

NEWS DIGEST

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



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FOR RELEASE July 13, 1959**Statistical Release No. 1617**

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended July 10, 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>7/10/59</u>	<u>7/2/59</u>		<u>High</u>	<u>Low</u>
Composite	436.0*	431.2	+1.1	436.0	400.1
Manufacturing	544.3*	537.7	+1.2	544.3	490.7
Durable Goods	527.7*	517.4	+2.0	527.7	457.8
Non-Durable Goods	549.0	545.8	+0.6	550.2	510.5
Transportation	371.5*	367.4	+1.1	371.5	340.7
Utility	218.6	217.3	+0.6	231.8	208.6
Trade, Finance & Service	433.0*	427.6	+1.3	433.0	382.7
Mining	321.2	321.4	-0.1	360.4	319.5

*New High

SEC REVOKES REGISTRATIONS OF THREE NEW YORK FIRMS

In decisions announced today, the Securities and Exchange Commission revoked the broker-dealer registrations of the following for violating provisions of the Securities Exchange Act of 1934 and SEC rules thereunder:

Jefferson Associate, Inc., 99 Wall St., New York
 Edna Campbell Markey, doing business as E. C. Markey, 99 John St., New York
 William Newman, doing business as Wm. Newman Company, 52 Broadway, New York

In its decision with respect to Jefferson Associates (Release 34-6008), the Commission noted that said registrant and Donald Dunklee, a controlling person, had entered into a stipulation of facts and consented to issuance of the revocation order. Revocation was based upon the failure to correct information in the company's registration application and upon false statements in an amendment thereto. According to the decision, Dunklee in 1958 undertook to sell stock of Atomic Mining Co., a Canadian asbestos company, on behalf of a group of Canadian stockholders. After another firm through which the distribution was to be made had been enjoined by a Federal Court, Dunklee in July 1958 acquired control of registrant and engaged Benjamin T. Anuskewicz as president. An amendment was then filed listing Anuskewicz as president and as the only person owning 10% or more of registrant's stock. In fact, Anuskewicz had no capital investment, had no part in or knowledge of Dunklee's prior negotiations or of the operations of the office, and did not understand that he was a principal stockholder or president (and he resigned after the Commission's investigation commenced). "Attempts to camouflage the real principals," the Commission stated, "defeat the purpose of registration;" and it concluded that, in view of the violations, revocation was necessary in the public interest.

In the case of Edna Markey (Release 34-6015), the Commission's revocation order also was based upon a false statement in her registration application and failure to correct information therein. In said application, Miss Markey disclaimed control by any other person. It is admitted, however, that

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the application was filed at the instigation of Robert Michael Schulster with the understanding that Miss Markey would make available the initial capital and allow her name to be used by him. Schulster was at all times in control of the business and, the Commission ruled, should have been named in the application as a controlling person. Some time after the registration became effective (April 1957) Schulster changed the name of the business to Campbell-Markey; and in July 1957 he submitted an incomplete application for his own registration as a broker-dealer under that name, which never became effective. However, no amendment was filed to Miss Markey's registration application to reflect the change of name. In view of these violations of the registration and reporting requirements, the Commission concluded that revocation of Miss Markey's registration was necessary in the public interest.

The revocation of Newman's registration (Release 34-6014) was based upon a New York State Court injunction, failure to promptly correct information in the registration application, and failure to file reports of financial condition for the years 1956 and 1957. The injunction decree was issued in November 1956 by the Supreme Court of the State of New York, County of New York, and enjoined Newman from engaging in any business relating to the purchase and sale of securities in New York. It was based upon a complaint alleging that Newman had "negligently published" untrue statements concerning Texas Western Oil Co., Inc., in connection with an offering of its securities in 1956. Although disclaiming any fraud or wrongdoing, Newman consented to entry of the decree. Newman failed to amend his registration application to reflect the existence of the injunction decree, or to correct a statement therein that he had never been enjoined from engaging in or continuing any conduct or practice in connection with the purchase or sale of securities. Furthermore, notice of these proceeds was served by registered mail at the address listed in the registration application and was returned "Unclaimed," and "Removed," but Newman failed to amend the application to indicate his removal from his listed address. There was a failure to file the 1956 and 1957 financial reports despite the fact that notice of this requirement was called to Newman's attention by the Commission's Staff. Accordingly, the Commission concluded that revocation was necessary in the public interest.

(NOTE TO PRESS: Copies of foregoing also available in SEC New York Office)

LEASE PLAN INTERNATIONAL FILES FOR OFFERING AND SECONDARY

Lease Plan International Corp., 7 Central Park West, New York, filed a registration statement (File 2-15343) with the SEC on July 10, 1959, seeking registration of 140,000 shares of common stock. Of this stock, 70,000 shares are to be offered for public sale for the account of the issuing company and the balance, representing outstanding stock, is to be offered for sale by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Hayden, Stone & Co. is listed as the principal underwriter.

The company is engaged in the fleet leasing of trucks, cars and other equipment and operation of trucks. It serves only large corporate users. It now has outstanding 480,000 common shares. Net proceeds to the company of its proposed sale of additional stock will be added to general funds; and such increase in working capital is said to be advisable in view of expanding operations of the finance lease activities of the company, and would enable the company to acquire equipment as needed without the necessity of interim financing; and in addition the company contemplates expansion of its business by acquisition of companies engaged in the same or similar lines of business, and a portion of its cash funds may be utilized for such acquisitions.

According to the company's prospectus, directors and officers of the company now own an aggregate of 197,674 shares of its stock, of which 178,493 shares are owned by H. L. Meckler, president. H. M. O'Neill and F. J. O'Neill, brothers of J. J. O'Neill, board chairman, own 54,888 and 82,646 shares, respectively; D. K. O'Neill, custodian for Timothy M. O'Neill, 53,837 shares; and Trustees for the benefit of the minor children of H. L. Meckler, 52,320 shares. The 70,000 shares are to be sold by these and three other stockholders, including W. J. O'Neill, who owns 19,181 shares.

The selling stockholders have agreed to sell, for \$850, to Hayden, Stone & Co., an option to purchase an aggregate of 8,500 shares of stock at the public offering price of the shares being offered for public sale.

BRANSON INSTRUMENTS FILES FOR OFFERING AND SECONDARY

Branson Instruments, Incorporated, 37 Brown House Road, Stamford, Conn., filed a registration statement (File 2-15344) with the SEC on July 10, 1959, seeking registration of 40,000 shares of common stock. Of this stock, 10,000 shares are to be offered for public sale for the account of the issuing company; and the balance, representing outstanding stock, is to be offered for sale by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. McDonnell & Co., Inc., is listed as the principal underwriter.

The company is engaged in the design, manufacture and sale of ultrasonic thickness testers and flaw detectors. It has outstanding 150,000 shares of common stock. Net proceeds of the company's sale of additional stock will be used in the amount of about \$70,000 to finance additional inventory required in connection with the manufacture and marketing of its new pulse echo flaw detectors; and the balance will be added to general funds and be available for working capital purposes.

ENTRON FILES STOCK OFFERING PROPOSAL

Entron, Inc., 4902 Lawrence St., Bladensburg, Md., filed a registration statement (File 2-15345) with the SEC seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a "best efforts" basis by Alkow & Co., Inc., of New York, which will receive a selling commission of 75¢ per share. The underwriter also will receive an expense allowance of \$22,500, plus a warrant for the purchase, within five years, of one share of stock at \$5 per share for each ten shares sold to the public (or a maximum of 20,000 shares).

The company is engaged in supplying equipment and components for use in coaxial cable television transmission systems. It has outstanding 121,935 common shares. Net proceeds of the sale of additional stock are to be used as follows: \$35,000 for additional machinery and equipment to produce items and components which go into the company's products and which presently are subcontracted to others; \$767,688 for interim financing of coaxial cable television transmission systems, including principally community antenna systems, which account for approximately 80% of the company's volume of sales.

MERRITT-CHAPMAN & SCOTT FILES EMPLOYEE PLAN

Merritt-Chapman & Scott Corporation, 360 Madison Ave., New York filed a registration statement (File 2-15346) with the SEC on July 10, 1959, seeking registration of 50,000 shares of common stock, to be offered to key employees of the company and its subsidiaries pursuant to its Key Employees' Stock Purchase Plan.

LEONE 48th ST. ASSOCIATES FILES FOR OFFERING

Leone 48th St., Associates, 60 East 42nd St., New York, filed a registration statement (File 2-15347) with the SEC on July 10, 1959, seeking registration of \$1,680,000 of Participations in Partnership Interests in Leone 48th St., Associates, to be offered in units of \$10,000.

A partnership consisting of Lawrence A. Wien and Robert I. Weissman, Associates is the owner of the land, buildings, furnishings and equipment located at 227-249 West 48th St., New York. Known as "Leone's Restaurant," the property was acquired on June 30, 1959, for \$1,500,000 represented by its 6% note payable October 1, 1959. It is free and clear of any mortgages. Each of the two partners is offering participations of \$840,000 in his partnership interest. Each also will have contributed \$10,000 to the partnership. Of the proposed \$1,700,000 partnership capital, \$1,500,000 will be used to pay off the note; and the balance will be used to defray disbursements of \$180,000 incident to the acquisition and to pay \$20,000 of expenses in connection with this offering.

Associates will not operate the property. It has acquired subject to a ten-year net lease extending to June 9, 1969, renewable for ten like terms. The lessee is Gene Leone's, Inc.

ZAPATA OFF-SHORE CO. FILES FOR SECONDARY

Zapata Off-Shore Company, 2218 First City National Bank Building, Houston, Texas, today filed a registration statement (File 2-15348) with the SEC seeking registration of 229,585 outstanding shares of common stock, to be offered for public sale by the holder thereof through an underwriting group headed by G. H. Walker & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in drilling operations in the offshore area, principally the Gulf of Mexico off Louisiana and Texas. It has outstanding 1,003,837 common shares (in addition to certain indebtedness). The selling stockholder is Zapata Petroleum Corporation, which, with Wayne M. Dagn, executive vice president of the issuer, organized the company in 1954. The 229,585 shares represent all of the stock now held by Zapata Petroleum other than 10,000 shares under option to George H. W. Bush, company president.

PIONEER FINANCE PROPOSES DEBENTURE OFFERING

Pioneer Finance Company, 1400 National Bank Building, Detroit, today filed a registration statement (File 2-15349) with the SEC seeking registration of \$1,000,000 of Subordinated Capital Debentures due August 1, 1971 (with warrants). The securities are to be offered for public sale in units, each consisting of \$1,000 principal amount of debentures and a warrant entitling the holder to purchase 75 shares of common stock. The interest rate and other terms, public offering price and underwriting terms are to be supplied by amendment. White, Weld & Co. and Watling, Larchen & Co. are listed as the principal underwriters. Net proceeds will be added to the general funds of the company and will be available for general corporate purposes. Such increase is considered desirable to expand the over-all borrowing power of the company.

HOTEL CORP. OF ISRAEL FILES FINANCING PROPOSAL

Hotel Corporation of Israel, 11 South La Salle St., Chicago, today filed a registration statement (File 2-15350) with the SEC seeking registration of 39,000 shares of \$5 par common stock and \$1,560,000 of 6% Subordinated Debentures, due August 1, 1974. The company proposes to offer these securities for public sale in units of 30 common shares at \$10 per share and \$1,200 of debentures at par. The price is to be \$1,500 per unit. Commissions of not to exceed \$60 per unit will be paid to brokers or dealers on each sale of units made by them. Of the purchase price, up to \$1,200 may be paid in certain State of Israel Bonds.

The company was organized for the purpose of acquiring, completing and furnishing an uncompleted hotel property in Tel-Aviv, Israel, to be named Hotel Tel-Aviv. Net proceeds of the financing will consist partly of cash and partly in State of Israel Bonds. The proceeds of \$1,950,000, plus the amount of \$625,000 originally subscribed for and the proposed loans from the State of Israel of 1,620,000 Israeli pounds, valued at \$900,000 on the basis of 1.80 pounds for each dollar, will aggregate about \$3,475,000. Net proceeds, estimated at \$3,310,000 will be used as follows: \$877,222 to purchase hotel property; \$1,435,000 to complete and furnish main hotel building; \$510,000 to complete and furnish adjoining structures; and \$75,000 for miscellaneous expenses; and \$412,778 for reserve for possible land acquisition, additional improvements and contingencies. The prospectus lists Martin N. Sandler as president.

ALLOWANCES IN COLUMBIA GULF CASE APPROVED

The SEC has issued an order releasing jurisdiction with respect to underwriters' remuneration and certain other fees and expenses incident to the recently approved transactions proposed by The Columbia Gas System, Inc., and its subsidiary Columbia Gulf Transmission Company (Release 35-14039).

BROAD ST. INVESTING SEEKS ORDER

Broad Street Investing Corporation, New York investment company, has applied to the SEC for an exemption order permitting the issuance of its shares at net asset value for substantially all of the cash and securities of B. B. Geyer Company, Inc.; and the Commission has issued an order (Release 40-2897) giving interested persons until July 24, 1959, to request a hearing thereon.

Under an agreement between Broad Street and Geyer, substantially all the cash and securities owned by Geyer with an adjusted total value of about \$2,409,876 as of May 22, 1959, but giving effect to certain transactions completed after that date, will be transferred to Broad Street in exchange for shares of the latter's capital stock.

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GENERAL MOTORS ACCEPTANCE SEEKS ORDER

General Motors Acceptance Corporation has applied to the SEC for an order under the Trust Indenture Act declaring that trusteeship of Morgan Guaranty Trust Company of New York under six existing trust indentures, and trusteeship under an indenture to be dated June 15, 1959, is not likely to involve a material conflict of interest; and the Commission has issued an order (Release 39-135) giving interested persons until July 27, 1959, to request a hearing thereon.

AMERICAN TEL & TEL OBTAINS ORDER

The SEC has issued an order granting an application of American Telephone and Telegraph Company for an order under the Trust Indenture Act declaring that trusteeship of Morgan Guaranty Trust Company of New York under three trust indentures is not likely to involve a material conflict of interest (Release 39-136).

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