

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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)



Washington 25, D.C.

FOR RELEASE July 2, 1959

FARADAY SECURITIES PROCEEDING DROPPED

The SEC today announced the issuance of a decision (Release 34-6000) discontinuing proceedings on the question whether the broker-dealer registration of Faraday Securities Limited, 227 Grove St. North Plainfield, N. J., should be revoked for failure to file a report of financial condition for 1957.

Faraday Securities is a partnership composed of Herman J. Wechsler and George E. Handza. Although it filed reports for 1955 and 1956, no report was filed for 1957. The firm's accountant testified that he had been requested by Wechsler, after the latter had received a reminder from the Commission's staff, to prepare and file the 1957 report and that he placed a report in the mails, addressed to the Commission's regional office. A search of the records, however, failed to disclose that such report had been received.

Under all the circumstances, the Commission concluded that it was not necessary in the public interest to revoke the firm's registration as a broker-dealer. At the hearing, Wechsler requested withdrawal of registration. However, Handza subsequently advised that Wechsler had died and that he wished to continue the business. Accordingly, the Commission dismissed its proceedings.

APPALACHIAN NATIONAL LIFE PROPOSES OFFERING

Appalachian National Life Insurance Company, 1401 Bank of Knoxville Building, Knoxville, Tenn. filed a registration statement (File 2-15310) with the SEC on July 1, 1959, seeking registration of 966,667 shares of common stock, including 160,000 shares reserved for option to employees and directors. The company proposes to offer the 806,667 shares for public sale at \$3 per share. The offering is to be made on a best efforts basis by Abbott, Proctor & Paine and three other firms, who will receive a selling commission of 40¢ per share.

The company was organized under Tennessee law on May 14, 1959. It proposes initially to write all forms of ordinary life insurance, and may later write group insurance, health and accident and other insurance. The prospectus lists J. W. Sullivan, Jr., as board chairman and Ernest C. Steele as president. Among the promoters are persons associated with the four underwriting firms, each of which firms has purchased 4,250 shares at \$7 per share. The company now has outstanding 33,333 shares of stock, all acquired by the underwriters and board members at \$3 per share.

Net proceeds of the sale of stock will be used for the conduct of the company's insurance business.

METAL & THERMIT CORP. FILES EMPLOYEE STOCK PLAN

Metal & Thermit Corporation, New York, filed a registration statement (File 2-15311) with the SEC on July 1, 1959, seeking registration of 45,000 shares of common stock, to be offered to employees of the company and subsidiaries under its Restricted Stock Option Plan.

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

STUDEBAKER-PACKARD FILES FOR PREFERRED CONVERSION

Studebaker-Packard Corporation, 635 South Main St., South Bend, Ind., filed a registration statement (File 2-15313) with the SEC on July 1, 1959, seeking registration of 165,000 shares of \$5 Convertible Preferred Stock, \$100 par, and 5,500,000 shares of \$1 par common stock. The 5,500,000 shares are reserved for issuance upon conversion of the preferred stock on and after January 1, 1961 at the conversion price of \$3 per share (taking the preferred at \$100 per share).

According to the prospectus, the preferred stock was originally issued by the company in October 1958 to 20 banks and 3 insurance companies pursuant to an exchange agreement which the company entered into in connection with refinancing plan. Pursuant thereto, the banks and insurance companies cancelled indebtedness of the company to them aggregating \$54,700,000 and accepted in exchange therefor (1) 165,000 shares of the preferred and (2) 5% Secured Notes evidencing indebtedness aggregating \$16,500,000. The largest blocks of the preferred, 30,165 shares each, were acquired by Metropolitan Life Insurance Company and The Prudential Insurance Company of America. The preferred stockholders now consist of the two named insurance companies and nine banks as well as persons to whom shares of the preferred were heretofore transferred by certain of the banks and one insurance company to whom such securities were originally issued; and they include 29 other persons, of whom eight are brokers and dealers, five are foreign investment bankers and dealers, and two are company directors.

The filing was made in order to provide a prospectus for use by the preferred shareholders who may wish to offer or sell shares of the preferred and/or common stock. Bear, Stearns & Co., one of the preferred stockholders, will initially offer for sale to the public 550 shares of preferred stock owned by it, at a price to be supplied by amendment.

TELEVISION SHARES MANAGEMENT FILES FOR SECONDARY

Television Shares Management Corporation, 135 South LaSalle St. Chicago, today filed a registration statement (File 2-15312) with the SEC seeking registration of 206,500 outstanding shares of its common stock, to be offered for public sale through an underwriting group headed by White, Weld & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is the management service company and sales agent for Television-Electronics Fund, Inc., an open-end investment company. It has 1,060,000 outstanding shares of common stock, of which management officials owned an aggregate of 415,000 shares or 39.15%. Members of their immediate families own an additional 55,000 shares. The prospectus lists 21 selling stockholders who own an aggregate of 760,000 shares. The largest blocks are being sold by Townsend Investment Company (50,000 shares), Irving Florsheim (25,000), William H. Cooley, president, Elizabeth W. Hinman, Executor u/w of Sturtevant Hinman, Mervyn LeRoy, and Robert D. Michels, a director (20,000 shares each).

FRED F. FRENCH INVESTING COMPANY FILES INDENTURE

Fred F. French Investing Company, Inc., New York, has filed an application (File 22-2601) with the SEC seeking qualification of a trust indenture pursuant to which \$250,000 of 6% Sinking Fund Subordinate Debentures, Series A, due August 1, 1979, are to be issued. It is proposed that these debentures will be issued on or about August 1, 1959, to the holders of preferred stock of Tudor City Fifth Unit Inc. pursuant to a consolidation of Tudor City into Fred F. French Investing Company, Inc.

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