

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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FOR RELEASE August 28, 1959

TRADING IN JACOBS CO. STOCK AGAIN SUSPENDED

The SEC has issued an order (Release 34-6052) 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 30 to September 8, 1959, inclusive. The hearing on the question of withdrawing the stock from listing and registration is scheduled for September 8, 1959.

UNLISTED TRADING IN THREE STOCKS SOUGHT

The Midwest and Pacific Coast Stock Exchanges have applied to the SEC for unlisted trading privileges in the common stock of Glen Aiden Corporation; and the Commission has issued orders giving interested persons until September 9, 1959, to request a hearing thereon.

Unlisted trading in the common stock of Corn Products Company (Del.) has been requested by the Pacific Coast and Philadelphia-Baltimore Stock Exchanges; and the Commission has issued orders giving interested persons until September 9 and 11, 1959, to request a hearing upon the respective applications.

Unlisted trading has been requested by the Pittsburgh Stock Exchange in the common stock of Loew's Theatres, Inc.; and the Commission has issued an order giving interested persons until September 8, 1959, to request a hearing thereon.

BOSTON EXCHANGE GRANTED UNLISTED TRADING IN FOUR STOCKS

The SEC has issued orders granting applications of the Boston Stock Exchange for unlisted trading privileges in the common stocks of Zenith Radio Corporation (Del.), The Kendall Company, Litton Industries, Inc., and Smith-Corona Marchant Inc.

PHILADELPHIA-BALTIMORE EXCHANGE GRANTED UNLISTED TRADING IN THREE STOCKS

The SEC has issued orders granting 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.

(Note: Each of the ten stock issues is listed and registered on the New York Stock Exchange, and three are listed on a second exchange - see Release 34-6053.)

DAVENPORT HOSIERY DELISTING APPROVED

The SEC has issued an order (Release 34-6053) granting an application of the American Stock Exchange to delist the common stock of Davenport Hosiery Mills, Inc., effective at the close of trading on September 10, 1959, due to the fact that all but 18,310 of the 171,280 outstanding shares are now owned by J. Chadbourn Bolles and minority shares are held by only 77 record holders.

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

RANDOM HOUSE FILES FOR SECONDARY

Random House, Inc., 457 Madison Ave., New York, filed a registration statement (File 2-15514) with the SEC on August 27, 1959, seeking registration of 222,060 outstanding shares of its common stock, to be offered for public sale by the present holders thereof through an underwriting group headed by Allen & Company. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the business of publishing and distributing books. It has outstanding 630,460 shares of common stock (in addition to certain other securities), of which stock 306,830 shares are owned by Bennett A. Cerf, president, and 255,230 by Donald S. Klopfer, executive vice-president. According to the prospectus, Cerf proposes to sell 106,830 shares and Klopfer 95,230 shares. Charles A. Wimpfheimer, secretary, proposes to sell 20,000 shares of his holdings of 60,000 shares.

ROULETTE RECORDS FILES FOR STOCK OFFERING

Roulette Records, Inc., 659 Tenth Ave., New York, filed a registration statement (File 2-15515) with the SEC on August 27, 1959, seeking registration of 330,000 shares of its common stock. The company proposes to make a public offering of 300,000 shares, at \$3.50 per share, the offering to be made on a "best efforts" basis by Chauncey, Walden, Harris & Freed, Inc., which is to receive a \$.70 per share commission, plus \$24,000 for expenses, payable at the rate of 8¢ per share sold or purchased by the underwriter. Certain stockholders also have agreed to sell 30,000 shares to the underwriter at 1¢ per share, with the stockholders having the right to reacquire at the same price such number of shares as shall be the difference between the said 30,000 shares and 10% of the actual number of shares sold publicly by the underwriter. The underwriter also will receive certificates representing 100,000 warrants to purchase common stock (100,000 shares) of the company at \$3 per share for a four-year period commencing 13 months after termination of the public offering.

Organized in January 1957, the company is engaged in the business of recording, manufacturing and distributing phonograph records. It now has outstanding 1,430,000 common shares. Net proceeds of the sale of additional stock by the company are to be used as follows: \$150,000 for construction and installation of sound studio facilities; \$90,000 for installation of executive offices; \$90,000 for acquisition of technical equipment and machinery; and \$455,000 for working capital. The company has leased new quarters at 1631-1637 Broadway, New York, effective January 1, 1960; and its executive offices and studios are to be located at the new premises.

Of the outstanding stock, 715,000 shares (50%) are owned by Planetary Music Publishing Corp.; 429,000 by Joseph L. Kolsky, vice president; and 107,250 each by Morris Levy, president, and Morris Gurlek, treasurer. In addition, Levy, Gurlek and Phil Kahl, vice-president, personally own 30% each of the stock of Planetary Music. The prospectus indicates that warrants for an additional 200,000 shares will be distributed to present stockholders in the same proportion as their present stockholdings.

FREEPORT SULPHUR FILES STOCK PLAN

Freeport Sulphur Company, 161 East 42nd Street, New York, filed a registration statement (File 2-15516) with the SEC on August 26, 1959, seeking registration of 450,000 shares of its common stock, to be offered to certain employees of the company and subsidiaries pursuant to the Key Employees' Stock Ownership Plan.

SEC ORDER CHALLENGES SPORTS ARENAS FILING

The Securities and Exchange Commission has instituted "stop order" proceedings under the Securities Act of 1933 challenging the accuracy and adequacy of various informational disclosures contained in a registration statement filed by Sports Arenas (Del.), Inc., 33 Great Neck Road, Great Neck, N. Y.

The registration statement proposed the public offering of \$2,000,000 of 6% ten-year subordinate convertible debentures (at 100% of principal amount) for the account of the issuing company and 461,950 of the 1,209,692 outstanding shares of common stock (at \$6 per share minimum) for the

account of 52 present holders thereof (not including management officials). At a hearing scheduled for September 8, 1959, inquiry will be conducted into the question whether the registration statement fails to comply with the applicable disclosure requirements of the Securities Act and, if so, whether a stop order should be issued suspending its effectiveness.

Sports Arenas was organized under Delaware law in September 1957 and is a holding company which through subsidiaries is engaged in the operation and management of bowling alleys. Five bowling alleys are said to be in operation, in Bethpage, Brewster and Peekskill, N. Y., and Fort Lauderdale and Fort Pierce, Florida. A number of additional bowling alleys are said to be under construction, and other properties have been leased for the purpose of constructing additional alleys thereon.

The Commission's order for proceedings asserts that Sports Arenas' prospectus is false and misleading in respect of various material facts, including (1) omission of a concise discussion in the forefront of the prospectus of the speculative factors applicable to the issuing company and its securities (including prior stock sales in violation of the Securities Act registration requirements and resulting contingent liabilities arising therefrom); failure to describe the history of the company's organization and promotion, including the activities of Joseph Abrams therein; failure to disclose accurately the issuance of shares to promoters, management officials and their associates and the amount of cash paid by such persons; inadequate and inaccurate information regarding the company's properties and business, including speculative and uncertain estimates of income for individual establishments and statements regarding the bowling industry generally; false and misleading statements with respect to the interest of Joseph Abrams and other promoters and controlling persons in numerous transactions, involving the acquisition of properties by Sports Arenas and the issuance of its securities; and the inclusion of financial statements certified by an accounting firm which was not in fact independent.

HARNISCHFEGER CORPORATION PROPOSES STOCK OFFERING

Harnischfeger Corporation, 4400 W. National Avenue, Milwaukee, today filed a registration statement (File 2-15517) with the SEC seeking registration of 200,000 shares of its common stock, to be offered for public sale through an underwriting group headed by The First Boston Corporation. The initial public offering price will be related to the current market for outstanding shares at the time of offering; and underwriting terms are to be supplied by amendment.

The company manufactures and sells a diversified line of heavy machinery and equipment. It has outstanding 783,544 common shares in addition to certain indebtedness. Net proceeds of the sale of additional stock will be applied in part to the payment of all outstanding unsecured short term bank loans, expected to approximate \$4,000,000; and the balance will be added to general corporate funds. The bank loans have been and will be incurred for the purpose of financing inventories and accounts receivable.

NEW ENGLAND TELEPHONE PROPOSES DEBENTURE OFFERING

New England Telephone and Telegraph Company, 185 Franklin Street, Boston, today filed a registration statement (File 2-15518) with the SEC seeking registration of \$45,000,000 of Thirty-five Year Debentures, due September 1, 1994, to be offered for public sale at competitive bidding. The company intends to use most of the net proceeds to repay advances from its parent, American Telephone and Telegraph Company, which are expected to approximate \$42,700,000 at the time the proceeds are received. The remainder of the proceeds will be used for general corporate purposes. Loans from the parent are obtained as needed for general corporate purposes, including property additions and improvements.

NATIONAL COMPANY, INC. FILES FOR OFFERING AND SECONDARY

National Company, Inc., 61 Sherman Street, Malden, Mass., today filed a registration statement (File 2-15519) with the SEC seeking registration of 200,000 shares of common stock, of which 150,000 shares are to be offered for public sale by the company and 50,000 shares, representing outstanding stock, by the present holder thereof. White, Weld & Co. is listed as the principal underwriter; and the public offering price and underwriting terms are to be supplied by amendment.

An additional 57,262 shares are included in the registration statement, covering stock which has been or may be offered to employees pursuant to stock options granted or to be granted.

The company is primarily engaged in research and development relating to, and the design, manufacture and sale of electronic products which, according to the prospectus, includes radio receiving and transmitting equipment for use by industry and the government and other advanced technical electronic products for use in the missile industries and by the armed forces. It now has outstanding 702,148 common shares, 3,180 shares of preferred stock, and certain indebtedness. Net proceeds to the company from its proposed public sale of 150,000 shares will be used in part to retire a \$675,000 bank loan, the proceeds of which loan were used to retire certain 5% convertible debentures. The balance of the proceeds of the stock sale will be used for general corporate purposes.

The prospectus lists Louis C. Lerner of Lexington, Mass., director and treasurer, as the selling stockholder. He proposes to sell 50,000 of his holdings of 148,034 shares. Mr. Lerner also owns all of the outstanding \$900,000 of 5% Convertible Notes due 1966-1969.

AMERICAN GREETINGS PROPOSES DEBENTURE OFFERING

American Greetings Corporation, 1300 W. 78th Street, Cleveland, Ohio, today filed a registration statement (File 2-15520) with the SEC seeking registration of \$5,000,000 of Twenty Year Convertible Subordinated Debentures due October 1, 1979, to be offered for public sale through an underwriting group headed by Goldman, Sachs & Co. and McDonald & Company. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the design, manufacture and sale of greeting cards and gift wrappings. Net proceeds of the debenture sale will be added to its general funds and will be available for general corporate purposes. A portion thereof will be used to retire short-term loans incurred for working capital purposes. It is expected that the balance will be used principally to augment working capital although a part may be used for other purposes if deemed advisable.

SEC PARTICIPATION IN COFFEYVILLE LOAN REORGANIZATION

The SEC has entered an appearance in Chapter X reorganization proceedings for Coffeyville Loan and Investment Company, Inc. (USDC, Topeka, Kansas). Judge Arthur J. Stanley, Jr. appointed Richard Becker as Trustee and Harry M. Washington as co-Trustee. The debtor has been engaged in the mortgage and loan business in eastern Kansas. Its petition lists \$1,900,000 of outstanding investment certificates and thrift notes, held by more than 1,000 investors. Among its principal assets are some \$9,600,000 of construction loans and advances, mostly to affiliates or former affiliates. Liabilities include an indebtedness of \$7,700,000 to Arizona Savings and Loan Association, which was recently placed in receivership. Since February 7, 1958, the debtor has been controlled by Elbel Enterprises, Inc.

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