

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 November 30, 1959

Statistical Release No. 1643. The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended November 27, 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	
	11/27/59	11/20/59		High	Low
Composite	418.3	414.2	+1.0	441.3	400.1
Manufacturing	522.2	515.6	+1.3	554.2	490.7
Durable Goods	503.9	493.3	+2.1	527.7	457.8
Non-Durable Goods	529.0	526.0	+0.6	570.1	510.5
Transportation	319.4	320.4	-0.3	371.6	318.7
Utility	210.8	210.2	+0.3	231.8	207.1
Trade, Finance & Service	436.2*	435.3	+0.2	436.2	382.7
Mining	286.1	283.8	+0.8	360.4	283.8

*New High

NATIONAL HOMES WARRANTS IN REGISTRATION. National Homes Corporation, Earl Avenue and Wallace Street, Lafayette, Ind., filed a registration statement (File 2-15864) with the SEC on November 25, 1959, seeking registration of warrants for the purchase of 60,100 shares of its Class B Common Stock, \$0.50 par value, expiring September 30, 1969, to be offered for public sale by White, Weld & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company, which is in the business of manufacturing prefabricated houses, in 1957 and 1958 issued to nine insurance companies and banks warrants covering 361,191 shares of its Class B common stock, pursuant to note agreements under which the purchasers acquired \$6,700,000 of outstanding 6% notes of the company together with the warrants. The warrants being offered represent portions of the warrants held by seven of those purchasers. The company has outstanding, in addition to indebtedness of approximately \$30,000,000, 2,530,750 shares of Class A common stock, \$0.50 par value, and 1,878,192 shares of Class B common stock, \$0.50 par value.

STA-BRITE FLUORESCENT PROPOSES COMMON STOCK OFFERING. Sta-Brite Fluorescent Manufacturing Company, 3550 N. W. 49th Street, Miami, Fla., filed a registration statement (File 2-15867) with the SEC on November 27, 1959, seeking registration of 140,000 shares of common stock, 10¢ par value, to be offered for public sale through Charles Plohn & Co., underwriter, on a "best efforts" basis, at a public offering price of \$5.00 per share and with a selling commission of \$.75 per share.

The company is principally engaged in the manufacture and sale of commercial and residential electric lighting fixtures. It has a wholly-owned subsidiary, Sta-Rite Muffler Shops, Inc., which operates two muffler and brake shops in Miami. Sta-Brite Fluorescent has outstanding 160,000 shares of common stock, 10¢ par value, of which Alice Furman, wife of Nat Furman, president, owns 48,000 shares (or 30%); Charlotte Kandel, wife of Sydney Kandel, vice president, treasurer, and chairman of the board, owns 48,000 shares (or 30%); Charles Plohn & Co. owns 30,000 shares (or 18.75%); and officers and directors of the company as a group own 24,000 shares (or 15%), exclusive of the 96,000 shares (or 60%) owned in the aggregate by Mrs. Furman and Mrs. Kandel. Following the sale of the 140,000 shares proposed to be offered, the Furmans and Kandels will continue to own an aggregate of 120,000 shares (or 40%) of the 300,000 shares then to be outstanding.

Of the net proceeds from the stock offering, \$74,000 will be applied to plant improvements; \$139,000 to opening new muffler and brake shops; \$150,000 to new product engineering and promotion; \$100,000 to advertising; and \$77,000 to working capital.

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For further details, call ST. 3-7000, ext. 5526

LANCER INDUSTRIES FILES FOR STOCK OFFERING. Lancer Industries, Inc., 22 Jericho Turnpike, Mineola, N. Y., filed a registration statement (File 2-15868) with the SEC on November 27, 1959, seeking registration of 200,000 shares of 70¢ convertible preferred stock, \$10 par value, to be offered for public sale at \$10 per share through Charles Flohn & Co., underwriter, on a "best efforts" basis. The underwriter will receive a selling commission of \$1.25 per share for each share sold. The company has agreed, if not less than 120,000 shares are sold, to sell to the three partners in the firm of Charles Flohn & Co., at a price of one mill per warrant, warrants for the purchase of 42,500 shares of common stock, exercisable for five years, at a price of \$4 per share.

The company and its wholly-owned subsidiary, Lancer Pools Corp., engage in the manufacture and sale of laminated fiberglass swimming pool shells. Lancer Industries has outstanding 312,120 shares of common stock, of which Alfred Dallago, secretary-treasurer and director, owns of record and beneficially 128,010 shares (41%). Directors and officers of the company as a group own of record and beneficially 148,920 shares (47.7%) of the common stock. Proceeds from the sale of the preferred stock are to become initially part of the company's general funds and, as such, may be applied to any corporate purposes. The prospectus states that, if the minimum proceeds of \$1,020,000 are realized, the company anticipates the application of such proceeds during the coming year toward expansion activities, substantially as follows: \$455,000 to the purchase of raw materials, inventories, and supplies; \$125,000 to selling, advertising, and sales promotional expense; \$130,000 for salaries for executive and sales personnel; \$60,000 for rental of plants, offices, and displays; \$30,000 for research and development; and the balance for working capital.

TEXAS INSTRUMENTS FILES STOCK OPTION PLAN. Texas Instruments Incorporated, 100 Exchange Park North, Dallas, Texas, filed a registration statement (File 2-15869) with the SEC on November 27, 1959, seeking registration of 150,000 shares of common stock, \$1 par value, to be issued under its Stock Option Plan for officers and key employees of the company and its subsidiaries.

TEXAS NATIONAL PETROLEUM PROPOSES OFFERING OF DEBENTURES AND WARRANTS. Texas National Petroleum Co., 902 South Coast Building, Houston, Texas, filed a registration statement (File 2-15870) with the SEC on November 27, 1959, seeking registration of \$6,500,000 of 6½% Sinking Fund Subordinated Debentures due January 1, 1975, and warrants for the purchase of 650,000 shares of common stock, \$1 par value. The debentures and warrants are to be offered in units, each consisting of a \$500 debenture and a warrant for the purchase of 50 shares of common stock. Dean Witter & Co. and Cruttenden, Rodesta & Co. are named as principal underwriters. The public offering price of the units and the underwriting terms are to be supplied by amendment.

The company is engaged primarily in the business of exploring, acquiring interests in, developing, and operating oil and gas properties, principally in Texas and New Mexico. The prospectus states that the company has entered into an agreement with Utah Southern Oil Company, a Utah corporation with properties located chiefly in Colorado and Wyoming, to purchase all of the properties and assets of USO for \$19,200,000, and has agreed to assume substantially all of the liabilities and obligations of USO, including liabilities which may be incurred in the liquidation and dissolution of USO. The company had outstanding as of August 31, 1959, 3,323,524 shares of common stock, in addition to indebtedness in an amount of approximately \$3,400,000. In connection with the acquisition of the USO properties the company has entered into loan agreements for the purchase by a bank and by several institutional investors of an aggregate amount of \$15,000,000 of mortgage notes. Of the net proceeds of the mortgage notes and of the debentures and warrants proposed to be offered, a portion will be applied toward the discharge of the company's outstanding short-term bank loans and long-term indebtedness; \$19,200,000 will be applied to the payment under the USO agreement of the purchase price for the USO properties; and the balance will be used for the company's general corporate purposes, including the discharge of liabilities assumed under the USO agreement and the further development of the company's proved reserves. The prospectus states that, while the company has no definite plans for the acquisition of additional producing or non-producing properties, part of the proceeds of the present financing may be applied toward this purpose.

GREER HYDRAULICS FILES FOR RIGHTS OFFERING. Greer Hydraulics, Inc., Jamaica, N. Y., filed a registration statement (File 2-15871) with the SEC on November 27, 1959, seeking registration of additional shares of its common stock, 50¢ par value, to be offered for subscription by the company's common stockholders. The subscription price and other terms of the proposed subscription offer, as well as the underwriting terms, are to be supplied by amendment. Burnham and Company is listed as the principal underwriter.

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The net proceeds of the stock sale will be applied first to the payment of the costs involved in the relocation of the company's operations from New York, N. Y., to Los Angeles, Calif., the cash expenditure for which is estimated to be not in excess of \$300,000. The balance of the net proceeds will be used to reduce current obligations of the company and for general corporate purposes.

SCOTT PAPER FILES EMPLOYEES' STOCK PURCHASE PLAN. Scott Paper Company, Front and Market Sts., Chester, Pa., filed a registration statement (File 2-15872) with the SEC on November 27, 1959, seeking registration of 41,322 of the company's common shares, without par value, to be offered to employees under the company's Employees' Stock Purchase Plan for 1960.

BOWERS, MONIHAN & LITTLE PROPOSES OFFERING OF OIL AND GAS UNITS. Bowers, Monihan & Little, Inc., 1101 Pere Marquette Building, New Orleans, La., filed a registration statement (File 2-15873) with the SEC on November 27, 1959, seeking registration of \$2,500,000 of participating units in Resources Development Fund 1960 and 80,000 shares of common stock, \$1.50 par value, of Bowers, Monihan & Little, Inc. Solicitations for subscriptions to the participating units in Resources Development Fund 1960 at a minimum subscription of \$25,000 per unit will be made by Bowers, Monihan & Little, Inc., as promoter and underwriter, on a "best efforts" basis, with an underwriting commission of \$1,000 per unit. The company will offer the shares of its common stock at a price of \$1.50 per share.

Bowers, Monihan & Little, Inc., is a Texas corporation organized in October 1959. The prospectus states that the company proposes to conduct a general oil and gas business which may eventually include activities in the fields of oil and gas refining, marketing, and transportation, as well as exploration and production. For the present, the primary function of the company will be to underwrite and manage Resources Development Fund 1960 and subsequent funds. In this capacity, the company will act for the investors comprising the Fund, in the acquisition, supervision, and management of oil and gas prospects of a developmental nature. The company has outstanding 43,998 shares of common stock, of which Alexander S. Bowers, Daniel J. Monihan, and Jean M. Little, officers and promoters of the company, each owns 8,000 shares. In addition Messrs. Bowers, Monihan and Little each hold an option to acquire an additional 10,000 shares.

The Resources Development Fund 1960 will be established if minimum subscriptions of \$500,000 to the Fund are received by March 31, 1960. The proceeds of the Fund will be used by Bowers, Monihan & Little in carrying out a drilling program in proved and semiproved areas in 1960. The Fund, if it is established, will pay the following sums to Bowers, Monihan & Little, which amounts will correspondingly diminish the proceeds of the Fund directly available for use in carrying out a drilling program: a 4% underwriting commission for distribution of the participating units; a service charge of 3% of expenditures from the Fund directly attributable to the drilling, testing, completing, equipping, and abandoning of wells; and reimbursement of certain administrative costs incurred by Bowers, Monihan & Little in connection with the formation of the Fund and its management. In the event minimum subscriptions to the Fund of \$500,000 are not received by March 31, 1960, the Fund will not be established, and the administrative expenses otherwise reimbursable by the Fund will be paid by the company.

Net proceeds of the sale of the 80,000 shares of common stock of Bowers, Monihan & Little will be added to the working capital of the company.

AMERICAN PIPE AND CONSTRUCTION FILES EMPLOYEE STOCK PLANS. American Pipe and Construction Co., 390 South Atlantic Boulevard, Monterey Park, Calif., filed a registration statement (File 2-15874) with the SEC on November 27, 1959, seeking registration of 100,000 shares of its common stock, \$1 par value, to be offered to its employees under its Restricted Key Employee Stock Option Plan - 1959 and its Employee Stock Purchase Plan.

SOUTHLAND OIL PARTICIPATIONS IN REGISTRATION. Southland Oil Ventures, Inc., 2802 Lexington, Houston, Texas, filed a registration statement (File 2-15875) with the SEC on November 27, 1959, seeking registration of \$2,000,000 of participations in its 1960 Oil and Gas Exploration Program, to be offered to the public in units of \$5,000, with a minimum commitment of \$10,000. The participations will be offered by the officers of the company on a best efforts basis and by certain investment firms who will receive an underwriting commission of 3% of the amount solicited and raised by them, together with working interests. Proceeds of the offering will be used by Southland to carry out the operations of the Exploration Program.

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TELEPROMPTER CORP. PROPOSES COMMON STOCK OFFERING. Teleprompter Corporation, 311 West 43rd Street, New York, N. Y., filed a registration statement (File 2-15876) with the SEC on November 27, 1959, seeking registration of 125,000 shares of common stock, \$1 par value, to be offered for public sale through an underwriting group headed by Bear, Stearns & Co. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also covers 26,666 additional shares which are proposed to be issued in connection with the acquisition of Antennavision of Silver City, Inc., and the proposed acquisition of Farmington Community Television, Inc., and Rawlins Community Television Company.

The prospectus states that on November 2, 1959, Teleprompter acquired for \$150,000 cash the business as a going concern and all assets, free of liabilities, except for cash, of Antennavision of Silver City, Inc., a New Mexico corporation, which owns and operates a community antenna television system in Silver City, N. M. Pursuant to agreements dated November 25, 1959, Teleprompter proposes to acquire, for \$486,000 cash and 21,600 shares of common stock, the business of Farmington Community Television, Inc., a New Mexico corporation which owns and operates a community antenna TV system in Farmington, N. M., and to acquire, for \$111,000 cash and 5,066 shares of common stock, the business and assets of Rawlins Community Television Company, a Wyoming corporation which owns and operates a community antenna system in Rawlins, Wyoming. In connection with the acquisition of Farmington, Teleprompter will also purchase for \$90,000 cash the microwave relay facilities of Shirley Basin Transmission Company; and in connection with the acquisition of Rawlins, Teleprompter will purchase for \$3,000 cash all outstanding capital stock of Rawlins Music, Inc.

Of the net proceeds from the sale of stock, \$150,000 will be used to reimburse Teleprompter's treasury for the cash purchase price of the assets of Antennavision; \$690,000 will be used for the cash portion of the proposed further acquisitions; and approximately \$100,000 will be used for the prepayment in full of the unpaid balance of a bank note due December 31, 1960.

FAIRCHILD CAMERA SHARES IN REGISTRATION. Fairchild Camera and Instrument Corporation, Syosset, Long Island, N. Y., today filed a registration statement (File 2-15877) with the SEC seeking registration of 39,802 outstanding shares of common stock. The company in October issued 19,901 common shares to the then stockholders of Fairchild Semiconductor Corporation in exchange for all the outstanding shares of capital stock of the latter. On November 30, 1959, by reason of a 2-for-1 split of Fairchild's outstanding common stock, such number of shares was changed into 39,802 shares. The 39,802 shares are being registered so that a prospectus may be available for use by the original holders of such shares who may wish to offer or sell all or part of the shares.

LAYMEN LIFE INSURANCE FILES FOR OFFERING AND SECONDARY. Laymen Life Insurance Company, 1047 Broadway, Anderson, Ind., today filed a registration statement (File 2-15878) with the SEC seeking registration of 175,000 shares of common stock. The Insurance Company is merging with Laymen of the Church of God which Society owns 197,150 shares of the company's common stock. The Society proposes to offer 140,000 shares of the Insurance Company stock for public sale; and the balance of 35,000 shares are to be offered for sale by the Insurance Company. The name of the underwriter, together with the public offering price and underwriting terms, is to be supplied by amendment.

The Society is obligated under the agreement of merger with the Company to offer and sell such part of the Company's stock which it owns as is necessary to establish the reserves which the Society would be required to maintain if it were organized as a legal reserve life insurance company rather than an assessment life insurance company. To the extent necessary, the net proceeds from the sale of the Society's 140,000 shares of the Company's stock will be used to establish such reserves, following which the Society will be merged into the Company.

The net proceeds from the sale of the 35,000 shares of the Company's common stock to be issued and sold to the Underwriter will be added to the Company's general working capital to permit it to expand its business through the expansion of its sales force and territory. The Company anticipates that the new funds will enable it to absorb acquisition costs resulting from any increase in new business. No portion of the net proceeds has been allocated for any particular purpose.

SIMPLICITY MANUFACTURING FILES FOR OFFERING AND SECONDARY. Simplicity Manufacturing Company, 336 South Spring St., Port Washington, Wisconsin, today filed a registration statement (File 2-15879) with the SEC seeking registration of 397,192 shares of Class A common stock, of which 100,000 shares are to be offered for public sale by the issuing company and 297,192 shares, representing outstanding stock, by the present holders thereof. A. C. Allyn and Company Inc., is listed as the principal underwriter. The public offering price and underwriting terms are to be supplied by amendment.

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The company produces the larger types of power lawn and garden equipment. It proposes to reclassify its issued and outstanding common stock into 300,852 Class A and 103,572 Class B shares, effective in January 1959. It also has outstanding 4,872 shares of \$100 par preferred stock. Net proceeds to the company from its sale of the additional 100,000 Class A shares will be used for general corporate purposes, and will lessen the need for short-term bank loans for working capital.

According to the prospectus, officers and directors as a group now own in excess of 86% of the outstanding Class A and Class B shares. The prospectus lists six selling stockholders. They include William J. Niederkorn, president, who proposes to sell 137,067 of his holdings of 184,254 Class A shares, and Eric William Passmore, executive vice-president, treasurer, and general counsel, who proposes to sell 98,515 of his holdings of 132,430 shares.

KANSAS CITY POWER PROPOSES BOND OFFERING. Kansas City Power & Light Company, 1330 Baltimore Ave., Kansas City, Mo., today filed a registration statement (File 2-15880) with the SEC seeking registration of \$20,000,000 of First Mortgage Bonds, Series due 1990, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be used to retire short-term bank loans, and the balance, if any, will be added to working capital and ultimately will be utilized to defray construction costs. Bank loans aggregated \$14,000,000 at November 30, 1959, and are expected to total \$20,000,000 before the new bonds are sold. The company estimates its construction expenditures at \$23,300,000 for the fourteen months ending December 31, 1960.

SECURITIES ACT RULE PROPOSAL DROPPED. The SEC today announced that it had discontinued further consideration of a proposed Rule 144 under the Securities Act of 1933 which would have defined the term "transactions by an issuer not involving any public offering" in Section 4(1) of the Act and the term "distribution" in Section 2(11) as not including certain proposed activities by the International Bank for Reconstruction and Development. The Commission's announcement stated that since publication of the proposal (Release 33-4028) on February 10, 1959, it has become clear that there is no present need for the suggested rule.

REVISION OF STABILIZING RULE PROPOSED. The SEC today announced a proposal for revision of its Rule 10b-7 under the Securities Exchange Act of 1934 to make it unlawful to effect any stabilizing transaction except for the purpose of facilitating a particular distribution of securities. The rule would continue to prohibit stabilizing to facilitate a distribution at the market. The Commission invited the submission of comments on the proposal on or before January 15, 1960.

The Commission's announcement stated, "As is generally known, the Commission has been continually studying the problem of whether and to what extent stabilizing should be prohibited and in what areas it should be regulated and how." In 1955, after obtaining the written views and comments of interested persons, and after a public hearing on the subject, the Commission adopted its Rules 10b-6, 7 and 8 prohibiting certain manipulative activities and regulating others in connection with the distribution of securities. Rule 10b-7 regulates stabilizing for the purpose of facilitating a distribution, and prohibits any person from making any stabilizing bid or purchase in connection with a distribution except in compliance with that rule. In general, the rule requires that such purchases be limited to those necessary to prevent or retard a decline in the open market price of the security, that they be made at price levels restricted as provided in the rule, that purchasers be given notice that the market is being stabilized, and that the Commission receive appropriate notice and reports.

The Commission has become aware that certain persons have been effecting open market purchases which are intended to create trading activity, or to affect the price of a particular security, under circumstances which do not relate to or are not intended to facilitate a distribution. For example, there have been situations in which persons who have borrowed substantial amounts of money on loans collateralized by stock, and who, when they find that the collateral is becoming inadequate because of a decline in the price of the stock, purchase the security in the open market to "stabilize" the price of the stock and to maintain the value of their collateral. There have been other situations in which issuers or other persons not contemplating any distribution, but interested in "improving" or "stimulating" or "stabilizing" the existing market for a particular security, undertake to make open market purchases of the security. Persons bidding for or purchasing a security for the purpose of affecting the price, otherwise than to facilitate a distribution, may contend that their activities constitute stabilization which is not prohibited in the absence of a Commission rule, rather than illegal manipulation.

The announcement stated that it has been suggested that bids and open market purchases which are intended to affect the price of a security should be prohibited when they are not necessary to facilitate a particular distribution of securities. It is contended that while stabilizing

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may be in the public interest when it is done in connection with a distribution, because it facilitates an expeditious and orderly distribution and avoids disruption of the existing market for the security, conditions which are necessary under the American system of public financing, no such reason to justify the activity exists in other cases. The Commission's proposal would prohibit all bids or purchases of a security which are intended to peg, fix or stabilize the price of a security unless such transactions are for the purpose of facilitating a particular distribution of securities.

(For the text of the proposed amendment to the rule, see Securities Exchange Act Release No. 6127.)

AMERICAN NATURAL GAS PLAN APPROVED. The SEC has issued an order (Release 35-14102) approving the plan, as modified, filed by American Natural Gas Company, pursuant to Section 11 (e) of the Holding Company Act, providing for the elimination of the company's 6% cumulative non-redeemable \$25 par value preferred stock from its capital structure upon the payment of \$32.50 per share plus accrued dividends. In a decision announced on November 16, 1959, (Release 35-14089), the Commission stated that it would approve the plan if certain amendments were filed. The company having modified its plan in accordance with the Commission's decision, the Commission issued its order approving the modified plan.

IROQUOIS BUILDING CORP. OBTAINS EXEMPTION. The SEC has issued an order (Release 35-14103) exempting from the provisions of certain rules under the Holding Company Act the proposed dissolution of Iroquois Building Corporation, a wholly-owned non-utility subsidiary of National Fuel Gas Company, holding company, and the transactions incident to such dissolution. Iroquois is to be dissolved, and, after the payment of current liabilities, all of its remaining assets, consisting solely of cash and government securities, are to be distributed to National.

TWO BROKER-DEALER HEARINGS POSTPONED. At the request of counsel for Bruns, Nordeman & Company, New York, N. Y., the Commission has postponed the hearing in its proceedings under the Securities Exchange Act of 1934 involving that firm from December 1, 1959, to January 5, 1960. The Commission also postponed, pending further order, the hearing scheduled to be held on this date in proceedings under the Securities Exchange Act of 1934 involving A. J. Grayson & Co., Incorporated, New York, N. Y., A. J. Grayson & Co. of Maryland, Inc., Baltimore, Md., and A. J. Grayson & Co., of New Jersey, Inc., Newark, N. J.

TEMPORARY ORDER RESTRAINS A. R. RHINE AND JESS M. PADDOCK. The SEC Denver and Seattle Regional Offices announced on November 20, 1959, that a Federal Court Order had been issued temporarily restraining A. R. Rhine of Lakewood, Colo., Jess M. Paddock, of Greeley, Colo., A. R. Rhine, doing business as Rhine Petroleum Industries, and A. R. Rhine, doing business as Majestic Petroleum Company, from the further sale of fractional undivided interests in oil and gas rights in violation of the registration and anti-fraud provisions of the Securities Act of 1933. (Lit. Release No. 1524)

SEC ACTION NAMES R. G. WILLIAMS & CO., INC. The SEC New York Regional Office announced on November 24, 1959, the filing of a complaint (USDC, SDNY) seeking to enjoin R. G. Williams & Co., Inc., New York, N. Y., and Robert Williams, its president, from further violating the anti-fraud provisions of the Securities Laws and the Commission's net capital rule. (Lit. Release No. 1525)

PROXY SOLICITING BY DYER ENJOINED. The U. S. District Court in St. Louis permanently enjoined J. Raymond Dyer from soliciting proxies from stockholders of Union Electric Company unless he complies with the SEC proxy rules. (Lit. Release No. 1526)

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