014) authorizing The Columbia Gas System, Inc., New York holding company, to make borrowings from a group of commercial banks aggregating \$55,000,000, to be evidenced by 4% unsecured notes. The proceeds of the borrowings are to be advanced on open account to six subsidiaries having storage facilities, including United Fuel Gas Company (\$15,000,000) and The Ohio Fuel Gas Company (\$29,000,000). The subsidiaries' indebtedness to the parent, and the latter's indebtedness to the banks, are to be repaid from revenues collected by the subsidiaries as the storage gas is withdrawn and sold during the coming winter heating season.

To provide additional funds needed for construction during 1959, nine Columbia Gas subsidiaries propose to issue and sell to Columbia Gas additional common stock in the aggregate amount of \$18,277,770 and \$31,050,000 of installment notes, the securities to be sold from time to time when funds are needed through the period ending March 31, 1959. Also included among these subsidiaries are United Fuel, which proposes to sell \$8,000,000 of stock and \$13,600,000 of notes, and Ohio Fuel \$2,002,770 of stock and \$14,000,000 of notes.

OVER

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

PENNSYLVANIA ELECTRIC BANK NOTE FINANCING CLEARED

The SEC has issued an order under the Holding Company Act (Release 35-14015) authorizing Pennsylvania Electric Company, Johnstown, to issue and sell to banks during the next two years its promissory notes in an amount not exceeding \$15,000,000 at any one time outstanding. The funds will be utilized for the company's post-1958 construction program, to repay short-term bank loans obtained for the purpose, and to reimburse its treasury for expenditures for such purpose.

MISSOURI POWER PROPOSES BANK BORROWINGS

Missouri Power & Light Company, Jefferson City, has applied to the SEC for authorization to continue its \$3,150,000 bank-credit arrangement through March 31, 1960; and the Commission has issued an order (Release 35-14016) giving interested persons until June 19, 1959, to request a hearing thereon. Under a previous order, Missouri Power was authorized to borrow sums aggregating \$3,150,000, of which borrowings of \$2,000,000 have been made. It wishes to make additional borrowings up to the \$1,150,000 balance during the period ending March 31, 1960, and to renew the notes issued in respect of the previous borrowings. Prior to such latter date, the company plans to carry out permanent financing for repayment of the notes and continuation of its construction program.

BROCKTON EDISON PROPOSES BOND OFFERING

Brockton Edison Company, Brockton, Mass., has applied to the SEC for authorization to issue and sell \$5,000,000 of First Mortgage and Collateral Trust Bonds, Series due 1989, at competitive bidding; and the Commission has issued an order (Release 35-14017) giving interested persons until June 12, 1959, to request a hearing thereon. Of the proceeds, \$3,679,000 is to be applied to the acquisition of securities of Montaup Electric Company, a subsidiary, and \$580,000 to the prepayment of bank notes, the balance to be used for construction purposes.

MISSISSIPPI POWER PROPOSES BOND OFFERING

Mississippi Power Company, Gulfport, Miss., has applied to the SEC for authorization to issue and sell \$5,000,000 of First Mortgage Bonds, Series due 1989, at competitive bidding; and the Commission has issued an order (Release 35-14018) giving interested persons until June 16, 1959, to request a hearing thereon. Net proceeds will be applied to the company's construction program, estimated at \$15,826,870 for 1959.

MISSISSIPPI POWER REGISTRATION STATEMENT FILED

Mississippi Power Company, Gulfport, filed a registration statement (File 2-15181) with the SEC on May 29, 1959, seeking registration of the \$5,000,000 of First Mortgage Bonds, Series due 1989, which it proposes to offer for public sale at competitive bidding (see above).

TECHNICAL OPERATIONS PROPOSES STOCK OFFERING

Technical Operations, Incorporated, South Ave., Burlington, Mass., filed a registration statement (File 2-15180) with the SEC on May 29, 1959, seeking registration of 75,000 shares of common stock, to be offered for public sale through an underwriting group headed by Bear, Stearns & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company's principal business is the performance of research and development services in a variety of technical fields under contracts with the United States Government and commercial organizations. It also manufactures radiographic isotope equipment; and through its subsidiaries it also manufactures transistorized power supplies and processes Kodachrome color film. Its long-range aim is to expand the manufacture of its own products.

It is expected that about \$250,000 of the proceeds of the stock sale will be used to make additions and improvements to the company's principal building in Burlington during 1959 and 1960, plus \$50,000 to construct a small building adjacent thereto for radiographic research and manufacture. Approximately \$300,000 of the proceeds will be invested in the two subsidiaries, in about equal parts, of which part will be invested in equipment and part used as working capital. The balance of the proceeds will be used to increase working capital, to acquire or construct additional equipment, and for general corporate purposes.

The company now has outstanding 379,475 common shares, of which 25% each is owned by American Broadcasting-Paramount Theatres, Inc., and The Western Union Telegraph Company. Company officials own an additional 14.1%.

WESCO FINANCIAL FILES FOR SECONDARY

Wesco Financial Corporation, 315 East Colorado St., Pasadena, Calif., today filed a registration statement (File 2-15182) with the SEC seeking registration of 387,300 outstanding shares of its common stock, to be offered for public sale by the present holders thereof through an underwriting group headed by Goldman, Sachs & Co. and William Blair & Company. The public offering price and underwriting terms are to be supplied by amendment.

Wesco's principal asset is its stock interest in Mutual Savings and Loan Association, of Pasadena. It has outstanding 1,200,000 common shares. Holders of the largest blocks are William T. Caspers, Richard D. Aston, and Louis R. Vincenti, as Executors of the Estate of R. W. Caspers, deceased, 161,000 shares, all of which is included in this proposed public stock offering; Rudolph W. Caspers, Jr., 92,000 shares, of which 21,500 are so included; William T. Caspers, a director, 92,000 shares, none of which is included in this offering; and Elizabeth Caspers Peters, 89,000, none of which is included. The prospectus lists 49 selling stockholders, whose proposed offerings range in amounts from 600 shares to the 161,000 shares listed above. They include blocks of 21,600 shares being offered by Robert D. Aston; 20,000 shares by Doris T. Caspers; the 21,500 listed above for Rudolph W. Caspers, Jr.; and 21,600 by Fred L. Walter. The company's president, Richard D. Aston, proposes to sell 9,600 of his holdings of 32,000 shares.

CHEMEX INDUSTRIES FILES FOR STOCK OFFERING

Chemex Industries, Inc., 2822 35th St., Tampa, Fla., filed a registration statement (File 2-15156) with the SEC on May 26, 1959, seeking registration of 218,500 shares of common stock. The company proposes to make a public offering of 170,000 shares at \$3 per share, with a 30¢ per share commission to the underwriters, headed by Pierce, Carrison, Wulbern, Inc. An additional 30,500 shares are subject to sale under Stock Purchase Options granted to employees; and the remaining 18,000 shares are subject to sale pursuant to a warrant issued to the principal underwriter for \$900.

The company manufactures cleaners, detergents, insecticides, herbicides, sealers, soaps, deodorants, disinfectants and waxes. It now has outstanding 135,000 common shares. Net proceeds of the sale of the additional stock will be used as follows: \$120,000 for purchase of building and land presently leased by the company for its office, warehouse and manufacturing purposes in Tampa; \$25,000 for construction of additional warehousing space; and the balance to be added to the company's general funds and used in the conduct of its business.

FINANCIAL FEDERATION FILES FOR OFFERING AND SECONDARY

Financial Federation, Inc., 210 West Seventh St., Los Angeles, filed a registration statement (File 2-15170) with the SEC on May 27, 1959, seeking registration of 300,000 shares of its capital stock. A portion thereof (unspecified; to be supplied by amendment) is to be offered for public sale by the issuing company; and the balance, representing outstanding stock, is to be offered for sale in behalf of the present holders thereof. The public offering price and underwriting terms also are to be supplied by amendment; Kidder, Peabody & Co. is listed as the principal underwriter.

The company was organized under Delaware law on March 11, 1959, and owns the issued and outstanding guarantee stock (equity securities) of eight savings and loan associations operating in various areas of the State of California. One of these subsidiaries, Atlantic Savings and Loan Association, together with its affiliate, Atlantic Investment Company (an insurance agency), was acquired for a total of \$4,200,000, the company borrowing the required funds from a bank on its 4-3/4% promissory note. The other seven Associations, Coachella Valley Savings and Loan, Community Savings and Loan, Hansen Savings and Loan, Midvalley Savings and Loan, Palomar Savings and Loan, Prudential Savings and Loan, and Sequoia Savings and Loan, are to be acquired in June in exchange for a total of 828,600 shares of Federation's stock. Shortly after the latter's organization, it sold a total of 100,000 shares to Kidder, Peabody & Co. and certain other persons at \$1 per share.

Net proceeds to the company from its sale of stock will be used to repay the \$4,200,000 bank loan, with interest. The balance will be used for working capital. The prospectus lists as promoters Robert E. Gibson, James W. Raymond, and Kidder, Peabody & Co. They now own 13,750, 13,750 and 42,450 shares, respectively. H. N. Berger is listed as president.

MICRONAIRE ELECTRO MEDICAL PRODUCTS FILES FOR OFFERING

Micronaire Electro Medical Products Corporation, 79 Madison Ave., New York, today filed a registration statement (File 2-15183) with the SEC seeking registration of 200,000 shares of common stock and 50,000 one-year warrants for the purchase of common stock, to be offered for public sale in units of 100 shares of common stock and 25 warrants at \$275 per unit. The warrants are exercisable at \$3 and one warrant per share. The registration also includes an additional 200,000 three-year warrants, exercisable at \$3, of which 150,000 have been issued to certain stockholders and employees and an additional 50,000 are to be issued to the underwriter at 1¢ each. The underwriter is General Investment Corp.; and the underwriting commission is to be \$41.25 per unit, plus an additional 5% of the offering price for expenses.

The company was organized May 8, 1959, by Paul Ullman, president, and principal stockholder, and promoter, for the purpose of marketing a line of portable air-cleaners developed by Raytheon Manufacturing Company, Waltham, Mass. The rights to this line were purchased by Ullman and turned over to the company at cost to him. In addition, a line of electrocardiograph instruments, developed by Raytheon, had been acquired from the latter by a company in which Paul Ullman had been the principal stockholder, Cardiotron Electro Medical Products Laboratories, Inc. Control of this line was acquired by Micronaire by a transfer of all the stock of Cardiotron to Micronaire in exchange for stock of Micronaire. Of the proceeds to the company of its sale of units, \$30,000 will cover expenses of the offering; \$200,000 will be used to discharge debt of the company incurred in order to purchase the Raytheon electrocardiograph line; \$100,000 will be allocated to expansion of sales efforts; and the balance will be used for working capital.

The company now has outstanding 240,000 common shares and 150,000 three-year warrants. Paul Ullman is listed as the owner of 132,000 shares and 77,900 of the warrants; Lawrence Ullman, secretary, 35,200 shares and 20,960 warrants; and Irving A. Nemerov, treasurer, 33,000 shares and 33,650 warrants.

WESTERN CALIFORNIA TELEPHONE PROPOSES RIGHTS OFFERING

Western California Telephone Company, 15900 San Jose-Los Gatos Rd., Los Gatos, Calif., today filed a registration statement (File 2-15185) with the SEC seeking registration of 44,729 shares of common stock. The company proposes to offer this stock for subscription at \$17.50 by stockholders of record June 17, 1959, at the rate of one share for each three common shares held, and one share for each five shares of preferred stock held. No underwriting is involved.

Net proceeds of the sale of the stock will be used to finance a portion of the company's construction program. The company also plans the sale of \$1,000,000 of 5½% bonds to two institutional investors, which will be applied to the repayment of borrowings for construction and/or for additional construction in 1959. During the past 18 months the company has expended about \$1,818,000 for property additions and improvements; and an additional \$587,000 of expenditures are anticipated during 1959.

COLONIAL ENERGY SHARES PROPOSES STOCK OFFERING

Colonial Energy Shares, Inc., 75 Federal St., Boston investment company, today filed a registration statement (File 2-15184) with the SEC seeking registration of 1,000,000 shares of common stock. The company was organized in January 1959 and during this month will succeed by merger to all of the assets and liabilities of Gas Industries Fund, Inc., of Delaware, the purpose of the merger being to effect a change in the state of incorporation of Gas Industries.

SEC COMPLAINT CITES O.T.C. ENTERPRISES, OTIS CARR

The SEC Fort Worth Regional Office announced May 28, 1959, the filing of a complaint (USDC, Okla.) seeking to enjoin the sale of O.T.C. Enterprises, Inc., stock by that company, Otis T. Carr and other individuals in violation of the Securities Act registration requirement.