

# 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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FOR RELEASE September 14, 1959

## Statistical Release No. 1628

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended September 11, 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	
	9/11/59	9/4/59		High	Low
Composits	418.7	427.0	-1.9	441.3	400.1
Manufacturing	522.7	533.2	-2.0	554.2	490.7
Durable Goods	502.2	510.1	-1.5	527.7	457.8
Non-Durable Goods	531.3	544.1	-2.4	570.1	510.5
Transportation	335.8*	339.8	-1.2	371.5	335.8
Utility	211.2	216.0	-2.2	231.8	208.6
Trade, Finance & Service	423.8	427.2	-0.8	433.0	382.7
Mining	311.2*	316.6	-1.7	360.4	311.2

\* New Low

### DIT-MCO, INC. PROPOSES STOCK OFFERING

DIT-MCO, Incorporated, 911 Broadway, Kansas City, Mo., filed a registration statement (File 2-15564) with the SEC on September 8, 1959, seeking registration of 33,333 shares of common stock, to be offered for public sale through an underwriting group headed by Midland Securities Company, Inc., and Barret, Fitch, North & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company manufactures and sells circuit testing equipment and related consulting services. It has outstanding 163,875 common shares (plus options to purchase 25,275 shares at \$3.33 per share expiring March 31, 1961). Net proceeds of the sale of the additional stock will be added to general funds and will be available to reduce short-term bank borrowings, for working capital and other corporate purposes.

### DOW CHEMICAL FILES STOCK PLAN

The Dow Chemical Company, Midland, Mich., filed a registration statement (File 2-15575) with the SEC on September 11, 1959, seeking registration of 9,000 shares of its common stock, to be acquired on the open market or at private sale by Dow Corning Corporation and offered for sale to eligible employees.

### GENERAL FINANCE PROPOSES STOCK OFFERING

General Finance Corporation, Santurce, Puerto Rico, filed a registration statement (File 2-15576) with the SEC on September 11, 1959, seeking registration of 150,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made on a best efforts basis by

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Caribbean Securities Company, Inc., for which it is to receive a selling commission of 45¢ per share, plus \$20,000 for expenses. The underwriter also will be entitled to purchase one share of stock at 5¢ per share for each five shares sold pursuant to this offering.

The company was organized in February 1959 and proposes to engage principally in the business of purchasing notes secured by conditional sales contracts on automobiles, accepted by dealers in sales of cars in Puerto Rico. It is the company's further intention to resell or pledge such notes with banks or other lending institutions for loans at substantially lower rates of interest than that which the company will receive from its customers. Of the net proceeds of the sale of stock in this offering, \$15,000 will be used for lease improvements and equipment and supplies, and \$330,410 for working capital.

The company now has outstanding 200,000 common shares, issued to the management in exchange for \$11,168 of contributions as organization expenses and \$2,000 in cash. The prospectus lists Allen H. Cox as president and one of the promoters.

#### PLANHOLDERS INSTITUTE FILES FOR OFFERING

Planholders Institute, Inc., 26 Broadway, New York, filed a registration statement (File 2-15577) with the SEC on September 11, 1959, seeking registration of \$20,000,000 of its Selected Plans. The sponsor of Selected Plans, Planholders Institute, Inc., was organized in New York in March 1959. Frank Eliot Sweetser is listed as president. The sponsor also will serve as underwriter.

#### COLUMBIA GAS PROPOSES DEBENTURE OFFERING

The Columbia Gas System, Inc., 120 East 41st St., New York, filed a registration statement (File 2-15578) with the SEC on September 11, 1959, seeking registration of \$25,000,000 of Debentures, Series N, due 1984, to be offered for public sale at competitive bidding. Net proceeds will be added to the general funds of the company and, together with other available funds (including the sale earlier this year of \$38,590,000 of common stock), will be used to satisfy demands in 1959 upon such general funds. The most important of such demands is the financing of the 1959 construction program of subsidiary companies, involving expenditures estimated at from \$90,000,000 to \$100,000,000.

#### SERVO CORP. PROPOSES DEBENTURE OFFERING

Servo Corporation of America, 20-20 Jericho Turnpike, New Hyde Park, N. Y., filed a registration statement (File 2-15581) with the SEC on September 11, 1959, seeking registration of \$1,000,000 of Convertible Subordinated Debentures, to be offered for public sale at 100% of their principal amount. Ira Haupt & Co. is listed as the principal underwriter; and the underwriting terms are to be supplied by amendment.

The registration also includes 67,000 shares of common stock, to be offered pursuant to the company's Key Employee Restricted Stock Option Plan.

The company is now engaged principally in the field of manufacturing and designing various equipments for industrial, military and educational applications utilizing skills in infrared, electronics, data processing, servo devices and controls, instrumentation, optics, electro-mechanical plotting and measurement, computing, and feed-back controls. Later this year its operations will be consolidated with its manufacturing operations in a single leased plant now being completed at New South Road and Karen Lane, Hicksville, L. I., New York. Net proceeds of the sale of the debentures will be used as follows: \$300,000 for working capital; \$200,000 for plant relocation and consolidation at the Hicksville site and for expansion of equipment; \$300,000 for increased development and research with particular attention to civilian products; and \$100,000 for sales promotion and related activities.

#### CAMLOC FASTENER FILES FOR SECONDARY

Camloc Fastener Corporation, 22 Spring Valley Road, Paramus, N. J., filed a registration statement (File 2-15579) with the SEC on September 11, 1959, seeking registration of 150,500 shares of its outstanding common stock. These shares are to be acquired by the underwriters (headed by Van Alstyne,

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Noel & Co.) from a stockholder of the company, and will be reoffered for public sale at \$9 per share. None of the proceeds will be received by the issuing company. The company, according to the prospectus, will purchase the remaining 100,000 shares now held by the selling stockholder at \$8 per share. The underwriters are to receive a commission of \$1 per share on the public offering. The company also has agreed to sell to the Van Alstyne firm, at 5¢ per warrant, five-year warrants for the purchase of 35,000 common shares, exercisable at \$9 per share.

The company is engaged in the business of designing, producing and distributing highly engineered quick-operating fasteners used in aircraft, electronic equipment and other industrial products. It has outstanding 450,500 shares of common stock, of which 250,500 shares are held by Frank Mariani, as trustee under a 1956 agreement for the benefit of Trust Certificate holders. Among the beneficial owners are Frank Mariani, a director, 86,550 shares, and Marty Marini, 63,750 shares; Abraham L. Pomerantz, 25,488 shares; and William Walzer, 25,112. The trustee proposes to sell 150,500 shares to the underwriters and the remaining 100,000 shares to the issuing company. Such latter sale will reduce the outstanding shares to 350,500. The Estate of J. Mills Summers is the record owner of 199,500 shares, the officers, directors and employees of the company being the beneficial owners thereof.

#### HAWAIIAN TELEPHONE PROPOSES RIGHTS OFFERING

Hawaiian Telephone Company, 1130 Alakea St., Honolulu, Hawaii, filed a registration statement (File 2-15580) with the SEC on September 11, 1959, seeking registration of 290,035 shares of common stock. The company proposes to offer a portion of this stock for subscription by holders of outstanding stock of record September 18, 1959, on the basis of one new share for each seven shares then held. The public offering price is to be supplied by amendment. No underwriting is involved. The balance of the shares will be offered for subscription by employees.

Net proceeds of the sale of the stock will become part of the general funds of the company and will be applied toward the cost of the company's construction program, the payment of \$5,300,000 of bank loans obtained for such program, and the refunding of debentures and preferred shares. The company anticipates raising additional funds for the construction program and the refunding of certain of its securities through an offering in the near future of \$4,500,000 of proposed Series L Mortgage Bonds. The company's 1959-64 expansion program calls for expenditures estimated at \$68,900,000.

#### MID-AMERICA MINERALS FILES FOR OFFERING

Mid-America Minerals, Inc., 500 Mid-America Bank Bldg., Oklahoma City, Okla., filed a registration statement (File 2-15582) with the SEC on September 11, 1959, seeking registration of \$1,875,000 of Participations in Oil and Gas Fund, including 150 units to be offered for sale at \$10,000 per unit (\$1,500,000) and \$2,500 per unit estimated maximum assessments for completion of well (\$375,000). The offering is to be made by the company and Midamco, Inc., its subsidiary, on a best efforts basis. Mid-America itself will subscribe to 10 of the 150 units. The fund will consist of an undetermined number of oil and/or gas projects and the drilling of the first well on each such project. The Fund will acquire an undivided 75% of all of Mid-America's working interests in each project offered as a part of the Fund except as to the drilling location of each project, in which the Fund will acquire 100% of Mid-America's working interest subject to the reservation by Mid-America of 25% of the net profits derived from the operations on the drill-site location.

#### ALABAMA ACCEPTANCE OFFICIALS INDICTED

The SEC Atlanta Regional Office announced the indictment on September 4, 1959 (USDC, Birmingham, Ala.) of John Murray, of Birmingham, Kalman Greenhill and Francis E. Proctor, Jr., both of New York City, Carle K. Wells of Birmingham, and William Edward Faulk of St. Petersburg, Fla., on charges of violating anti-fraud provisions of Securities Act and Mail Fraud Statute in the sale of securities of Alabama Acceptance Corporation. (Lit. Release 1489)

#### SEC COMPLAINT CHARGES VIOLATIONS IN SALE OF DOMAN HELICOPTERS STOCK

The SEC New York Regional Office announced on September 10, 1959 (Lit. Release 1490) the filing of a complaint (USDC, SDNY) seeking to enjoin Doman Helicopters, Inc., and Glidden S. Doman from further violations of Securities Act registration requirements in sale of stock of Doman Helicopters, of Danbury, Conn.

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## JEWEL TEA FILES STOCK OPTION PLAN

Jewel Tea Co., Inc., 1955 West North Ave., Malrose Park, Ill., filed a registration statement (File 2-15583) with the SEC on September 11, 1959, seeking registration of 203,000 shares of common stock, to be offered pursuant to the company's Restricted Stock Option Plan.

## SIMON HARDWARE FILES FINANCING PROPOSAL

Simon Hardware Company, 800 Broadway, Oakland, Calif., today filed a registration statement (File 2-15584) with the SEC seeking registration of \$800,000 of 7% Sinking Fund Subordinated Debentures, due 1971, and 80,000 shares of common stock. These securities are to be offered in units consisting of \$1000 principal amount of debentures and 100 common shares. The public offering price of the units and underwriting terms are to be supplied by amendment. J. S. Strauss & Co., York & Co. and Mason Brothers are listed as the underwriters.

Organized in 1955, the company through a subsidiary, is engaged in the retail sale of a diversified line of consumer goods in Oakland. Net proceeds of this financing will be used to open one or more additional retail stores in Northern California. Any balance remaining will be added to general funds and used for such corporate purposes as the management may determine.

## BORDER STEEL ROLLING MILLS FILES FINANCING PROPOSAL

Border Steel Rolling Mills, Inc., 1609 Texas St., El Paso, Texas, today filed a registration statement (File 2-15585) with the SEC seeking registration of \$2,100,000 of Fifteen Year 6% Subordinated Sinking Fund Debentures, due 1974, and 210,000 shares of common stock. These securities are to be offered in units consisting of \$50 principal amount of debentures and 5 shares of stock. The public offering price and underwriting terms are to be supplied by amendment. First Southwest Company and Harold S. Stewart & Company are listed as the principal underwriters.

Also included in the registration statement are 226,380 common shares, to be offered for subscription by stockholders of record August 31, 1959, at the ratio of 49 shares for each share held. The subscription price is to be supplied by amendment. This offering is not underwritten.

The company was organized on May 1, 1959, for the purpose of constructing and operating a merchant bar and rod mill. Contracts have been entered into for the purchase of land for the mill site (2½ miles north of El Paso). Contracts have been entered into for the purchase of land, construction of major buildings, design and construction of a melt shop and rolling mill, and the manufacture and installation of necessary cranes. Construction will be handled by the company with technical assistance from the major equipment manufacturers. Net proceeds of the sale of securities will be applied to the purchase of the land and the cost of construction (\$3,200,000), with the balance applied to general funds.

According to the prospectus, 4,620 common shares are now outstanding, all held by Milton D. Feinberg, board chairman, four other management officials, and two others (including one of the underwriters). William K. Ramsey, Jr., is listed as president and one of the stockholders. The prospectus further indicates that \$23,100 was realized through the sale of this stock.

## GENERAL FLOORING FILES FINANCING PROPOSAL

General Flooring Company, Inc., (P. O. Box 8169) New Orleans, La., today filed a registration statement (File 2-15586) with the SEC seeking registration of \$1,500,000 of 6½% Debentures due October 1, 1969, and 270,000 shares of common stock. These securities are to be offered for public sale in units, each consisting of \$100 principal amount of debentures and 18 shares of common stock. The public offering price and underwriting terms are to be supplied by amendment. H. M. Byllesby and Company, Inc., Howard, Weil, Labouisse, Friedrichs and Company, and Mason-Hagan, Inc., are listed as the principal underwriters. The prospectus further states that the company's stockholders have agreed to sell 80,000 common shares to the underwriters for \$800.

Organized in May 1956, the company has confined its activities to research and the development of a flooring product to be marketed under the name "S-t-a-t-c-h-e-d-w-o-o-d Tile". The company now intends to commence the manufacture and distribution of this product. Of the net proceeds of this

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financing, estimated at \$1,330,000, \$254,000 will be used for the purchase and installation of additional machinery and equipment necessary for the manufacture of the product; \$67,000 will be used to liquidate bank loans and \$235,000 to repay funds advanced on open account by Higgins Industries, Inc. An additional \$195,000 will be reserved for payment of interest charges on the debentures; and the balance of the proceeds will be available for general corporate purposes.

The company does not intend to build or lease its own plant for the production of the product nor does it propose to establish its own organization for selling the product. Instead, it has entered into an operating agreement with Higgins Industries, Inc., under which it will purchase its requirements for the product from Industries. The machinery and equipment will be installed in the latter's Michoud plant in New Orleans.

According to the prospectus, the company now has outstanding 730,000 shares of common stock and 2,500 shares of preferred. Frank O. Higgins is listed as president. He and four other management officials own all the outstanding common shares. Higgins also is president of Higgins Industries, Inc., and inventor of the two patents covering the wood stretching process; and he and his relatives own 99% of the voting stock of Higgins Industries.

#### VIOLATIONS CHARGED TO FINANCIAL SECURITY CORP.

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether provisions of the Federal Securities Laws have been violated by Financial Security Corporation ("Applicant") 518 Scott Street, Little Rock, Arkansas, and certain affiliated persons and company, and, if so, whether it is in the public interest to deny registration as a broker-dealer to Applicant.

According to the Commission's order, Applicant filed its application for broker-dealer registration on August 12, 1959. Alan C. Springer is listed as board chairman; Hubert J. Crouch as president; Ed Worth Millwee as a director; and Arkansas Business Development Corporation ("Arkansas") is listed as owner of all the outstanding common stock of applicant.

The Commission asserts in its order that information developed in an investigation conducted by its Staff tends if true to show that Applicant, Springer, Crouch, Millwee and Arkansas "engaged in transactions, practices, and a course of business which would and did operate as a fraud and deceit" upon purchasers of Arkansas securities, in violation of the anti-fraud provisions of the Federal Securities Laws, in that they made false and misleading representations in connection with the offer and sale of such stock, including misrepresentations with respect to the use to be made of proceeds from sales of Arkansas stock; the recipients of the proceeds from the sales of such stock; the commissions due applicant from selling such stock; granting of options by Arkansas to its officers, directors and key employees to purchase its stock at prices substantially lower than those paid by public investors; a 5 for 1 stock split by Arkansas; a 10% stock dividend made by Arkansas; the financial condition of Arkansas; the basis for increases in the selling price of Arkansas stock; the issuance of bonus shares of Arkansas to its advisory board members; the consideration paid by officers and directors of Arkansas for its stock; the safety of an investment in Arkansas; the action Arkansas could or would take in the event of default of the notes acquired by investors through participation in the secured earnings plan of Arkansas; sales by applicant of Arkansas stock; and the cost of Arkansas stock obtained by applicant.

It is further asserted in the Commission's order that the statement of financial condition contained in Applicant's registration application was false and misleading with respect to the market value of Arkansas stock and other securities held in inventory by Applicant.

At a hearing scheduled for September 16, 1959, in the Commission's Fort Worth Regional Office, inquiry will be conducted into the foregoing matters for the purpose of determining whether Applicant, the three named individuals, and Arkansas violated provisions of the Federal Securities Laws in the respects indicated and, if so, whether it is in the public interest to deny registration as a broker-dealer to Applicant.