

# 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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Washington 25, D.C.

FOR RELEASE August 7, 1959

## SEC ORDERS PERMIT EMPLOYMENT OF DISQUALIFIED PERSONS

In decisions announced today, the SEC granted applications of the National Association of Securities Dealers, Inc., for the continuance of two firms in NASD membership while employing persons disqualified by reason of prior discipline by the NASD or the SEC.

In one decision, the Commission permitted the continuance of Carlson & Company of Birmingham, Ala., in NASD membership while employing Giles E. MacQueen (Release 34-6034). MacQueen was expelled from NASD membership in October 1953 on charges that he improperly used customers' funds and securities and failed to maintain and keep current certain required books and records. He was subsequently permitted employment in another firm after restoration to customers of all securities improperly hypothecated, with the understanding that he would be under close supervision and would have limited duties. He will be under the same supervision while employed by Carlson & Company, and by persons formerly associated with the other firm.

The other case involves the employment of Charles J. Thornton by L. H. Rothchild & Co., of New York, (Release 34-6035). Thornton's broker-dealer registration was revoked by the Commission in 1948 for entering matched orders, effecting wash transactions, and other manipulative activities. He is to be closely supervised by the Rothchild partners and will sell only to dealers, not engage in trading activities with public investors.

## EMPIRE FINANCIAL FILES FOR OFFERING AND SECONDARY

Empire Financial Corporation, 13547 Van Nuys Blvd., Pacoima, Calif., filed a registration statement (File 2-15432) with the SEC on August 6, 1959, seeking registration of 260,000 shares of common stock, of which 25,000 shares are to be offered for public sale for the account of the issuing company and 225,000 shares representing outstanding stock, for the account of the present holders thereof. Dempsey-Tegeler & Co. is listed as the principal underwriter; and the public offering price and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in March 1959 for the purpose of acquiring outstanding guarantee stock of Empire Savings and Loan Association; and it now owns about 97% of such stock, for which it issued 517,280 shares of the presently outstanding 537,280 shares of Empire Financial stock. An additional 10,000 shares were issued to Samuel Oschin for all the outstanding stock of Pacoima Bond and Insurance Agency, and 10,000 shares have been issued to Dempsey-Tegeler for \$10,000 cash. The net proceeds of the company's sale of the additional 25,000 shares will be used to provide it with working capital to be used in the conduct of its business and in payment of its operating expenses.

The 225,000 shares are owned by Samuel Oschin, president and board chairman, Irving Oschin, vice president and treasurer, and certain other of the present stockholders, and are to be offered for sale through the underwriters by said holders.

## LINCOLN TELEPHONE FILES FOR PREFERRED STOCK OFFERING

The Lincoln Telephone and Telegraph Company, 1342 M St., Lincoln, Nebr., filed a registration statement (File 2-15433) with the SEC on August 6, 1959, seeking registration of 30,000 shares of 5% Convertible Preferred Stock, \$100 par. The company proposes to offer this stock for subscription by common stockholders of record August 27, 1959, at the rate of one preferred share for each nine common

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For further details, call ST. 3-7600, ext. 6526

shares then held. To permit the offering on such basis one common stockholder has waived its right as to 5,004 shares of common stock. The subscription price and underwriting terms are to be supplied by amendment. Dean Witter & Co. is listed as the principal underwriter.

Net proceeds of the preferred stock sale will be applied to the reduction of bank loans incurred in connection with the financing of the company's construction expenditures, expected to amount to \$3,210,000 by August 31, 1959. After giving effect to the sale of the preferred stock and to funds from internal sources, approximately \$1,810,000 of additional money will be required to complete the company's 1959 construction program. The company expended \$6,242,589 for construction in the year ended June 30, 1959, and expects to spend about \$6,272,000 for construction in the year ending June 30, 1960.

#### SALANT & SALANT FILES FOR SECONDARY

Salant & Salant, Incorporated, 330 Fifth Ave., New York, filed a registration statement (File 2-15434) with the SEC on August 7, 1959, seeking registration of 100,000 outstanding shares of its Class A capital stock, to be offered for public sale by the present holders thereof through an underwriting group headed by Kidder, Peabody & Co. and Jesup & Lamont. The public offering price and underwriting terms are to be supplied by amendment.

The company produces men's, boys' and juvenile popular-priced utility and sports shirts, utility pants and casual slacks. It has outstanding 100,000 shares of Class A stock and 625,856 shares of Class B stock. The 100,000 Class A shares are owned by Robert S. Salant, president (75,000) and by a trust created under the will of Gabriel Salant (of which Robert S. Salant is one of three trustees). Robert S. Salant also owns 58,962 Class B shares (9.42%); the G. Salant Trusts own 138,740 Class B shares (22.17%); and Mayfair Securities Corp. owns 308,676 Class B shares (49.32%). The stock of Mayfair Securities is owned by Bessie L. and Robert S. Salant and the Ethel S. Rodgers Trust.

#### TRADING IN JACOBS CO. STOCK SUSPENDED

The SEC has issued an order (Release 34-6037) suspending trading in the common stock of F. L. Jacobs Co. on the New York and Detroit Stock Exchanges and in the over-the-counter markets, for a further ten-day period August 10 to August 19, 1959, inclusive.

#### FOUR EXCHANGES FILE FOR UNLISTED TRADING

The SEC has issued orders (Release 34-6038) giving interested persons until August 19, 1959, to request a hearing upon applications for unlisted trading privileges in the common stock of Loew's Theatres, Inc., filed by the Boston, Detroit, Pacific Coast, and Philadelphia-Baltimore Stock Exchange

Orders have been issued giving interested persons until August 21, 1959, to request a hearing upon (1) applications of the Boston Stock Exchange for unlisted trading privileges in the common stocks of The Kendall Company, Litton Industries, Inc., Smith-Corona Marchant Inc., and Zenith Radio Corp. (Del.) and (2) applications of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in the common stocks of Automatic Canteen Company of America, Chock Full O'Nuts Corporation, and Thiokol Chemical Corporation.

Each of the stock issues is listed and registered on the New York Stock Exchange; and certain of the stocks are listed and registered on another Exchange.

#### BARTON DISTILLING RECEIVES EXEMPTION ORDER

The SEC has issued an order (Release 39-139) granting an application of Barton Distilling Company under the Trust Indenture Act for a finding that trusteeship of American Bank and Trust Company of Chicago under three outstanding indentures and a fourth indenture pursuant to which \$2,000,000 of 6% Secured Notes are to be issued, is not so likely to involve a material conflict of interest as to make it necessary to disqualify American from acting as Trustee under any one of the four indentures.