

# 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 April 18, 1960

Statistical Release No. 1674. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended April 14, 1960, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1960, is as follows:

	1939 = 100		Percent Change	1960	
	4/15/60	4/8/60		High	Low
Composite	404.5	404.3	0.0	432.5	391.2
Manufacturing	484.8	487.1	- 0.5	538.9	472.0
Durable Goods	468.0	468.7	- 0.1	521.6	453.4
Non-Durable Goods	490.9	494.6	- 0.7	544.4	479.9
Transportation	295.8	294.6	+ 0.4	329.3	290.7
Utility	237.6*	233.3*	+ 1.8	237.6	216.1
Trade, Finance & Service	437.3	435.8	+ 0.3	446.5	414.7
Mining	266.0	264.7	+ 0.5	299.7	264.7

\*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended April 14, 1960, 27 statements were filed, 25 became effective, two were withdrawn, and 400 were pending at the week end.

SEC ORDER CITES SECURITIES DISTRIBUTORS. The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether it is in the public interest to revoke the broker-dealer registration of Securities Distributors, Inc., 37 Wall Street, New York.

The proceedings are based upon federal and state court injunctions. According to the order, Securities Distributors and its president, Rolf Wurtz were enjoined in December 1954 by federal court order (USDC SDNY) from further violations of the Commission's net capital rule; and the company was enjoined in January 1958 by the Supreme Court of New York County from engaging in securities transactions within the State of New York.

A hearing will be held at a time and place later to be announced, for the purpose of taking evidence with respect to the foregoing.

FORM 9-K REPORTING CLARIFIED. The SEC today announced the adoption of clarifying amendments to its Form 9-K requirement for semi-annual financial reports required of certain issuers having securities registered on a national securities exchange pursuant to the Securities Exchange Act of 1934 and certain issuers which have registered securities for public offering under the Securities Act of 1933.

According to the Commission, many of the semi-annual reports filed on Form 9-K are deficient because of a failure to follow the instructions contained in the form. In order to give greater prominence to the instructions and bring them to the attention of persons preparing the report, the general instructions have been placed ahead of the form and the instructions as to particular captions have been placed under the respective captions to which they apply. In addition, certain minor changes have been made in the form and instructions.

SEC GRANTS TOWNSEND MANAGEMENT REQUEST. The SEC has issued an order under the Investment Company Act (Release 40-3017) granting a request of Townsend Management Company for exemption from the Act to the extent necessary to fill two vacancies on its board of directors at the annual meeting of stockholders on April 27, 1960.

ORDER GRANTS GRAHAM-PAIGE EXEMPTION. The SEC has issued an order under the Investment Company Act (Release 40-3018) granting an exemption from that act with respect to certain transactions incident to the merger of Madison Square Garden Corporation with and into Graham-Paige.

OVER

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

**JERSEY CENTRAL POWER FINANCING PROPOSAL.** The SEC has issued an order under the Holding Company Act (Release 35-14211) giving interested persons until May 5, 1960, to request a hearing upon a financing proposal filed by Jersey Central Power & Light Company. As previously reported, Jersey Central Power proposes to issue and sell \$10,000,000 of bonds at competitive bidding and an additional 300,000 common shares to its parent, General Public Utilities Corporation. The proceeds of the sale of the securities will be used to finance, in part, the company's 1960 construction program estimated at \$18,400,000 and, in part, to repay bank loans and partially reimburse its treasury for previous construction expenditures.

**ORDER DENIES INVESTORS DIVERSIFIED REQUEST.** In a decision announced today (Release 40-3015), the Commission denied an application filed by Investors Diversified Services, Inc. ("IDS"), Minneapolis, and five open-end investment companies whose shares are distributed by IDS, for an exemption from Section 22(d) of the Investment Company Act and Rule 22d-1 thereunder. The exemption requested would permit the applicant companies to continue selling shares of the open-end companies to three associations for the accounts of the individual members of such associations, at reduced sales loads based upon the aggregate quantity of purchases made by all the members of the association to which the individual belongs.

The Associations in question are the University Retirement Investment Association, organized by faculty and staff personnel of the University of Minnesota; the Los Angeles Physicians Retirement Association, organized by physicians in Los Angeles County, California; and the Los Angeles Dentists Retirement Association, organized by dentists in Los Angeles County. The Commission concluded that a showing had not been made by applicants which would entitle them to a special exemption from the provisions of Rule 22d-1 governing group purchases, and that the exemption would be inconsistent with the provisions of Section 22(d) which prohibits a registered investment company from selling its redeemable shares to any person except at a current public offering price described in its prospectus.

**WALTHAM PRECISION INSTRUMENT FILES FOR RIGHTS OFFERING.** Waltham Precision Instrument Company, Inc., 221 Crescent Street, Waltham, Mass., filed a registration statement (File 2-16471) with the SEC on April 15, 1960, seeking registration of 700,000 shares of common stock. It is proposed to offer this stock for subscription by common stockholders, the record date, subscription rate and subscription price to be supplied by amendment. The company will pay securities dealers 10¢ for each share issued pursuant to the exercise of subscription rights. It has agreed to pay Schweickart & Co. \$10,000 for financial advice and services and to issue to such firm warrants to purchase 10,000 common shares. Schweickart has agreed to form a group of dealers for the purpose of obtaining subscriptions from shareholders. Certain individuals have or will agree to purchase an unspecified number of shares of stock not purchased by shareholders.

The company manufactures and sells time delay mechanisms for mortar shells, fuzes for 20 mm shells, aircraft clocks, lensatic compasses, gyroscopes, repair parts for civilian watches, and other items. In February 1960 it acquired all the outstanding stock of Electro-Mec Laboratory, Inc., of Long Island City, N. Y., a manufacturer of potentiometers and digitometers, and in March contracted to purchase all the outstanding stock of Boesch Manufacturing Co., Inc., of Danbury, Conn., a manufacturer of toroidal coil winding machines. Net proceeds of its stock sale will be used as follows: \$600,000 to pay the balance of the purchase price for the Boesch stock; \$350,000 to pay the 5% chattel mortgage note held by the Secretary of the U. S. Treasury as assignee of the Reconstruction Finance Corporation; \$200,000 to pay the 6% secured notes issued as part payment for the stock of Electro-Mec Laboratory; and any balance for working capital and other corporate purposes.

In addition to various indebtedness, the company has outstanding 2,664,828 shares of common stock. Louis R. Ripley is listed as president.

**MCCORMICK SELPH FILES FOR OFFERING AND SECONDARY.** McCormick Selph Associates, Inc., 2308 San Felipe Road, Hollister, Calif., filed a registration statement (File 2-16470) with the SEC on April 15, 1960, seeking registration of 130,000 shares of capital stock, of which 100,000 shares will be offered for public sale by the issuing company and 30,000 shares, being outstanding, by the holders thereof. The offering will be made through a group of underwriters headed by Wilson, Johnson & Higgins. The public offering price and underwriting terms will be supplied by amendment. The underwriters have been granted options by certain stockholders to purchase 6,500 shares of stock at \$6 per share.

The company was incorporated under California law in 1951 and is engaged in research and development work and the manufacture and sale of various products in the field of explosive ordnance. According to the prospectus, the products of the company are designed to utilize the controlled release of gases produced by the combustion of explosives and propellants, of relatively small total energy, to do useful work, and include such products as hot and cool gas generators, explosive bolts and the elements of explosive trains, such as initiators and igniters. Of the net proceeds from the sale of the new stock, the company will use approximately \$195,000 to retire existing indebtedness to a bank and \$80,000 to reduce suppliers' accounts payable. The balance will be added to general funds and will be used primarily to carry larger inventories and trade receivables. Retirement of the bank indebtedness is said to be temporary as the company will require additional bank loans from time to time to finance its operations.

At present the company has outstanding 262,500 shares of capital stock, all of which is owned in equal amounts by three officers of the company, Donald A. McCormick, president, and Frank W. T. LaHaye and

CONTINUED

Francis E. Allen, vice presidents. McCormick and Allen propose to sell 15,000 shares each.

**UNIVERSAL MARION PROPOSES RIGHTS OFFERING.** Universal Marion Corporation, 602 Florida Theater Bldg., Jacksonville, Fla., filed a registration statement (File 2-16472) with the SEC on April 15, 1960, seeking registration of 435,120 shares of common stock. The company proposes to offer this stock for subscription by common stockholders at the rate of one new share for each four shares or fraction thereof. The record date and subscription price are to be supplied by amendment. No underwriting is involved.

In addition to its acquisition of Marion Power Shovel Company and The Osgood Company, the company has acquired the assets of Southern Pipe & Supply Company and The Scullin Steel Co.; and, more recently, it acquired the stocks of five companies with real estate holdings in Hillsborough County, Fla. Net proceeds of its stock sale will be added to general funds of the company and be available for use in developing the company's tract of land near Tampa, Fla., for working capital and for possible acquisition of other properties. According to the prospectus, the development of the Florida land will require a large investment.

The company now has outstanding 1,740,477 common shares, 43,200 shares of \$100 par preferred stock, and certain indebtedness. Management officials own 2.3% of the outstanding common. James Mullaney is listed as president.

**PIPER AIRCRAFT PROPOSES STOCK OFFERING.** Piper Aircraft Corp., 820 East Bald Eagle Street, Lock Haven, Pa., filed a registration statement (File 2-16473) with the SEC on April 15, 1960, seeking registration of 100,000 shares of common stock, to be offered for public sale through a group of underwriters headed by The First Boston Corporation. The initial offering price will be related to the current market for outstanding shares at the time of offering; and the underwriting terms will be supplied by amendment.

The company is engaged in the production of private aircraft for business and personal use, charter flying and agricultural dusting and spraying. It also manufactures and sells spare parts and accessories for its aircraft. Net proceeds from the sale of the stock will be added to general funds in anticipation of further expenditures for plant and equipment and increased working capital requirements resulting from the expansion of business. The company intends to repay a short-term bank loan of \$1,000,000 obtained recently in order to finance increased inventories and receivables. According to the prospectus the company plans to spend \$1,500,000 during 1960 and 1961 for the completion and equipping of a manufacturing plant and other facilities now under construction in Vero Beach, Florida, and \$500,000 for construction of an engineering building and the purchase of additional equipment at the Lock Haven plant.

In addition to certain indebtedness the company has outstanding 972,393 shares of common stock. W. T. Piper, board chairman and president, owns beneficially 138,721 shares (14.3%) and, in addition, holds of record 154,350 shares (15.9%) as sole voting trustee under a ten-year voting trust agreement.

**AMERICAN CAPITAL LIFE PROPOSES OFFERING.** American Capital Life Insurance Company, 917 15th St., N. W., Washington, D. C., filed a registration statement (File 2-16474) with the SEC on April 15, 1960, seeking registration of 96,450 shares of Class "A" common capital stock, to be offered for public sale at \$5.80 per share.

The company was recently organized, primarily through the efforts of Eugene L. Goodridge, president, and Charles F. Suter, vice president and treasurer, and proposes to engage in the life insurance business. The two organizers and their associates in this venture have acquired 3,550 Class A stock at \$5.80 per share and 100,000 shares of Class B common stock at \$0.20 per share, or an aggregate of \$40,590. Net proceeds of the sale of the additional Class A shares will be applied to the company's general business purposes.

**SKYLINE HOMES FILES FOR STOCK OFFERING.** Skyline Homes, Inc., 2520 By-Pass Road, Elkhart, Indiana, filed a registration statement (File 2-16475) with the SEC on April 15, 1960, seeking registration of 115,000 shares of Class A Common stock, to be offered for public sale on an all-or-none basis through a group of underwriters headed by Rodman & Renshaw. The public offering price and underwriting terms will be supplied by amendment. Concurrently with the offering, Rodman & Renshaw will purchase for investment 15,000 shares of Class B common stock of the company at \$5 per share.

The company was organized in 1959 and acquired the business of Skyline Coach Company, Inc. It is engaged in the production and sale of mobile homes. Proceeds from the sale of the stock will be added to working capital and used for general corporate purposes. Approximately \$600,000 will be earmarked for the equipping, developing and operation of additional branch assembly plants presently planned to be leased in California, Pennsylvania and Oregon. The balance of the proceeds will be available for an enlarged dealer financing program and additional working capital, with the exception of an amount to be used to reduce to \$1,000,000 a note held by Julius A. Decio, former proprietor of Skyline Coach.

The company has outstanding 100,000 shares of Class B stock, adjusted to reflect a recent reclassification, and no class A stock. Arthur J. Decio, president owns 58,000 shares (58%) of the class B stock and Frank A. Vite, vice president, owns 42,000 (42%) of that class. All the assets of Skyline Coach, except \$500,000 in cash, were purchased by Skyline Homes, which had been organized, with a paid-in-capital of \$96,000, just previously by Decio and Vite, the son and son-in-law of Julius A. Decio. The company assumed all liabilities of the predecessor, and delivered its note in the amount of \$1,500,000 secured by

OVER

a first mortgage. Under a plan of liquidation of the predecessor, \$500,000 in cash together with a note for \$1,500,000 were paid or transferred to Julius Decio as its sole stockholder. A \$112,500 payment on the note was made on March 15, 1960.

AMERICAN BOWLA BOWLA FILES FOR OFFERING. American Bowla-Bowla Corporation, 400 38th St., Union City, N. J., filed a registration statement (File 2-16476) with the SEC on April 15, 1960, seeking registration of 100,000 shares of common stock and warrants for the purchase of an additional 50,000 shares. The company proposes to offer these securities for public sale in units consisting of 2 shares of stock and one warrant. The offering is to be made at \$6.25 per unit on a best efforts, all or none basis by Hill, Thompson & Co., Inc., which will receive a selling commission of \$.84 per unit. The company also has agreed to sell the underwriter for \$200, five-year warrants for the purchase of 20,000 common shares, and to issue Edward F. Henderson 1,500 warrants. The warrants are exercisable initially at \$3.50 per share.

The company was organized in July 1958 under the name Bergen Bowl Corp. and adopted its present name in February 1960. It is engaged in the operation of modern bowling recreation centers in leased buildings. One is located in Bergenfield, N. J. and the second in Brooklyn, N. Y. The company has arranged for the purchase of a motion picture theatre in Newark and a simultaneous lease to the company by a real estate investor who has undertaken to pay for the conversion of the building to the company's specifications; and it has signed a lease providing for the construction by the lessor of a center in Queens, N. Y. In connection with the new center in Newark, the company proposes to use about \$30,000 of the net proceeds of this financing to cover the initial installment on the purchase price for lanes, and bowling and other fixtures and equipment; and about \$50,000 will be used for similar uses and purposes for the Queens center. The \$161,000 balance of the proceeds will be added to working capital and be available for general corporate purposes.

The company has outstanding 165,446 common shares and warrants for 11,892 shares. Howard Solomon, president, owns 25,711 shares and Thomas Scheuer, secretary-treasurer, 22,437 shares. Nearly 100,000 shares were acquired by Solomon, Scheuer and fifteen other persons for \$38,455.

HUDSON VITAMIN PRODUCTS FILES FOR SECONDARY. Hudson Vitamin Products, Inc., 89 Seventh Ave., New York, filed a registration statement (File 2-16477) with the SEC on April 15, 1960, seeking registration of 212,500 outstanding shares of common stock to be offered for public sale by the present holders thereof through an underwriting group headed by Bear, Stearns & Co. The public offering price and underwriting terms are to be supplied by amendment. An additional 20,000 shares are being offered by some of the selling stockholders directly to certain employees of the company and of its affiliated distributors.

The company was organized under Delaware law on April 6, 1960 and will, prior to delivery of the shares, succeed by merger to the business of Hudson Vitamin Products Inc., a New York corporation organized in 1943. Herbert Brody and Leonard Brody, brothers who founded the company, certain trusts for members of their families of which they are trustees and Irving Goodstein (the selling stockholders), together own all 675,000 outstanding shares of stock and are selling 192,500 shares to the underwriters and 20,000 shares to employees. If all such shares are sold, and an option on 10,000 shares is exercised by the underwriters, the selling stockholders will still own 452,500 shares (67%) of the common stock of the company then outstanding. The prospectus lists Herbert Brody as president and Leonard Brody as vice president and treasurer.

SWIMMING POOL DEVELOPMENT PROPOSES OFFERING. Swimming Pool Development Co., Inc., Florence, Ala., filed a registration statement (File 2-16478) with the SEC on April 15, 1960, seeking registration of 250,000 shares of common stock, to be offered for public sale at \$5 per share through an underwriting group headed by Marron, Sloss & Co., Inc., which will receive a commission of 60¢ per share. The company has issued to Marron, Sloss for \$9,990, five-year warrants for the purchase of 30,000 additional shares at \$5 per share. An additional 30,000 shares are subject to options to be issued to employees.

The company was organized under Delaware law in March 1960 by E. L. Culver, who acquired all but 4 of the 125,000 outstanding shares at \$4 per share. The company proposes to engage in the following activities: (1) planning, designing, constructing and installing swimming pool projects and related facilities, such as swim clubs, and (2) the financing of such projects. It is contemplated that a substantial part of the components of such projects and facilities will be manufactured by an affiliated company, National Pool Equipment Company, 40% of whose common stock is owned by Culver. Culver also has entered into a firm contract to purchase an additional 125,000 shares at \$4 per share.

Net proceeds of the sale to the underwriters of the 250,000 shares will approximate \$1,057,625. Such proceeds will be used principally for the purpose of providing working capital for its general business purposes, as will a portion of the proceeds of the sale of additional stock to Culver and other organizers.

COMPLAINT NAMES GIBBS AND COMPANY. The SEC Boston Regional Office announced April 13, 1960 (Lit. Release 1647) the filing of court action (USDC, Boston) seeking to enjoin G. Wayne Gibbs, Sr., and Richard W. Gibbs, partners doing business as Gibbs and Company, Worcester, Mass., from further violations of the anti-fraud provisions of the Securities Exchange Act and Regulation T thereunder.