

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 August 24, 1959

Statistical Release No. 1624

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended August 21, 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:

	1939 = 100		Percent Change	1959	
	8/14/59	8/21/59		High	Low
Composite	433.1	430.9	-0.5	441.3	400.1
Manufacturing	541.5	537.8	-0.7	554.2	490.7
Durable Goods	513.5	510.5	-0.6	527.7	457.8
Non-Durable Goods	556.8	552.4	-0.8	570.1	510.5
Transportation	347.0	348.4	+0.4	371.5	340.7
Utility	219.6	218.7	-0.4	231.8	208.6
Trade, Finance & Service	419.9	425.5	+1.3	433.0	382.7
Mining	325.8	321.8	-1.2	360.4	315.5

SEC ORDER CHALLENGES MIAMI WINDOW FINANCIAL DATA

The Securities and Exchange Commission today announced proceedings under the Securities Act of 1933 which challenge the adequacy and accuracy of certain financial information contained in a registration statement filed by Miami Window Corporation, 950 S.E. 12th St., Hialeah, Fla. A hearing for the purpose of taking evidence on the question whether the statement is deficient in the respects charged and, if so, whether a "stop order" should be issued suspending its effectiveness, is scheduled for September 4, 1959, in the Commission's Washington Office.

The Miami Window registration statement was filed February 25, 1959, and proposed the public offering of \$3,500,000 of Fifteen Year 6½% Sinking Fund Debentures (with attached Warrants) and 150,000 shares of 70¢ Cumulative Convertible Preferred Stock, \$8 par. These debentures were to be offered for public sale at 100% of their principal amount, with a 9-3/4% commission to the underwriters; and the preferred stock was to be offered for sale at \$10 per share, with a \$1.20 per share commission. The statement became effective March 24, 1959, and (it is understood) the securities were sold. Net proceeds of the sale of the securities were to be used by the issuing company to pay off certain loans, advances and accounts payable and for other purposes. The company manufactures and sells aluminum-frame windows, doors, kitchen equipment, wrought aluminum furniture and other products.

The Commission asserts that the registration statement appears false and misleading with respect to Miami Window's financial condition and operating results, as set forth in the prospectus under the heading "Summary of Earnings" and as presented in accompanying financial statements, particularly with respect to (1) The amounts at which cost of goods sold, selling, general and administrative expenses, net income, and earnings per share are stated for the nine months ended November 30, 1958 as set forth under the heading "Summary of Earnings;" (2) The amounts at which cost of goods sold,

(CONTINUED ON BOTTOM OF PAGE 4)

For further details, call ST. 3-7600, ext. 5428

AMERICAN FOUNDERS LIFE INS. CO. ENJOINED

The SEC Denver Regional Office announced August 18, 1959, that Judge Alfred A. Arroj (USDC, Denver) had signed a final judgment enjoining The American Founders Life Insurance Company of Denver, its officers, directors, agents, employees and attorneys, from further violation of the Securities Act registration and anti-fraud provisions in the sale of stock of Founders or any other security. Founders consent to entry of the judgement. (Company counsel advised the Court that Founders had filed a registration statement relating to its common stock which became effective August 7, 1959.)

HEUBLEIN INC. FILES FOR OFFERING AND SECONDARY

Heublein, Inc., 330 New Park Ave., Hartford, Conn., today filed a registration statement (File 2-15493) with the SEC seeking registration of 425,000 shares of common stock, of which 300,000 shares are to be offered for public sale for the account of the issuing company and the remaining 125,000 shares, representing stock, will be offered for sale by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Gore, Forgan & Co. is listed as the present underwriter.

The company is primarily engaged in the production, bottling and distribution of vodka and other alcoholic beverages; and, in addition, it processes, imports and sells certain food products. It has outstanding 1,195,464 shares of stock (in addition to \$6,019,000 of debentures). Net proceeds to the company from its sale of additional stock will be added to the company's general funds to reduce short term borrowing requirements and augment working capital for use in financing additional inventories and accounts receivable and for the general expansion of the company's business.

Of the outstanding stock, The Connecticut Bank & Trust Company, as Trustee under the will of Arthur C. Heublein, Hartford, Conn., holds 276,934 shares (23.17%); John G. Martin of Hartford, president, owns 254,030 shares (21.25%); and Terry and Company (c/o the said Bank) holds 207,234 shares. Of the shares held by Terry and Company, Helen M. Martin, the president's sister, is the beneficial owner of 197,859 shares. Directors and officers as a group own 455,296 shares (38.09%). Information with respect to the selling stockholders and the amount of stock to be sold by each is to be supplied by amendment.

TENNESSEE GAS TRANSMISSION FILES FOR EXCHANGE OFFER

Tennessee Gas Transmission Company, Tennessee Building, Houston, Texas, filed a registration statement (File 2-15494) with the SEC on August 21, 1959, seeking registration of 473,167 shares of common stock. The company proposes to offer this stock in exchange for the common stock of East Tennessee Natural Gas Company at the rate of one share of Tennessee Gas stock for 2.75 shares of East Tennessee common. Stone & Webster Securities Corporation and White, Weld & Co. have agreed to form and act as managers of a group of dealers, including themselves, which is to solicit exchanges. The exchange offer is subject to the condition, among others, that all of the 5.20% Cumulative Preferred Stock, \$25 par, of East Tennessee shall have been purchased or redeemed and cancelled. East Tennessee is presently negotiating for the sale of \$5,800,000 of 11-year 5-3/4% Debentures, contingent upon consummation of the exchange offer, \$4,568,785 of the proceeds of which will be applied to the redemption of its 5.20% Cumulative Preferred Stock.

The Cumberland Corporation, a wholly owned subsidiary of Tennessee Gas, now owns about 12% of the outstanding common stock and about 38% of the outstanding preferred stock of East Tennessee. Tennessee Gas wishes to acquire all the outstanding common shares. East Tennessee's principal business is the ownership and operation of a pipe line system for the transmission and sale of natural gas. East Tennessee has contracted to purchase all of its natural gas requirements from Tennessee Gas.

CATERPILLAR TRACTOR FILES EMPLOYEE STOCK PLAN

Caterpillar Tractor Co., 600 W. Washington St., East Peoria, Ill., has joined with five of its subsidiaries in the filing of a registration statement (File 2-15497) with the SEC on August 21, 1959, seeking registration of 7,000 Participations in the Employees' Investment Plan for eligible employees of the six companies, together with 150,000 shares of Caterpillar Tractor common stock which may be acquired pursuant thereto.

SKEBURG CORP. FILES EMPLOYEE STOCK PLAN

The Seeburg Corporation, 1500 North Dayton St., Chicago, filed a registration statement (File 2-15498) with the SEC on August 21, 1959, seeking registration of \$600,000 of Participations in the Employee Savings-Investment Plan, together with 30,000 shares of common stock which may be acquired pursuant thereto.

1952 CENTRAL PUBLIC UTILITY PLAN AMENDED

The SEC has issued an order (Release 35-14046) approving an amendment to the 1952 plan for reorganization and recapitalization of Central Public Utility Corporation ("Cenpuc"), of St. Louis. The plan provided, among other things, for cancellation of all of the outstanding securities of Cenpuc and the issuance of 1,000,100 shares of new \$6.00 par value common stock to the holders of its 5½% Income Bonds, due August 1, 1952. Court approval of the plan was obtained July 29, 1952.

At August 17, 1959, \$980,082 principal amount of the Income Bonds were outstanding. The holders thereof are entitled to receive not only Cenpuc stock but also dividend distributions thereon since 1952 and shares of Central Indiana Gas Company common stock (plus dividends). Holders have until August 31, 1960, to make the exchange; thereafter, all of their rights will be lost.

There is now pending a proposed consolidation of Cenpuc, Consolidated Electronics Industries Corp., and Philips Industries, Inc. into a new corporation to be named Consolidated Electronics Industries Corp. and into whose shares Cenpuc's capital stock will be converted on a share for share basis. Cenpuc has agreed that any of its stockholders who object to the consolidation will have the right to receive, without resort to any court, cash in the amount of \$28 for each share of Cenpuc stock held by them.

Under the amendment to the 1952 plan, which is subject to court approval, any of the remaining holders of the old Income Bonds will be entitled to receive the same number of shares of the new consolidated company stock as the number of Cenpuc shares to which they are now entitled under the 1952 plan; or they may for a limited period elect to receive \$28 per share in lieu of the new stock.

GUERDON INDUSTRIES PROPOSES STOCK OFFERING

Guerdon Industries, Inc., 3782 South Van Dyke Road, Marlett, Mich., filed a registration statement (File 2-15495) with the SEC on August 21, 1959, seeking registration of 400,000 shares of Class A common stock, to be offered for public sale through an underwriting group headed by Blair & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law on June 29, 1959, as Trailer Homes, Inc., to acquire all of the issued and outstanding stock of its principal predecessor, Guerdon Industries, Inc., a Michigan corporation, manufacturer of mobile homes, and the stock of five corporations affiliated with the latter. Its name was changed to Guerdon Industries, Inc., on August 5, 1959; and upon the subsequent liquidation of the predecessors (except one supply company), the company acquired the business and properties of such predecessors. Net proceeds of the sale of the Class A stock will be applied in part to the reduction of a bank indebtedness from \$4,920,000 to \$1,420,000 and to pay off \$2,500,000 of notes. This indebtedness was incurred in connection with the acquisition of the stock of predecessors.

The company now has outstanding 780,000 shares of common stock and 10,000 shares of \$100 par preferred stock. According to the prospectus, the partners of Ladenburg, Thalman & Co. own 430,500 shares of the common stock; and the balance of the common shares are owned by associates and relatives of the partners, three employees of the firm, and two private investors. The 780,000 common shares were acquired for an aggregate consideration of \$78,000. Ladenburg, Thalman & Co. and certain of the holders of the common stock also acquired the 10,000 shares of preferred stock for \$1,000,000 and loaned the company the \$2,500,000, which loan is to be paid off with proceeds of this financing.

GEORGIA POWER BONDS IN REGISTRATION

Georgia Power Company, Electric Building, Atlanta, Ga., filed a registration statement (File 2-15496) with the SEC on August 21, 1959, seeking registration of \$18,000,000 of First Mortgage Bonds, Series due 1989. As previously indicated (SEC News Digest of August 21, 1959), the company proposes to offer these bonds for sale at competitive bidding. Net proceeds thereof, plus \$7,500,000 of \$16,500,000 received in February 1959 from the sale of additional stock to The Southern Company (parent), will be used for property additions and improvements. The remaining \$9,000,000 of the proceeds of the stock sale was invested in additional stock of Southern Electric Generating Company.

SOUTHERN NEW ENGLAND TELEPHONE PROPOSES RIGHTS OFFERING

The Southern New England Telephone Company, 227 Church St., New Haven, Conn., today filed a registration statement (File 2-15500) with the SEC seeking registration of 689,000 shares of its \$25 par common stock. The company proposes to offer this stock for subscription at \$35 per share by stockholders of record September 8, 1959, in the ratio of one new share for each ten shares then held. American Telephone and Telegraph Company, which owns 21.3% of the presently outstanding shares, intends to sell, as a whole, at competitive bidding, the 1,467,120 rights which it will acquire. Ten rights are required to subscribe for one additional share.

Net proceeds of the stock sale are to be used by the company for repayment of advances from the parent company, which are expected to approximate \$20,000,000, any balance to be used for general corporate purposes. Advances from the parent are obtained in conformity with an established practice of borrowing, as the need therefor arises, for general corporate purposes, including property additions and improvements.

VIOLATIONS BY EARLE HENSLEY CO. CHARGED IN SEC COMPLAINT

The SEC Seattle Regional Office announced August 21, 1959, that a complaint had been filed (USDC, Seattle) seeking to enjoin D. Earle Hensley Co., Inc., David Earle Hensley and five other individuals from further violations of the anti-fraud provisions of the Federal Securities Laws, both in the sale of Hensley Co. stock and in the sale of other securities. (Litigation Release No. 1483)

PRELIMINARY INJUNCTION ISSUED AGAINST HOWARD W. MCKINNEY

The SEC Chicago Regional Office announced August 21, 1959, that Judge Luther M. Swygert (USDC, ND Ind.) had granted a preliminary injunction enjoining Howard W. McKinney of Gary, Indiana, from further conduct of a securities business in violation of the registration requirements of the Securities Exchange Act. (Litigation Release No. 1484)

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selling, general and administrative expenses, and net income are stated in the Consolidated Statement of Income for the nine months ended November 30, 1958; (3) The amounts at which inventories, prepaid expenses, and fixed assets are stated in the Consolidated Balance Sheet as at November 30, 1958; (4) The amount at which earned surplus is stated in the Consolidated Statement of Earned Surplus for the nine months ended November 30, 1958.

The Commission also questions the adequacy and accuracy of the accountants' certificate accompanying the financial statements, more particularly the representations concerning the auditing standards and procedures followed by the accountants and the representations that the financial statements present fairly the consolidated financial position of Miami Window and its subsidiaries at November 30, 1958, and the results of their operations for the nine months ended that date, and that the summary of earnings summarized fairly the net income, all in conformity to generally accepted accounting principles applied on a consistent basis during the period under review.

(NOTE TO PRESS: Foregoing also available in SEC Miami Branch Office.)