

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.

(In ordering full text of Releases from Publications Unit, cite number)

FOR RELEASE September 29, 1959

WARD BAKING SEEKS INDENTURE QUALIFICATION

Ward Baking Company, 475 Fifth Ave., New York, filed an application (File 22-2653) with the SEC on September 25, 1959, for qualification under the Trust Indenture Act of a trust indenture pursuant to which \$1,121,600 of 5½% Subordinated Debentures due 1979 are to be issued. The debentures are to be issued and sold to Benjamin Wetzler, Trustee of Liberty Baking Corporation, debtor in reorganization proceedings under Chapter X of the Bankruptcy Act. In exchange for the debentures, Ward will receive all of the issuing and outstanding capital stock of Liberty's subsidiary, Bell Bakeries, Inc., which is engaged in the baking business. The trustee will distribute the debentures pro rata to holders of the outstanding Thirty Year Subordinated Sinking Fund Debentures of Liberty.

SEC SEEKS INJUNCTION AGAINST DAVIS - COLONIAL INVESTORS

The SEC Washington Regional Administrator announced the filing of a complaint (USDC, DC) on September 25, 1959, seeking to enjoin Robert H. Davis, doing business as Colonial Investors, from further violating anti-fraud and record keeping provisions of the Securities Exchange Act (Lit. Release No. 1495).

MEDANN & CO. REGISTRATION REVOKED

In a decision announced today (Release 34-6078), the SEC revoked the broker-dealer registration of K. Medann & Co., Inc., 1001 Franklin Ave., Garden City, N. Y., for failure to make and keep current certain books and records, as required by Rules of the Commission. Medann & Co. and its president and sole stockholder, Jack Kissell, waived a hearing, admitted the violation, and consented to revocation of the Medann & Co. registration.

JET-HEET, INC., FILES FINANCING PROPOSAL

Jet-Heat, Inc., Englewood, N. J., has filed an application with the SEC for an order of exemption under the Investment Company Act with respect to certain proposed transactions; and the Commission has issued an order (Release 40-2912) giving interested persons until 12:30 P. M., October 2, 1959, to request a hearing thereon.

According to the application, Jet-Heat is an engineering and licensing company providing development services for manufacturers seeking new products, largely in the field of heat transfer and thermomechanics. It has outstanding \$50,000 of 5% subordinated income debentures, \$20,000 of 6% notes, and 468,812 common shares. American Research and Development Corporation, Boston investment company, owns 195,220 shares of the stock, \$10,000 of the notes and \$32,752 of the 5% debentures. The remaining \$10,000 of notes are owned by Nathan W. Levin, a director of Jet-Heat.

Jet-Heat proposes to borrow an additional \$100,000 on its 6% subordinated notes; and certain modifications would be made in the provisions of the outstanding 5% debentures upon the consent of the holders of at least 97% in principal amount thereof. The president of Jet-Heat will be one of the purchasers of the new notes. An additional \$300,000 of the new 6% subordinated notes may be issued in the future.

It is further proposed that the authorized shares of Jet-Heat common stock be increased to 3,000,000 and that a total of 468,812 shares be sold to purchasers of the \$100,000 of 6% subordinated

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

notes at a price of one-tenth of one cent per share. The purchasers and the management have agreed that 31,254 of these shares be transferred to the holders of the \$20,000 of 6% notes now outstanding. Jet-Heat also has agreed to grant MacCracken, company president, a five-year option to purchase 134,000 common shares at 19¢ per share.

SEC FILES COMPLAINT AGAINST SALE OF GUILD FILMS STOCK

The SEC New York Regional Office announced September 25, 1959 (Lit. Release No. 1496) the filing of a complaint (USDC, SDNY) seeking to enjoin further sales of common capital stock of Guild Films Co., Inc., by the Bank of Santa Monica, California, Southwest Bank of Inglewood, California, and Hal Roach, Jr.

EUROFUND PROPOSES EUROPEAN CUSTODIAL ARRANGEMENT

Eurofund, Inc., New York, investment company, has applied to the SEC for an exemption order under the Investment Company Act permitting it to maintain abroad part of its assets in the custody of four European banks; and the Commission has issued an order (Release 40-2913) scheduling the application for hearing on October 20, 1959.

FIRST FINANCIAL CORP. FILES FOR OFFERING AND SECONDARY

First Financial Corporation of the West, 2650 Zoe Ave., Huntington Park, Calif., filed a registration statement (File 2-15652) with the SEC on September 28, 1959, seeking registration of 130,000 shares of capital stock, of which 20,000 shares are to be offered for sale by the issuing company and 100,000 (representing outstanding stock) by the present holders thereof. The stock is to be offered for public sale through William R. Staats & Co. The public offering price and underwriting terms are to be supplied by amendment.

Organized in 1955, the company is the surviving corporation of a merger with M. L. Investment Company. It now owns all the outstanding guarantee (capital) stock of Huntington Park First Savings and Loan Association, which is engaged in the savings and loan business in Los Angeles. The company conducts an insurance agency which makes fire and other insurance available to borrowers from the Association, acts as trustee under trust deeds securing loans by the Association, holds certain real properties for investment, and purchases notes secured by first or second deeds of trust. It had outstanding on August 31, 1959, 550,000 shares of stock. An additional 58,050 shares were subsequently issued in exchange for Association stock. The underwriter is to acquire 10,000 shares for cash at \$2 per share and in further consideration of its commitment to contribute \$20,000 to the capital of the company. Net proceeds to the company from its sale of the additional 20,000 shares of stock will be applied, with other funds, to the prepayment of the principal balance of and accrued interest on a term loan.

The selling stockholders are Robert L. Lynch, president (50,000 of 275,000 shares held); Charles E. and Howard F. Cook, vice presidents (25,000 of 137,500 shares each); and Cook Bros., a partnership composed of Charles E. and Howard F. Cook (50,000 of 275,000 shares).

BARTON'S CANDY CORP. PROPOSES STOCK OFFERING

Barton's Candy Corporation, 80 DeKalb Ave., Brooklyn, N. Y., filed a registration statement (File 2-15653) with the SEC on September 28, 1959, seeking registration of 175,000 shares of common stock, of which 150,000 shares are to be offered for public sale through an underwriting group headed by D. H. Blair & Company and 15,000 shares are to be offered for sale to employees. The public offering price and underwriting terms are to be supplied by amendment. An additional 10,000 of outstanding shares has been acquired by D. H. Blair & Company from the company's stockholders for \$5,000.

The company is engaged in the manufacture and sale of chocolates, candy, confections, and baked goods and the distribution of ice cream, nuts, toys and novelties. It now has outstanding 600,000 shares of stock and certain indebtedness. Of the net proceeds of the sale of additional stock, the company will use \$300,000 to finance accounts receivable; \$175,000 to purchase new machinery and equipment for factory and offices and for improvements to factory premises; \$150,000 for the construction of five additional retail shops and for improvements to existing retail shops. The balance will be available for working capital.

All but 10,000 shares of the outstanding stock are held by management officials, including 134,223 shares held by Stephen Klein, president.

PALESTINE ECONOMIC CORP. PROPOSES OFFERING

Palestine Economic Corporation, 18 East 41st St., New York, filed a registration statement (File 2-15654) with the SEC on September 28, 1959, seeking registration of 124,000 shares of its common stock, to be offered for public sale at \$25 per share. The offering is to be made by management officials; but the company may pay a 5% commission to persons assisting in the sale of the stock. The offering price is payable in cash, State of Israel bonds at par, or both.

The company is said to be an instrument through which Americans participate in the economic development of Israel on a business basis, and engages in enterprises of a varying nature. It now has outstanding 459,131 common shares and certain indebtedness, as well as 19,473 shares of "B" Stock. Net proceeds to the company from its sale of additional stock will be used in the ordinary course of its business, including \$1,250,000 for participation in the further development of Israel industry, \$700,000 for development of urban and suburban areas and erection of residential and factory buildings, \$400,000 for financing of exports from Israel, \$300,000 for banking credit, and \$250,000 for citriculture.

LIFE INS. CO. OF FLORIDA PROPOSES STOCK OFFERING

Life Insurance Company of Florida, 2546 S. W. 8th St., Miami, filed a registration statement (File 2-15655) with the SEC on September 28, 1959, seeking registration of 203,476 shares of common stock, to be offered for public sale at \$4.50 per share. The offering is to be made on a best efforts basis by Plymouth Bond & Share Corporation, for which it will receive a selling commission of 45¢ per share plus \$5,000 for expenses.

The company is engaged in the business of writing ordinary life and industrial life, health, accident and surgical insurance. It now has outstanding 246,424 common shares. Net proceeds of the sale of additional stock will be added to the company's general funds to permit it to expand its business through the enlargement of its agency funds and territory, or through acquisition of insurance from other insurance companies.

ZALE JEWELRY CO. FILES EMPLOYEE STOCK PLAN

Zale Jewelry Company, Inc., 512 South Akard St., Dallas, filed a registration statement (File 2-15656) with the SEC on September 28, 1959, seeking registration of 31,050 shares of common stock, to be offered to certain key employees of the company and its subsidiaries pursuant to Zale's Key Employee Stock Option Plan.

JOCELYN-VARN ASSOCIATES FILES FOR OIL OFFERING

Jocelyn-Varn 1960 Oil Associates, 310 KFH Bldg., Wichita, Kansas, filed a registration statement (File 2-15657) with the SEC on September 28, 1959, seeking registration of 100 units of Oil and Gas Exploration Agreements, to be offered for sale at \$20,000 per unit. The net proceeds will be applied against costs chargeable to the participants of selecting and acquiring property interests, of drilling test and development wells in 1960, plugging and abandoning each well which results in a dry hole, and where Jocelyn-Varn considers the same advisable providing tangible well and lease equipment for and completing or attempting to complete each well in which is found oil or gas sufficient to indicate possible commercial production, for acquiring producing properties, and for the purpose of otherwise administering each of the property interests.

Jocelyn-Varn is a co-partnership formed on September 16, 1959, by Meredith Jocelyn, Stewart Varn and Oscar Keesee, all of Wichita. It was created to conduct a general oil and gas exploration and development business.

CHADBOURN GOTHAM FILES FINANCING PROPOSAL

Chadbourn Gotham, Inc., 2417 North Davidson St., Charlotte, N. Car., filed a registration statement (File 2-15658) with the SEC on September 28, 1959, seeking registration of \$2,500,000 of 6% Convertible Subordinated Debentures, due 1974, with warrants to purchase 200,000 shares of common

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stock. The Company proposes to offer \$2,000,000 of the debentures for subscription by holders of its common stock at the rate of \$100 of debentures (with an attached warrant to purchase for cash 10 common shares) for each 100 common shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. R. S. Dickson & Company, Inc., is named as the principal underwriter.

According to the prospectus, J. Chadbourne Bolles, company president, purchased 152,984 of the 171,200 outstanding shares of the common stock of Davenport Hosiery Mills, Inc., of Chattanooga. Chadbourne proposes to offer its stockholders the right to subscribe for \$2,000,000 of the new debentures, with warrants to purchase 200,000 common shares. A part of the net proceeds (unspecified) and the remaining \$500,000 of the debentures (with warrants to purchase 50,000 shares) are to be paid to Bolles for 68,522 shares of the Davenport common. Davenport will redeem all the remaining 84,462 shares of its outstanding stock held by Bolles and any of the other outstanding shares of Davenport common tendered to that company for redemption. The cost to Bolles of the 152,984 shares of Davenport common was about \$4,500,000; and the present plan contemplates that Chadbourne's purchase of the 68,522 shares of Davenport common will be at a cost of about \$1,967,000 (which includes expenses incurred by Bolles) and that the surrender of the 84,462 shares to Davenport would be at an aggregate redemption price of about \$2,533,000. The remainder of the proceeds to Chadbourne of this financing will be added to working capital.

FIRST UNITED LIFE INS. PROPOSES RIGHTS OFFERING

First United Life Insurance Company, 475-79 Broadway, Gary, Indiana, filed a registration statement (File 2-15659) with the SEC on September 28, 1959, seeking registration of 158,236 shares of common stock. The company proposes to offer the stock for subscription at \$5 per share by its common stockholders of record October 15, 1959, at the rate of one new share for each four shares then held. No underwriting is involved.

Organized in 1956, the company is engaged in the insurance business in Indiana and five other states. It has experienced operational losses during each year of its existence, and a further loss for 1959 is expected. The company now has outstanding 624,479 common shares. Net proceeds of the sale of additional stock will be used to maintain the company's reserves and to facilitate continued expansion of its business.

RUBEROID SHARES IN REGISTRATION

The Ruberoid Co., South Bound Brook, Somerset County, N. J., filed a registration statement (File 2-15660) with the SEC on September 28, 1959, seeking registration of 290,000 shares of its capital stock. On September 30, 1959, the company will acquire all the assets of The Mastic Tile Corporation of America, of New York, in consideration of the assumption by Ruberoid of substantially all the liabilities of Mastic and the issuance to Mastic of 290,000 shares of Ruberoid stock. Mastic is to be liquidated and the Ruberoid stock will be distributed among its seven stockholders, Genevieve H. McCain, Seymour Milstein, Morris Milstein, Paul Milstein, Gloria Planzer, Harry C. Hachmeister and Harry A. Hachmeister. According to the prospectus, such persons may sell all or part of such shares from time to time; and, accordingly, Ruberoid seeks to register them.

ANTHONY POOLS FILES FOR SECONDARY

Anthony Pools, Inc., 5871 Firestone Blvd., South Gate, Calif., filed a registration statement (File 2-15661) with the SEC on September 28, 1959, seeking registration of 200,000 outstanding common shares, to be offered for public sale by the present holders thereof through an underwriting group headed by Marron, Edens, Sloss & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment. The underwriters have an option for five years to purchase at the offering price from the selling stockholders an additional 20,000 shares.

Organized under Delaware law on September 15, 1959, the company proposes to acquire substantially all the outstanding voting shares of Anthony Bros., Inc., Anthony Commercial Pools, Anthony Bros. Equipment Co., Concrete Sculptured Products and Abco Gunits, Inc., all California corporations, in consideration of the issuance of 800,000 shares of its stock. The company will engage in the design and installation of swimming pools for both private and commercial use. It also manufactures and sells related accessories.

The prospectus lists Myron Philip Anthony as president; and he is listed as the owner of 712,594 common shares (\$9.17). Additional blocks of 68,271 and 29,136 shares, respectively, are owned by Forrest E. and Alvin H. Anthony. The three propose to sell 145,000, 35,000 and 20,000 shares, respectively, of their present holdings.

CONETTA MFG. CO. FILES FOR STOCK OFFERING

Conetta Mfg. Co., Inc., 73 Sunnyside Ave., Stamford, Conn., filed a registration statement (File 2-15662) with the SEC on September 28, 1959, seeking registration of 100,000 shares of its Class A common stock, to be offered for public sale at \$4 per share. The offering is to be made on a best efforts basis by Vermilye Brothers, for which it will receive a selling commission of 68¢ per share plus \$12,000 for expenses. The company also has agreed to sell three-year warrants to the underwriter, at \$.001 per share subject to the warrant, to purchase 20,000 Class A shares at \$4 per share.

The company was organized under Delaware law on September 15, 1959, to acquire and operate The Conetta Tool and Die Company and its two subsidiaries. Conetta Tool was wholly owned by Louis D. Conetta and members of his family, who transferred to Conetta Mfg. all the outstanding stock of Conetta Tool in return for 150,000 shares of Class B common of Conetta Mfg., whereupon the two companies merged. The company operates in Stamford and is primarily engaged in the design, engineering and manufacture of small precision tools, dies, jigs and fixtures and in parts pre-fabrication by zinc die casting, metal stamping and machining. Its two Tennessee subsidiaries are engaged in the design, engineering, repair and manufacture of tools, dies and jigs and in parts prefabrication. Net proceeds of the sale of the Class A stock will be used to purchase or replenish funds expended for machinery and equipment to expand the company's parts prefabrication capacity and operations at a cost of from \$80,000 to \$100,000; to prepay a \$43,419 bank note; and for working capital.

The prospectus lists Louis D. Conetta as president and owner of 135,000 shares of the Class B stock. His brother and sister own the remaining 15,000 shares.

NATIONAL MUNSEY CO. PROPOSES OFFERING

National Munsey Company, 535 Fifth Ave., New York, filed a registration statement (File 2-15663) with the SEC on September 28, 1959, seeking registration of 293 Limited Partnership Interests, to be offered for sale in units of \$5,000. The offering is to be made on a best efforts basis by Tenney Securities Corporation, for which it will receive a commission of \$427 per unit.

National Munsey is a limited partnership organized in September 1959 with Louis Monas and five other individuals as its general partners and three individuals as original limited partners. It is offering to admit a number of additional limited partners. The partnership owns a contract to purchase the two parcels of land and buildings erected thereon known as The Munsey Building and The National Theatre Building in Washington, D. C. The aggregate purchase price is \$4,250,000. Seller has agreed to procure first mortgage financing in the sum of \$2,950,000; and the balance of \$1,300,000 cash is to be supplied by the partnership.

To effectuate the purchase and pay all the costs of this offering, the partnership will require \$1,530,000 in cash. Of this sum \$10,000 is to be contributed by each of the six general partners and \$5,000 by one of the original limited partners. The balance of \$1,465,000 is to be contributed by the additional limited partners to be admitted pursuant to this offering. The sum of \$1,530,000 will be applied as follows: \$1,300,000 to the purchase price of the properties including the refund of cash deposits made thereunder; \$125,000 for underwriting fee and \$105,000 to be paid to J. M. Tenney Corporation for which it has agreed to pay all expenses in connection with the acquisition of the properties, the formation of the partnership and this offering.

In consideration of the transfer of their interests in the purchase contract to the partnership, the partnership has agreed to repay the cash deposits made thereunder, to grant general partnership interests in the amount of \$20,000 (\$5,000 each to three and \$2,500 each to two individuals) and to grant \$100,000 limited partnership interests (\$20,000 to Robert Reale and \$80,000 to Jerry M. Tenney). Tenney is the sole stockholder of the underwriter.

The partnership will operate the properties. Shannon & Luchs Company of Washington, the real estate brokers in this transaction, have entered into an agreement to act as managing and leasing agents of the buildings for the partnership.

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DAYTON AVIATION RADIO PROPOSES RIGHTS OFFERING

Dayton Aviation Radio and Equipment Corporation, South Dixie Highway, Troy, Ohio, filed a registration statement (File 2-15664) with the SEC on September 28, 1959, seeking registration of 201,050 shares of common stock. The company proposes to offer 190,871 shares of this stock for subscription at \$1.50 per share by holders of outstanding stock at the rate of one new share for each four shares held. The record date is to be supplied by amendment. No underwriting is involved. An additional 22,667 shares are to be issued to convert a present indebtedness of \$34,000 owing to Louis Pitinsky, president, and Albert Sherwat, executive vice president, and their families; and an additional 18,025 shares are being registered, representing claims for stock sold by a former underwriter and for which payment was not received by the company, nor the claims in connection with the subscriptions not substantiated and said group of shares represent an additional liability. Certain officials have agreed to purchase up to 68,583 shares not subscribed by stockholders.

The major portion of the company's business is devoted to the design and manufacture of aircraft radio, communication and navigational equipment components, and certain types of test equipment. It now has outstanding 763,481 shares of stock in addition to various indebtedness. Of the net proceeds of the sale of additional stock, \$50,000 will be used to finance certain government contracts (in addition to V-Loan); \$157,000 to reduce accounts payable; and \$72,305 to increase working capital.

SHERATON CORPORATION FILES STOCK PLAN

Sheraton Corporation of America, Boston, filed a registration statement (File 2-15665) with the SEC on September 28, 1959, seeking registration of \$3,500,000 of memberships in the Sheraton Employees Savings Plan of the company and participating subsidiary companies, together with \$750,000 of debentures, \$500,000 of bonds, and 60,000 shares of common stock of the company which may be acquired pursuant to the said plan.

AMERICAN SERVICE SEEKS INDENTURE QUALIFICATION

American Service Company, 878 Memorial Drive, S. E., Atlanta, Ga., filed an application (File 22-2654) under the Trust Indenture Act on September 28, 1959, seeking qualification of a trust indenture covering \$1,500,000 of 4½% Cumulative Income Subordinated Debentures. According to the application, American Service and Handy Pantry, Inc., a Delaware corporation, are to be merged. The merger agreement provides, among other things, for a reclassification of the presently outstanding preferred stock of American. The debentures are to be issued for the preferred stock if, and when the merger becomes effective.

ADDITIONAL INVESTMENT COMPANY SHARES IN REGISTRATION

The following investment companies filed amendments on September 28, 1959, to their respective registration statements, seeking registration of additional securities, as indicated: (1) Puritan Fund, Inc. (File 2-11884), Boston, 2,000,000 additional shares of capital stock; (2) Scudder, Stevens & Clark Fund, Inc. (File 2-13627), Boston, 150,000 shares of capital stock; and (3) Scudder, Stevens & Clark Common Fund, Inc. (File 2-13628), Boston, 300,000 shares of capital stock.

HEARING ON MUTUAL FUND DISTRIBUTORS TRANSFERRED

The SEC today announced the transfer from St. Louis to its Main Office in Washington, of the hearing in proceedings under the Securities Exchange Act of 1934 to determine whether, in the offering and sale of stock of Managed Funds, Inc., St. Louis mutual fund, provisions of the Federal securities laws were violated by Mutual Fund Distributors, Inc., and T. C. A. Associates, Inc. (formerly Slayton & Company, Inc.) together with Hilton H. and Hovey E. Slayton, and, if so, whether it is in the public interest to revoke the broker-dealer registrations of the two named corporations.

Transfer of the hearing was pursuant to a stipulation of the parties and contemplates that the record of the prior "stop order" hearing involving Managed Funds, Inc., will be offered for the record of the present proceedings, following which there will be an adjournment to allow time for the parties to determine whether and the extent to which additional evidence should be presented.