

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 March 2, 1960

TRADING IN CONSOLIDATED (OF CUBA) STOCK SUSPENDED. The SEC today announced the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934, temporarily suspending trading in the common stock of Consolidated Development Corporation (formerly Consolidated Cuban Petroleum Corporation), of Havana, Cuba, for a further ten-day period March 3 to 12, 1960, inclusive. The suspension order applies to trading on the American Stock Exchange and in the over-the-counter market.

Trading in Consolidated's stock on the American Stock Exchange was suspended by action of that Exchange on December 14, 1959, coincident with the Commission's authorization of "stop order" proceedings under the Securities Act of 1933 which challenge the accuracy and adequacy of various informational disclosures contained in a registration statement filed by said company proposing the public offering of an additional 448,000 common shares, which proceedings are still in progress. In view of the serious nature of the alleged deficiencies in the registration statement, the Commission is of the view that an informed analysis and evaluation of the worth of Consolidated's stock is not possible upon the basis of published information concerning the company.

GENERAL DEVELOPMENT PROPOSES RIGHTS OFFERING. General Development Corporation, 2828 S. W. 22nd St., Miami, Fla., filed a registration statement (File 2-16199) with the SEC on March 1, 1960, seeking registration of \$12,555,600 of convertible subordinated debentures due 1975, to be offered to holders of its common stock at the rate of \$100 principal amount of debentures for each 50 shares held. The record date and interest rate, subscription price and underwriting terms will be supplied by amendment. Certain stockholders have agreed to exercise rights to subscribe to \$5,330,000 of the debentures. This amount will not be underwritten. The remaining debentures will be underwritten by a group headed by Goldman, Sachs & Co.

The company's principal business is the development of large tracts of unimproved land into planned communities. This includes the sale of homesites, houses and commercial and industrial sites, and the operation of shopping centers. It also furnishes water and sewerage services to residents in certain areas. Proceeds from the sale of the debentures will be added to the general funds of the company and be available for various corporate purposes, including the repayment of outstanding short-term bank loans other than construction loans.

In addition to certain indebtedness the company has outstanding 6,277,757 shares of common stock, of which officers and directors as a group own 1,094,295 shares (17.43%). The company is presently engaged in development activities in several locations within the State of Florida, including two major community developments, Port Charlotte on the west coast and Port St. Lucie on the east coast, one smaller community development on the east coast and two smaller subdivision developments on the east coast. In addition, the Company has recently acquired a 2,400-acre tract on the east coast, which it has named Port Malabar, and it is presently offering houses for sale in this new development; it also acquired options, which it presently intends to exercise if certain litigation is successful, for sufficient additional land adjacent thereto to expand Port Malabar into another major community development. Besides its community development activities, the company also owns processes for the plating of chromium on aluminum or other base metals, and owns a one-third interest in a title and hazard insurance company.

WESTERN AIRLINES FILES FOR RIGHTS OFFERING. Western Airlines, Inc., 6060 Avion Drive, Los Angeles, Calif., filed a registration statement (File 2-16200) with the SEC on March 1, 1960, seeking registration of 200,000 shares of capital stock, to be offered for subscription by holders of its outstanding capital stock of record on March 30, 1960. The ratio of the rights offering, the subscription price and underwriting terms will be filed by amendment. The offering will be underwritten by a group headed by Merrill Lynch, Pierce, Fenner & Smith, Inc.

The company is principally engaged in the air transportation of passengers, mail and property. It operates in twelve western states and Alberta, Canada and Mexico. The net proceeds from the sale of the stock will be added to general funds and although no particular allocation has been made they will provide a part of the funds necessary to finance the company's flight equipment program and certain other construction and ground equipment acquisitions. The program is expected to cost approximately \$48,000,000, including \$17,600,000 for six additional Lockheed Electra four-engine turbo-prop airplanes, spare parts and related equipment.

OVER

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

In addition to certain indebtedness the company has outstanding 1,192,617 shares of capital stock. Officers and directors of the company own an aggregate 37,805 shares (3.3%).

CONSOLIDATION COAL FILES EMPLOYEE PLAN. Consolidation Coal Company, 436 Seventh Ave., Pittsburgh, today filed a registration statement (File 2-16201) with the SEC seeking registration of \$3,000,000 of Participation in its Investment Plan for Salaried Employees, together with 100,000 shares of Consolidation Coal common which may be purchased pursuant to said plan.

NUCLEAR MATERIAL FILES FOR OFFERING. Nuclear Materials and Equipment Corporation, Apollo, Pa., today filed a registration statement (File 2-16202) with the SEC seeking registration of 45,000 shares of its common stock, of which 40,020 shares are to be offered for public sale through an underwriting group headed by Moore, Leonard & Lynch. The public offering price and underwriting terms are to be supplied by amendment. The remaining 4,980 shares are to be offered to holders of outstanding warrants, which warrants entitle the holder until June 1969 to purchase one share of common at \$25 payable in cash or by cancellation of \$25 of the company's 5% Subordinated Debentures due 1974.

Organized in December 1956, the company is engaged primarily in the production, fabrication and development of chemical, metallurgical and ceramic material for use in the manufacture and operation of nuclear reactors. In addition, it is engaged in two research and development programs financed by the Atomic Energy Commission. In addition to certain indebtedness, the company now has outstanding 23,746 shares of \$10 par preferred stock and 187,355 common shares. Net proceeds of the cash sale of the additional stock will be used principally to pay for equipment and production facilities necessary for the completion of the company's expansion program, estimated at \$750,000; and the balance will be added to working capital and will be available for repayment of indebtedness to banks. The expansion program is designed to increase production and fabrication facilities at the company's Apollo plant and to complete the equipping of its new plutonium laboratory.

The prospectus lists Zalman M. Shapiro as president and owner of 19,312 shares of the outstanding common stock. Apollo Industries, Inc., Owns 60,000 shares (32%); and all officers and directors as a group own 54,074 shares (28.9%).

UNITED COMPONENTS PROPOSES STOCK OFFERING. United Components, Inc., 358-360 Henry St., Orange, N. J., today filed a registration statement (File 2-16203) with the SEC seeking registration of 110,000 shares of common stock, of which 100,000 shares will be offered for public sale on a best efforts basis by Darius, Inc. The public offering price and underwriting terms are to be supplied by amendment. For each share sold by the underwriter, the company will give the underwriter a five-year warrant for the purchase of one share of common stock (25,000 shares in the aggregate), the exercise price of the warrants to be supplied by amendment.

The remaining 10,000 shares are to be offered for sale to Sheldon Leighton, a director, at \$2.50 per share, the exercise price of options issued to Leighton in July 1959 when he agreed to serve as director and financial consultant to the company. Leighton may reoffer the shares for public sale after completion of the company's offering.

Organized in January 1959, United has a Hermetic Seal Division which is engaged in the manufacture and sale of glass-to-metal (mermetic) seals, and a Semi-Conductor Division, which having recently completed pilot line facilities for silicon diodes, is engaged in their small scale manufacture and sale. The latter Division is also engaged in the development of silicon transistors which it proposes to manufacture and sell. Of the net proceeds of the company's stock sale, \$113,000 will be used to purchase manufacturing equipment necessary for full scale production of silicon general purpose and computer diodes; \$69,000 to improve facilities; \$35,000 for additional equipment for the Hermetic Seal Division; \$60,000 to cover salaries, advertising and related costs, primarily to increase sales of silicon diodes; \$40,000 for operating expenses during the period necessary to establish commercial production of silicon diodes; and the balance for working capital.

The company now has outstanding 300,000 common shares, of which Leon Singer, board chairman, owns 50,000 shares and his wife 25,000; and Leonard J. Box, executive vice president, owns 26,000 shares and Margaret Box 49,000 shares. Messrs. Singer and Box, promoters of the company, each acquired 75,000 common shares at 10¢ per share upon the company's organization.

ADDITIONAL GROUP SECURITIES SHARES IN REGISTRATION. Group Securities Inc., Jersey City investment company filed an amendment on February 29, 1960, to its registration statement (File 2-10685) seeking registration of 4,000,000 additional shares of capital stock.

PEERLESS-NEW YORK ENJOINED, RECEIVER APPOINTED. The SEC New York Regional Office announced February 29, 1960, (Lit. Release No. 1601) entry of Federal court order (USDC, SDNY) permanently enjoining Peerless-New York, Inc., Michael Canter and Edward S. Cantor from further violations of anti-fraud provisions of the Federal Securities Laws. Also, the appointment of a receiver to take over the defendant corporation's assets.

COURT ORDER ENJOINS VIVIAN HOLDEN. The SEC New York Regional Office announced February 29, 1960 (Lit. Release No. 1602) entry of Federal court order (USDC, SDNY) preliminarily enjoining Vivian W. Holden from further violations of the Securities Act registration requirements in the offer and sale of American Dryer Corporation stock.

---0000000---