

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 November 13, 1959

INDIANA GENERAL CORPORATION SHARES IN REGISTRATION. The Indiana Steel Products Company, 405 Elm Street, Valparaiso, Ind., filed a registration statement (File 2-15828) with the SEC on November 12, 1959, seeking registration of 208,270 shares of common stock, \$1 par value, of Indiana General Corporation. The name of Indiana Steel will be changed to Indiana General Corporation, effective November 16, 1959, pursuant to the terms of a merger of General Ceramics into Indiana Steel. The merger, which has been approved by the stockholders, becomes effective November 16.

The 208,270 shares being registered represent shares of Indiana General common stock which were issued to the stockholders of General Ceramics pursuant to the terms of the merger. The prospectus states that all or part of these 208,270 shares may be sold from time to time by such stockholders on the Midwest Stock Exchange or otherwise at prices current at the time of sale. Indiana General will receive no part of the proceeds of any such sales.

TURNER TIMBER FILES FINANCING PROPOSAL. Turner Timber Corporation, 60 East 42nd Street, New York, N. Y., filed a registration statement (File 2-15829) with the SEC on November 12, 1959, seeking registration of \$2,000,000 of 6-3/4% Convertible Debentures due 1969 and 250,000 shares of Common Stock, 1¢ par value, to be offered for public sale, in units consisting of \$1,000 principal amount of debentures and 125 shares of common stock, at a price of \$1,001.25 per unit plus accrued interest from December 15, 1959. Frank P. Hunt & Co., Inc., is named as underwriter, on a "best efforts" basis, and will receive an underwriting commission of \$100 per unit.

According to the prospectus, the company is a Delaware corporation, organized on September 16, 1959, for the purpose of purchasing certain properties which the company's management believes contain substantial amounts of merchantable standing timber and deposits of coal and which the company intends to exploit on a commercial basis. It is or will be qualified to do business in the States of West Virginia, Kentucky, and North Carolina. The principal office of the company is located in Charlotte, North Carolina. If all the debentures and common stock included in the offering are sold, \$1,350,000 will be used to acquire certain properties, referred to as the "Ford-Peabody" property and the "Hines" property, and the balance will be applied to working capital. The company will not operate any business until it acquires the Ford-Peabody and the Hines properties.

FLORIDA TILE PROPOSES COMMON STOCK OFFERING. Florida Tile Industries, Inc., Lakeland, Fla., filed a registration statement (File 2-15830) with the SEC on November 12, 1959, seeking registration of 89,285 shares of Class A Common Stock, \$1 par value, to be offered for public sale through The Johnson, Lane, Space Corporation, as underwriter. The public offering price and underwriting terms are to be supplied by amendment.

Organized under the laws of the State of Florida on February 12, 1954, the company is engaged in the production, sale, and distribution of ceramic wall tile and trim. It has outstanding 175,980 shares of Class A Common Stock, \$1 par, and 60,000 shares of Class B Common Stock, \$1 par, in addition to certain indebtedness. As of August 31, 1959, the principal stockholders of the company were Leon R. Sikes, Sr., Chairman of the Board of Directors, who owned 20,520 shares of the Class A common and 10,200 shares of the Class B common; James W. Sikes, president and director, who owned 24,075 shares of the Class A common and 10,200 shares of the Class B common; Leon R. Sikes, Jr., who owned 22,320 shares of the Class A common and 10,200 shares of the Class B common; and Leon R. Sikes, Sr., James W. Sikes, and Leon R. Sikes, Jr., as trustees under a trust agreement, who owned 30,600 shares of the Class B common stock of record only. Other holders of more than ten per cent of any class of the company's securities were Jobis R. Watson, Robert C. Brown, Elmer Rich, Sr., and Elmer Rich, Jr., and Franklin J. Rich, as trustees under a trust agreement.

Of the net proceeds to be realized from the sale of the additional shares of Class A common stock, it is proposed that approximately \$87,500 will be used for the retirement of short term bank loans and approximately \$437,500 will be used to provide additional working capital and/or for general corporate purposes, of which approximately \$250,000 may be expended for additional facilities.

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

OVER

SOUTHERN GROWTH INDUSTRIES PROPOSES STOCK OFFERING. Southern Growth Industries, Inc., Greenville, South Carolina, filed a registration statement (File 2-15831) with the SEC on November 12, 1959, seeking registration of 963,000 shares of common stock, \$1 par value, to be offered for public sale at a price of \$5 per share. Capital Securities Corporation, the underwriter, will receive an underwriting commission of 50¢ per share. The underwriting is on a "best efforts" basis.

The company, which is a Federal Licensee under the Small Business Investment Act of 1958, is incorporated as a closed-end non-diversified management investment company and received its charter from the State of South Carolina on September 28, 1959. Its authorized capitalization is 1,000,000 shares of common stock, \$1 par value, and \$150,000 of 5% subordinated debentures. According to the prospectus, as of the effective date of the registration statement the \$150,000 of debentures will be outstanding; and, prior to the commencement of the public offering, the registrant will issue 34,500 shares of its common stock, \$1 par value, at a price of \$4.50 per share, for a total amount of \$155,250, to its officers and directors. Of these 34,500 shares, each of the following individuals will receive 6,000 shares: Bernard Castro, Chairman of the Board of Directors; Stephen A. Calder, vice president and director; and Emery F. Pomeroy, Roy A. McAndrews, and Frank G. Ernst, directors. Messrs. Calder, Castro, Pomeroy, McAndrews, and Ernst are among the owners of Capital Securities Corporation, the underwriter. Messrs. Calder, Castro, Pomeroy, McAndrews, and Ernst are also 12.5% holders of the stock of Capital Management Corporation, which is named as Southern Growth Industries' investment adviser.

ST. REGIS PAPER FILES FOR EXCHANGE OFFER. St. Regis Paper Company, 150 East 42nd Street, New York, N. Y., filed a registration statement (File 2-15833) with the SEC on November 12, 1959, seeking registration of 267,325 shares of common stock, \$5 par value, to be offered in exchange for outstanding shares of the common stock of Schmidt & Ault Paper Company on the basis of four and one quarter shares of St. Regis common for each share of common stock of Schmidt & Ault. St. Regis will declare the offer of exchange effective if 95% of the outstanding shares of Schmidt & Ault common stock are deposited for exchange, and may elect to do so if a lesser percent, but not less than 80%, of the Schmidt & Ault shares, are so deposited. St. Regis holds written options from five holders of a total of 50,611 shares, or approximately 80%, of the outstanding common stock of Schmidt & Ault, expiring November 30, 1959, providing for the exchange of Schmidt & Ault shares for shares of St. Regis common stock on the same basis of exchange as is contained in the offer of exchange.

St. Regis, directly or through subsidiaries, is engaged in various branches of the paper industry. Schmidt & Ault, of York, Pennsylvania, was incorporated in May 1903, under the laws of Pennsylvania and succeeded to the business of Codorus Paper Mill, a partnership established by Mr. John C. Schmidt and Mr. R. A. G. Ault, in 1897. Their predecessors had manufactured paper on the company's present site since 1798. Schmidt & Ault produces approximately three hundred tons of paper and paperboard a day, the principal grades being corrugating medium, container chip, tubing, building sheathing, indented, wrapping, set up, and specialties.

COASTAL STATES GAS FILES FOR SECONDARY. Coastal States Gas Producing Company, 200 Petroleum Tower, Corpus Christi, Texas, filed a registration statement (File 2-15832) with the SEC on November 12, 1959, seeking registration of 40,000 shares of common stock, \$1 par value. These shares were the subject of an option granted in February, 1956, by certain stockholders of the company to underwriters of the company's 5% convertible subordinated debentures. The option expires on December 31, 1959. None of the proceeds of this offering will be received by the company.

In connection with the sale of the company's 5% convertible subordinated debentures in February 1956, Blair & Co. Incorporated, as representative of the several underwriters, received the assignable right and option from certain stockholders of the company to purchase, at a price of \$5 per share, 40,000 shares of Class B stock of the company (since converted into common stock). Blair & Co. allocated the option to purchase such shares among the underwriters in proportion to their underwriting commitments, and Blair & Co. and certain of the other underwriters reassigned all or a portion of their respective interests in the option to partners or other persons who were associated at that time with the respective underwriters. Blair & Co. has agreed, subject to certain conditions, to purchase options and shares acquired by the exercise of the options. Shares of common stock purchased by Blair & Co. either from persons who exercised options held by them or upon the exercise of options purchased by it will be offered to the public at a price in relation to the market price prevailing upon the effectiveness of the registration statement. After deducting from the selling price compensation and reimbursement of expenses to it of \$1.25 per share and, in the case of each option, \$5.00 (the cost of the exercise thereof), Blair & Co. will remit the balance to the sellers from whom it purchased the respective options and shares.

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VICTOREEN INSTRUMENT PROPOSES DEBENTURE OFFERING. The Victoreen Instrument Company, 5804 Hough Ave., Cleveland, Ohio, filed a registration statement (File 2-15836) with the SEC today seeking registration of \$2,500,000 of 6% convertible subordinated debentures, due 1974, to be offered in coupon form in denominations of \$1,000 by an underwriting group headed by Van Alstyne, Noel & Co. The price to the public is to be 100% of principal, and the selling commission to underwriters 6%, plus counsel disbursements and other expenses in the amount of \$5,000.

Of the net proceeds from the sale of the debentures \$1,850,000 is to be used to retire a bank loan made in September, 1959, to acquire the assets of Standard Felt Company. The balance of the proceeds will become part of Victoreen's general funds and as such may be applied to any corporate purpose.

VIRGINIA-CAROLINA CHEMICAL CORP. FILES EMPLOYEES' STOCK PLAN. Virginia-Carolina Chemical Corp., 401 East Main Street, Richmond, Va., today filed a registration statement (File 2-15837) with the SEC seeking registration of \$1,500,000 of participations in its Stock Purchase Plan for Employees and 100,000 shares of common stock, without par value, purchasable under the plan.

SEC ORDER EXEMPTS AMERICAN INVESTMENT AND INCOME FUND PLANS. The SEC has issued an order under the Investment Company Act (Release 40-2924) granting an application of American Investment and Income Fund, Investment Plans, of Dallas, Texas, for a declaration that it has ceased to be an investment company within the meaning of that Act. According to the application, the applicant's sponsor, Washington Underwriters, Inc., has ceased to be the distributor for American Investment and Income Fund, issuer of the underlying shares in the Plans, and no longer desires to act as such sponsor. No public offering of the Plans has been made, and only two Plans, which were purchased by two individuals in the amount of \$50,000 each, are issued and outstanding.

BALDWIN SECURITIES OBTAINS EXEMPTION ORDER. The SEC has issued an order under the Investment Company Act (Release 40-2925) granting an application of Baldwin Securities Corporation, New York investment company, for an exemption order with respect to its relationship with General Industrial Enterprises, Inc. (For details, see News Digest of October 15, 1959, and Release 40-2919).

SEC ISSUES ORDER WITH RESPECT TO ONE WILLIAM STREET ACQUISITION. The SEC has issued an order under the Investment Company Act (Release 40-2926) permitting One William Street Fund to issue its shares at net asset value in connection with its acquisition of substantially all of the cash and securities of Wallau Corporation, a personal holding company with three stockholders which engages in the business of investing and reinvesting its funds.

SEC COMPLAINT CITES ROBERT BIALKIN. The SEC New York Regional Office announced November 10, 1959, the filing of a complaint (USDC, SDNY) seeking to enjoin Robert Bialkin, of Atlantic Beach, Long Island, N. Y., from violating provisions of the Securities Exchange Act of 1934 in connection with his transactions in the common stock of Artloom Industries, Inc. (Lit. Release No. 1515).

BANKERS SECURITIES CORP. STOCK DELISTED. The SEC has issued an order (Release 34-6119) granting an application of the Philadelphia-Baltimore Stock Exchange to delist the 6% preferred stock of Bankers Securities Corporation, effective at the close of the trading session on November 27, 1959, due to the fact that the issue is inactive on the Exchange.

CONANT & CO. REGISTRATION POSTPONED. The SEC has issued an order under the Securities Exchange Act of 1934 (Release 34-6118) postponing the effective date of registration of M. Paul Conant and Co., Inc., 42 Broadway, New York, N. Y., as a broker-dealer until final determination by the Commission of the question whether the company's application for registration should be denied. The Commission's denial proceedings, announced on November 2, 1959, were based on a decree entered in the Supreme Court of the State of New York, County of Kings, on May 7, 1930, permanently enjoining Michael Hynes (who at that time used the name Monroe Hein), president, director, and owner of 10% or more of the outstanding stock of the company, from engaging in or continuing certain conduct in connection with the purchase or sale of securities.

JACOBS CO. HEARING POSTPONED. The SEC today announced that, at the request of counsel for the Trustees of F. L. Jacobs Co., debtor in reorganization proceedings pursuant to Chapter X of the Bankruptcy Act pending in the U. S. District Court in Detroit, the hearing under the Securities Exchange Act of 1934 to determine whether the common stock of Jacobs Co. should be suspended or withdrawn from listing and registration on the New York Stock Exchange has been further postponed from November 16, 1959, to December 15, 1959.

The proceedings were instituted in February 1959 and involve the question whether F. L. Jacobs Co. has failed to comply with the disclosure and reporting requirements of the Act and, if so, whether its stock should be suspended or withdrawn from listing and registration on the Exchange. The hearing has been continued from time to time at the request of counsel for the Trustees in order to permit independent accountants to complete their audit of the company's books and records.

Trading in Jacobs Co. stock has been suspended pending developments in the delisting proceedings.

GUILTY VERDICTS RETURNED AGAINST PANDOLFO AND OTHERS. The SEC Denver Regional Office announced on November 10, 1959 (Lit. Release 1516), that the grand jury in the criminal trial in the United States District Court for the District of North Dakota, at Bismarck, returned guilty verdicts on November 9, against Samuel Parker Pandolfo, Alvin G. Martin, Edward L. Dux, Edward L. MacClain, Frederick C. Scadding, Stewart Pandolfo, Norton Guon, and Universal Securities, Inc. The indictments in the case charged violations of the Securities Laws and the Mail Fraud Statute. (See Lit. Releases 1395 and 1420.)

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