

# 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 July 8, 1960

**KAISER INDUSTRIES FILES FOR SECONDARY.** Kaiser Industries Corporation, Kaiser Center, 300 Lakeside Drive, Oakland, Calif., filed a registration statement (File 2-16792) with the SEC on June 7, 1960, seeking registration of 300,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof through The First Boston Corporation, Dean Witter & Co. and Carl M. Loeb, Rhoades & Co. The public offering price and underwriting terms are to be supplied by amendment.

The corporation is not primarily an operating company but has direct controlling interests (100%) in the Henry J. Kaiser Company and Willys Motors, Inc., indirect controlling interests in Kaiser Steel Corporation (79.88%), Kaiser Aluminum & Chemical Corp. (43.83%) and Yermanente Cement Company (38.99%), and numerous other interests.

In addition to various indebtedness, the company has outstanding 521,297 shares of \$50 par 6½% convertible (preferred) stock and 22,884,316 shares of common stock. Of the common stock, 3,152,566 shares are owned by Henry J. Kaiser (board chairman) and certain trustees for him, and 1,949,700 shares by Edgar F. Kaiser (president) and certain trustees for him. Other members of the Kaiser family own some 6,213,000 shares and the Henry J. Kaiser Family Foundation 3,547,188 shares. Officers and directors as a group own 8.31% of the outstanding shares. According to the prospectus, the two Kaisers propose to sell 50,000 shares each of their holdings; and the Kaiser Foundation Hospitals proposes to sell all but 86 of its holdings of 143,586 shares. Five other selling stockholders (including officials) propose to sell amounts ranging from 1,500 to 15,000 shares, being small portions of their present holdings.

**FUNDED SECURITY FILES FOR OFFERING.** Funded Security Corporation, 2812 W. Peterson Ave., Chicago, Illinois, filed a registration statement (File 2-16791) with the SEC on July 7, 1960, seeking registration of 200,000 shares of common stock, to be offered for public sale through H. M. Byllesby and Company and Kalman & Company, Inc. The public offering price and underwriting terms are to be supplied by amendment. The company has agreed to grant a five year non-transferable option to buy 15,000 class A shares to H. M. Byllesby and Company, and a like option to buy 10,000 shares to Kalman & Company, Inc.

The company was organized under Illinois law in December, 1959 as a holding company and owns all of the outstanding stock of Funded Security Life Insurance Company and James, Martin & Company, both Illinois corporations. Funded Security Life is a newly-organized legal reserve life insurance company offering a line of non-participating life insurance policies and annuities, including ordinary life, coupon ordinary life, limited payment life, endowment, term and retirement income policies. James, Martin is a newly-organized securities dealer. Of the net proceeds from the stock sale, \$600,000 will be transferred to Funded Security Life and added to its general funds for purposes of future investment in income producing securities, to expand its agency operations and increase the maximum amount of insurance on any one life and to expand by the acquisition of other companies.

The company has outstanding 125,000 shares of class A shares and 500,000 shares of class B common shares, sold to management officials and others at \$3.30 and 30¢ per share, respectively. The prospectus lists J. Milton Edelstein as president and owner of 218,000 shares of class B and 5,000 shares of class A stock; Rhea Edelstein as owner of 100,000 shares of class B stock; Edward G. Edelstein, secretary, Samuel S. Herman, Martin H. Shender and Jerry M. Kroot, vice-presidents and owners of 45,500 class B shares each.

**SOUTHWESTERN BELL TELEPHONE PROPOSES DEBENTURE OFFERING.** Southwestern Bell Telephone Company, 1010 Pine Street, St. Louis, Mo., today filed a registration statement (File 2-16793) with the SEC, seeking registration of \$100,000,000 of debentures due August 1, 1995, to be offered for public sale at competitive bidding. The net proceeds from the debenture sale will be used to reimburse the company's treasury for expenditures made for extensions, additions and improvements to its plant. In addition, the company intends to repay advances from the American Telephone and Telegraph Company, parent, which are then expected to approximate \$86,000,000, and to use the balance for general corporate purposes.

**TRADING IN CONSOLIDATED DEVELOPMENT (CUBA) SUSPENDED.** The SEC has ordered the further suspension of trading on the American Stock Exchange and the over-the-counter market in the common stock of Consolidated Development Corporation (formerly Consolidated Cuban Petroleum Corporation), of Havana, Cuba, for the period July 11 to July 20, 1960, inclusive.

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For further details, call WOrth 3-5526

**ATLAS CORP. SEEKS ORDER.** Atlas Corporation, New York investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to a proposed transaction with Titeflex, Inc.; and the Commission has issued an order (Release 40-3067) giving interested persons until 12:30 P.M. July 20, 1960, to request a hearing thereon. Atlas owns 1,380,379 shares (94.79%) of Titeflex common; and it also is the holder of \$5,563,531 of notes payable by Titeflex. Titeflex and Atlas propose to replace such notes with a new issue of preferred stock of Titeflex. Titeflex will issue preferred shares to Atlas for the notes on the basis of one share for every \$25 of indebtedness plus interest accrued (or a total of 233,000 preferred shares).

**SECURITY CREDIT CORP. ENJOINED.** The SEC Denver Regional Office announced July 6th (LR-1726) entry of a Federal court order (USDC, U.) preliminarily enjoining Security Credit Corporation, Eldon C. Harris and Dow and Company from further violations of the registration and anti-fraud provisions of the Securities Act in the offer and sale of Security Credit stock.

**YARNEY ELECTRIC FILES FOR SECONDARY.** Yardney Electric Corporation, 40-48 Leonard St., New York City, today filed a registration statement (File 2-16794) with the SEC seeking registration of 254,000 outstanding shares of its common stock, to be offered for public sale by the holders thereof through an underwriting group headed by Kidder, Peabody & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the development, design, manufacture and sale of silver-zinc primary and rechargeable batteries under the trademark Silvercel and more recently of silver-cadmium rechargeable batteries under the trademark Silcad. It now has outstanding 1,016,000 common shares, for which there is said to be no established market. The principal stockholder, Michel N. Yardney, president, holds 848,000 shares and proposes to sell 218,000 shares; and an additional 36,000 of her holdings of 136,000 shares are to be sold by Susanne M. Yardney. The remaining 32,000 shares are held in equal amounts by Maya Yardney Kenin and by Susanne M. Yardney as custodian for Jonathan M. Yardney.

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