

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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



Washington 25, D.C.

FOR RELEASE October 22, 1959

ALTEC COMPANIES EXEMPTED FROM REPORTING REQUIREMENT

The SEC has issued an order under the Securities Exchange Act of 1934 granting a Rule 15(d) application of Altec Companies, Inc., of New York, for exemption from the requirement for filing annual and other periodic reports.

According to the application, Altec has outstanding 335,000 common shares, of which in excess of 99% is owned by Ling Electronics, Inc. The remaining shares are owned by about 20 persons. The parent company, Ling Electronics, files periodic reports which include all events which would normally be reported by Altec.

TENNESSEE GAS TRANSMISSION PROPOSES PREFERRED STOCK OFFERING

Tennessee Gas Transmission Company, Houston, Texas, filed a registration statement (File 2-15748) with the SEC on October 21, 1959, seeking registration of 300,000 shares of Cumulative Convertible Second Preferred Stock (\$100 par), to be offered for public sale through an underwriting group headed by Stone & Webster Securities Corporation and White, Weld & Co. The dividend rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the stock sale will be applied against outstanding short-term notes issued under the company's revolving credit agreement, proceeds from which were used by the company in the expansion of its properties. The current expansion program will require expenditures of \$64,000,000.

HOWARD W. SAMS & CO., FILES FOR OFFERING AND SECONDARY

Howard W. Sams & Co., Inc., 1720 East 38th St., Indianapolis, Ind., filed a registration statement (File 2-15749) with the SEC on October 21, 1959, seeking registration of 88,000 common shares. Of this stock, 50,000 shares are to be offered for public sale for the account of the issuing company and 38,000 (representing outstanding stock) by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. The underwriters are Indianapolis Bond and Share Corporation, Walston & Co., Inc., and Kiser, Cohn & Shumaker, Inc.

The company recently was merged with two associated companies, The Waldemar Press, Inc. and The Howard Company, Inc. In November 1958 it purchased controlling interest of The Bobbs-Merrill Company, Inc., and owns 96.83% of its outstanding stock. Bobbs-Merrill is engaged in the general publishing business. The issuing company publishes "Photofact" folders containing service data for television and radio receivers and related equipment; "Counter Facts," a service for the distributor of electronic equipment; magazines and books. The company now has outstanding 374,450 common shares and 3,048 shares of \$50 par preferred stock. Net proceeds of its sale of additional stock will be used for working capital needed because of sales expansion and for payment of certain indebtedness.

The selling stockholders are Howard W. Sams, board chairman (30,000 of 183,926 shares held) and Donald B. Shaw, vice president (8,000 of 20,156).

BRUNSWICK-BALKE-COLLENDER FILES STOCK OPTION PLAN

The Brunswick-Balke-Collender Company, 623 South Wabash Ave., Chicago, filed a registration statement (File 2-15750) with the SEC on October 21, 1959, seeking registration of 351,516 shares of common stock, which are issuable upon exercise of options under the company's Restricted Stock Option Plan for key management personnel.

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For further details, call ST. 3-7600, ext. 5626

HAWTHORNE FINANCIAL FILES FOR SECONDARY

Hawthorne Financial Corporation, 301 South Hawthorne Blvd., Hawthorne, Calif., today filed a registration statement (File 2-15751) with the SEC seeking registration of 165,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through William R. Staats & Co. The public offering price and underwriting terms are to be supplied by amendment.

Hawthorne was organized under Delaware law in April 1959 for the purpose of acquiring all the outstanding guarantee stock of Hawthorne Savings and Loan Association; and it now owns all such stock. The Association is engaged in the savings and loan association in Los Angeles County. The company expects to operate, either directly or through subsidiaries, (1) an insurance agency which will assist the Association in making fire and other insurance available to borrowers from the Association and (2) a company which may act as trustee under trust deeds securing loans by the Association.

The company now has outstanding 565,000 shares of common stock. No person owns more than 10% of the stock. Officers and directors as a group own 211,788 shares, or about 37.5% of the outstanding stock. The names of the selling stockholders and the number of shares to be sold by each are to be supplied by amendment. The company has issued 10,000 shares to the underwriter for \$20,000, the stock having been acquired by the underwriter for investment. The prospectus lists Cecil O. Garton as president, Harold O. Chaney as vice president, and William H. Ritter as secretary-treasurer.

OXFORD CHEMICAL FILES FOR OFFERING AND SECONDARY

Oxford Chemical Corporation, 166 Central Ave., S. W., Atlanta, Ga., today filed a registration statement (File 2-15752) with the SEC seeking registration of 227,500 shares of Class A Common Stock. Of this stock, 35,000 shares are to be offered for sale by the company to its employees at \$4.55 per share. Any such shares not so purchased, plus an additional 72,500 shares, are to be offered for public sale by the company through underwriters at \$5 per share. The remaining 120,000 shares, representing outstanding stock, also will be offered for public sale through underwriters at \$5 per share by the present holders thereof. The Johnson, Lane, Space Corporation and two other firms head the list of underwriters; and the underwriting commission is to be 45¢ per share.

The company is engaged in the manufacture and sale of chemical products used in cleaning and sanitation maintenance; and it also sells industrial floor polishing machines, vacuum cleaners, sprayers for chemical compounds, and other miscellaneous equipment and supplies. It now has outstanding 120,000 Class A and 682,500 Class B common shares (in addition to certain indebtedness). Net proceeds to the company from its sale of the additional 107,500 shares will initially be added to its general funds. An outstanding \$200,000 bank loan will be retired, and the remaining proceeds of the offering will be used as additional working capital.

All of the 120,000 Class A shares are owned in equal amounts by Dave Center, board chairman, and Nat Sandler, president; and they propose to offer all such shares for public sale. They will continue to own in equal amounts all the outstanding Class B shares.

UNITED MERCHANTS FILES EMPLOYEE STOCK PLAN

United Merchants and Manufacturers, Inc., 1407 Broadway, New York, today filed a registration statement (File 2-15754) with the SEC seeking registration of \$500,000 of interests in its Employee Stock Purchase Plan, together with 30,000 common shares which may be issued pursuant to said plan. The registration statement also includes 56,500 common shares for issuance under the Executive Employee Restricted Stock Option Plan of 1951, and an additional 100,000 common shares for issuance under its Executive Employees Restricted Stock Option Plan for 1959.

WINKELMAN BROS. APPAREL FILES FOR OFFERING AND SECONDARY

Winkelman Brothers Apparel, Incorporated, 25 Parsons St., Detroit, today filed a registration statement (File 2-15753) with the SEC seeking registration of 145,000 shares of Class A common stock. Of this stock, 70,000 shares are to be offered for public sale by the issuing company and 75,000 shares, representing outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Watling, Lerchen & Co. of Detroit is listed as the principal underwriter.

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The company operates 39 specialty stores, 37 in Michigan and 2 in Ohio, selling ladies' fashion apparel in the moderate to better price lines. It now has outstanding (in addition to certain indebtedness) 179,127 Class A shares and 228,375 common shares. Net proceeds to the company from its sale of the additional 70,000 Class A shares will be added to its general funds and used for general corporate purposes, including the financing of an increased volume of accounts receivable, inventories and other working capital requirements resulting from the opening of additional stores.

According to the prospectus, all officers and directors as a group own 80,000 Class A shares (32.1%) and 129,950 common shares (56.9%). Isadora Winkelman, president, owns 111,075 common shares (48.6%) and 30,000 Class A shares (12%); and he proposes to sell all of his Class A shares. Josephine R. Winkelman and National Bank of Detroit, executors of the Estate of Leon G. Winkelman, Dec'd., propose to sell all their holdings of 32,500 Class A shares; and Alvin Winkelman proposes to sell all his 12,500 Class A shares. The said Executors also hold 71,000 common shares.

ADVANCE! Following for release in MORNING Newspapers of Friday, October 23, 1959.

The SEC today made public a preliminary report of the Director of its Division of Trading and Exchanges, discussing the results of an inquiry into the circumstances surrounding the distribution of "hot issues," those issues which on the first day of trading (frequently the offering date) sold at a substantial premium. Most of the issues were low-priced, had no public market prior to the offering and often involved companies in the electronics, missile and related defence fields (the so-called "glamour" stocks). The study, according to the Director, disclosed certain practices in connection with the distribution of these issues which may involve violations of the Federal securities laws; and the report was made public at this time so as to call these practices to the attention of the financial community in order that such law violations may be avoided. The inquiry is continuing and the staff will recommend to the Commission whatever further action it considers appropriate under the circumstances as a result thereof.

According to the Director's report, the practices in question involve the following elements: (1) in addition to allotments of the offered securities to its own customers and to selling group dealers, if any, the underwriter may allot a portion of the offering at the public offering price to trading firms active in the over-the-counter markets, who are expected to commence making a market in such securities and who sell their allotments at prices substantially in excess of the public offering price; and (2) allotments by underwriters and selling group dealers of a substantial portion of the securities acquired by them to "insiders," notwithstanding the fact that customers of such firms are unable to obtain a part of the original distribution and could only purchase the securities in the market at higher prices.

The Director's report points out the various circumstances under which such practices might violate the Federal securities laws. For details, see Release 33-4150.

SEC COMPLAINT CITES WILLIAMS AND ASSOCIATES

The SEC New York Regional Office announced the filing of a complaint on October 20, 1959 (USDC, NJ) seeking to enjoin Williams and Associates, of Newark, and William Angelo, Jr., a partner, from further violations of the anti-fraud and net capital provisions of the Securities Exchange Act. The complaint also seeks the appointment of a receiver for the partnership.

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