

# 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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Washington 25, D.C.

FOR RELEASE September 26, 1960

Statistical Release No. 1707. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended September 23, 1960, for the composite and by major industry groups compared with the preceding week and with the high and lows for 1960, is as follows:

|                          | 1939 - 100 |         | Percent<br>Change | 1960  |       |
|--------------------------|------------|---------|-------------------|-------|-------|
|                          | 9/23/60    | 9/16/60 |                   | High  | Low   |
| Composite                | 383.3*     | 392     | -2.3              | 432.5 | 383.3 |
| Manufacturing            | 447.8*     | 458     | -2.3              | 538.9 | 447.8 |
| Durable Goods            | 417.9*     | 430     | -2.8              | 521.6 | 417.9 |
| Non-Durable Goods        | 466.3*     | 474     | -1.8              | 544.4 | 466.3 |
| Transportation           | 272.4*     | 278     | -2.2              | 329.3 | 272.4 |
| Utility                  | 242.0      | 248     | -2.6              | 252.6 | 216.1 |
| Trade, Finance & Service | 435.5      | 442     | -1.6              | 471.8 | 414.7 |
| Mining                   | 250.4      | 250     | -0.2              | 299.7 | 240.7 |

\*New Low

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended September 22d, 37 registration statements were filed, 25 became effective, 2 were withdrawn, and 336 were pending at the week end.

OXY-CATALYST FILES FOR SECONDARY. Oxy-Catalyst, Inc., 511 Old Lancaster Road, Berwyn, Pa., filed a registration statement (File 2-17088) with the SEC on September 23, 1960, seeking registration of 10,000 shares of common stock and voting trust certificates representing 40,000 shares of common stock.

According to the prospectus, Eugene J. Houdry (board chairman) and his wife, Jacques H. and Pierre D. Houdry, vice presidents, and Pierre Quilleret, a director, propose to offer the 10,000 common shares and voting trust certificates for the 40,000 shares for public sale. These holders propose to sell the shares and certificates from time to time, directly to purchasers or through stockbrokers, and at their current market prices at the time of such sale. According to the prospectus, the sellers now own 50,994 shares and certificates for 352,050 shares (of which the board chairman and his wife own 33,602 shares and certificates for 218,400 shares). Eugene Houdry and Pierre Quilleret, together with Vernon L. Stover, hold 350,000 common shares under a Voting Trust Agreement. The company has outstanding 588,718 shares.

The company manufactures and sells applicances which use the process of catalysis to purify industrial exhausts and the exhausts of internal combustion engines. Its stated principal objective is the commercial development of a practical purifier for standard automobile exhausts.

ELECTRONIC & MISSILE FACILITIES PROPOSES OFFERING. Electronic & Missile Facilities Inc., 2 Lafayette St., New York, filed a registration statement (File 2-17089) with the SEC on September 23, 1960, seeking registration of 260,000 shares of common stock, to be offered for public sale through underwriters headed by Hardy & Co. The public offering price and underwriting terms are to be supplied by amendment. The underwriters also may purchase, for \$260, three-year warrants for the purchase of an additional 26,000 common shares.

The company is a prime contractor for the construction and installation of various types of facilities for the U. S. armed forces in their electronic, missile, naval and air programs and also for the construction of various projects for civilian public works agencies. Net proceeds of the sale of the 260,000 common shares will be used for general corporate purposes, including expansion of the size and scope of the company's business; and it will increase the company's "bondability" to bid on larger government contracts.

The company now has outstanding 260,000 common shares and certain indebtedness. The outstanding stock is owned in equal amounts by Arnold H. Kagan and Nathan Cohen, president and executive vice-president.

SUBURBAN PROPANE GAS FILES STOCK PLAN. Suburban Propane Gas Corporation, Mount Pleasant Ave., Whippany, N. J., filed a registration statement (File 2-17090) with the SEC on September 23, 1960, seeking registration of  
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85,000 shares of common stock. These shares are issuable or have been issued under the company's Restricted Stock Option Plan for Executive Employees.

**MUNSINGWEAR PROPOSES OFFERING.** Munsingwear, Inc., 718 Glenwood Ave., Minneapolis, filed a registration statement (File 2-17091) with the SEC on September 23, 1960, seeking registration of \$3,000,000 of Convertible Subordinate Debentures due 1980, to be offered for public sale through underwriters headed by Goldman, Sachs & Co. and Piper, Jaffray & Hopwood. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company manufactures men's, women's and children's wearing apparel for sale principally to retail outlets throughout the United States. Net proceeds of the sale of the debentures will be applied to the reduction of outstanding bank loans, which amounted to \$6,250,000 at September 10, 1960.

In addition to certain indebtedness and preferred stock, the company has outstanding 759,852 shares of common stock, of which 8.4% is owned by management officials. The prospectus lists George D. McConnell as president.

**DOLomite GLASS FIBRES PROPOSES OFFERING.** Dolomite Glass Fibres, Inc., 1037 Jay St., Rochester, N. Y., filed a registration statement (File 2-17092) with the SEC on September 23, 1960, seeking registration of 200,000 shares of \$10 par Cumulative-Convertible 7% preferred stock, 200,000 shares of "A" common stock, and 1,000,000 shares of common stock. It proposes to offer the preferred stock at \$10 per share, the offering to be made through company officials who may receive 5% of the purchase price of securities sold. The "A" shares (voting) may be acquired for \$1 each by purchasers of preferred shares on a one for one basis. The 1,000,000 common shares (non voting) also will be offered for sale at \$1 per share.

The company was organized in March 1960 to engage principally in the manufacture, sale and distribution of Dolomite Glass Fibre insulations and Dolomite Glass Fibre threads, mats and rovings, for reinforced plastics and their related productions. According to the prospectus, the company proposes to establish additional units of production in a radius of about 200 miles from each other so as to give the company a marketing advantage in savings of high freight costs. Three such additional units are contemplated, at a unit cost of \$750,000 each without buildings, which are to be leased. Of the proceeds of this financing, \$500,000 is to be expended for the additional Glass Fibre production machinery and facilities at the company's Rochester plant. The remaining proceeds will be used for working capital, research and development.

The prospectus lists John H. Odenbach as president and as a promoter along with Charles P. Odenbach and G. M. Ripplin, company officers. Management officials own 27,500 shares (55%) of the outstanding preferred, 147,900 shares (59.2%) of the outstanding "A" common, and 965,000 shares (64.3%) of the outstanding common stock. In exchange for part of its machinery, equipment and real estate, 50,000 preferred shares were issued to John H. and M. M. Odenbach; and in exchange for the balance of its machinery and equipment, 250,000 shares of "A" common and 1,500,000 common shares were issued to said persons.

**CHAMPION SPARK PLUG FILES FOR SECONDARY.** Champion Spark Plug Company, 900 Upton Ave., Toledo, O., filed a registration statement (File 2-17093) with the the SEC on September 23, 1960, seeking registration of 750,000 outstanding shares of common stock, to be offered for public sale through underwriters headed by Blyth & Co., Inc., and three other firms. The initial public offering price will be related to the market price for outstanding shares at the time of offering; and the underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of spark plugs for internal combustion engines. The prospectus lists Robert A. Stranahan, Sr., as board chairman, Frank D. Stranahan as Co-Chairman, Robert A. Stranahan, Jr., as president, and Duane Stranahan as vice president. The company has outstanding 6,064,860 shares of common stock. The prospectus lists four selling holders, whose holdings aggregate 2,515,100 shares. An aggregate of 1,783,100 shares (29.4%) are held by a trustee for members of the R. A. Stranahan, Sr. and F. D. Stranahan families; and the trustee proposes to sell 463,400 shares. In addition, the Guardian for Virginia and Mary Stranahan proposes to sell 40,000 of 396,000 shares held; the trustee of a trust for Elizabeth W. Stranahan all of 225,000 shares held; and Barbara S. Holmyard 21,600 of 111,000 shares held.

**MARY CARTER PAINT FILES FOR OFFERING AND SECONDARY.** Mary Carter Paint Co., 666 Fifth Ave., New York, filed a registration statement (File 2-17094) with the SEC on September 23, 1960, seeking registration of 375,000 shares of Class A common stock, of which 75,000 shares are to be offered for public sale by the issuing company and 300,000 shares, being outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Lee Higginson Corporation is listed as the principal underwriter.

The company is engaged in the manufacture, for direct distribution to outlets at the retail level, of various paint products. It is presently engaged in an expansion program. In addition to establishing a new plant in Conroe, Texas in June 1960, at a cost of \$250,000, it plans to construct, equip and stock a plant in southern California at a cost of \$275,000. It also is considering expansion of the Conroe plant and establishment of new facilities in the Mid-West area and in New Jersey, the latter to replace the existing plant in Matawan, N. J. Of the net proceeds of the company's sale of additional stock, \$225,000 will be used to pay the balance due on bank loans incurred in 1960 to make payment of the final portion of the purchase price of the 80% interest in the Mary Carter Paint Factories acquired in 1958; \$275,000 to construct, equip and stock the new southern California plant; and the balance for working capital pending final decision as to the balance of the expansion program and partially to replenish working capital used to finance construction of the Texas plant.

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In addition to certain indebtedness, the company now has outstanding 572,244 shares of common stock and 1,450,444 shares of Class A common stock. The prospectus lists John F. Crosby as board chairman, Robert Van Worp, Jr., as president, and John C. Miller as a director. Crosby owns 42.86% of the outstanding common shares and 33.83% of the outstanding Class A shares; and Miller owns 12.66% and 9.99%, respectively, of such stocks. Management officials as a group own 67.91% of the outstanding common and 56.81% of the outstanding Class A stock. Crosby proposes to sell 380,000 of his holdings of 490,800 shares of the outstanding Class A common; and the remaining 20,000 shares are to be sold by other members of the Crosby family and two other individuals.

INTERNATIONAL INVESTMENTS HEARING POSTPONED. On request of its counsel, the SEC has authorized a postponement to October 24, 1960, of a hearing scheduled for this date in proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of International Investments, Inc., of Washington, D. C., should be revoked.

RENEWAL OF WHEELING ELECTRIC NOTES APPROVED. The SEC has issued an order under the Holding Company Act authorizing Wheeling Electric Company to issue renewal notes in the amount of \$4,250,000, the new notes to become due not more than 270 days from the dates of issuance.

WEATHERFORD CO. FILES FOR OFFERING AND SECONDARY. R. V. Weatherford Co., 6921 San Fernando Road, Glendale, Calif., today filed a registration statement (File 2-17095) with the SEC seeking registration of 180,000 shares of capital stock, of which 90,000 shares are to be offered for public sale by the issuing company and the remaining 90,000 shares, being outstanding stock, by the company's president, R. V. Weatherford. The public offering price and underwriting terms are to be supplied by amendment. Blyth & Co., Inc., is listed as the principal underwriter.

The company is a distributor of electronic parts and equipment, primarily in the eleven western states. Two of its subsidiaries are engaged in the distribution of radio and television parts to the radio and television service trade and in the calibration, modification, maintenance and repair of electric and electronic instruments, and a third acts as a manufacturers' sales representative in California and certain other western states for manufacturers of electronic equipment. Net proceeds of the sale of additional stock by the company will be used as follows: \$200,000 to retire a bank loan recently incurred for working capital purposes; \$250,000 for inventory requirements of its Palo Alto warehouse; \$150,000 for the purchase of inventories of new product lines; and the balance for additional inventories and accounts receivable.

According to the prospectus, Weatherford owns all the 425,000 outstanding shares of common stock of the company. He proposes to sell 90,000 shares.

AUTOMATIC CANTEN OF AMERICA FILES EXCHANGE PLAN. Automatic Canteen Company of America, Merchandise Mart, Chicago, today filed a registration statement (File 2-17096) with the SEC seeking registration of 240,000 shares of common stock. The company proposes to offer its stock in exchange for all of the 800,000 issued and outstanding shares of Class A and Class B Stock of Hubshman Factors Corporation (the rate of exchange is to be supplied by amendment). The offer is conditioned upon its acceptance by the holders of at least 80% (640,000 shares) of the total outstanding Class A and Class B shares of Hubshman Factors.

According to the prospectus, the company has entered into an agreement with Henry M. Hubshman, principal stockholder of Hubshman Factors, and Henry M. Hubshman, Jr., his son, to make the exchange offer to all holders of Hubshman Factors Class A and Class B stock. The two Hubshmans have agreed to deposit their stock in acceptance of the offer. They and members of their immediate family own in excess of 81% of the outstanding Class A and Class B stock. The agreement contemplates that the two Hubshmans will be employed as principal executive officers of Hubshman Factors for a period of 5 years and will receive options on an aggregate of 20,000 shares of the company's common stock.

Hubshman Factors is engaged in the business of old-line factoring and accounts receivable financing. Its main office is in New York City.

COOPERATIVE GRANGE LEAGUE FEDERATION EXCHANGE PROPOSES OFFERING. Cooperative Grange League Federation Exchange, Inc., Ithaca, N. Y., today filed a registration statement (File 2-17097) with the SEC seeking registration of \$250,000 of 4% Subordinated Debentures, due 1966, 10,000 shares of \$100 par Cumulative Preferred Stock, and 300,000 shares of \$5 par common stock.

According to the prospectus, the offering of the above securities constitutes a continuation of earlier and similar offerings of the same classes of securities. The debentures and preferred stock are to be offered without limitation and may be purchased by both farmer and non-farmer patrons of the company and by other persons. The offering of common stock is restricted to present members of the company and to farmers interested in becoming members. Net proceeds of the financing will be used principally to provide funds for future redemption of outstanding securities of the company and Cooperative G.L.F. Holding Corporation. Proceeds received in excess of amounts so required will be added to the company's general funds to be used for working capital and other corporate purposes.

PEARSON CORP. OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Pearson Corporation, of Bristol, Rhode Island.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed in March 1959, Pearson proposed the public offering of 175,000 common shares at \$1 per share, through R. A. Holman & Co. Inc., of New York. The Commission suspension order asserts that the company's offering circular and related material were false and misleading, particularly with respect to representations therein concerning the purported \$1 per share offering price and the failure to disclose the method of offering whereby the stock was purchased from the underwriter by certain persons with a view to its redistribution and was resold by such persons to public investors at higher prices. The order further asserts that there was a failure to disclose the profit to such other persons, that aggregate public offering price and gross proceeds exceeded the \$300,000 limitation, that misleading information was disseminated concerning the termination of the offering and that the offering operated as a fraud and deceit upon public investors. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

VIOLATIONS CHARGED TO HOLMAN & CO., INC. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether R. A. Holman & Co., Inc. (registrant), 54 Wall Street, New York 5, New York, has violated certain provisions of the federal securities laws and, if so, whether it is in the public interest to revoke its broker-dealer registration and to suspend or expel it from membership in the National Association of Securities Dealers, Inc.

The Commission's order alleges that in April, 1959, registrant was named as underwriter in connection with a public offering at \$1 per share of 175,000 shares of the common stock of Pearson Corporation under Regulation A of the Commission. The offering circular used in connection with such offering stated that all of such shares would be offered to the public by registrant and selected dealers at the public offering price. It is further alleged that, in fact, registrant placed a substantial portion of such offering in accounts dominated and controlled by it and in accounts of affiliated persons and that shortly thereafter registrant distributed most of the shares held in such accounts at prices clearly in excess of the public offering price.

The Commission's order charges that in connection with such offering of shares of Pearson stock, registrant during a period from about April, 1959 to the present made untrue statements of material facts and omitted to state material facts by delivering to customers an offering circular which misrepresented the public offering price for Pearson common stock and which failed to disclose the actual plan of distribution and marketing arrangements for such issue.

The order also alleges that during such period registrant misrepresented to customers, among other things, that the distribution of such stock had been completed when, in fact, registrant continued to engage actively in the distribution of such stock and that such stock was being sold "at the market" when, in fact, registrant well knew and omitted to state that the prices paid by such customers for such stock were not prices established on a free, open and competitive market but were prices artificially established by registrant through its distribution arrangements.

It is further alleged in the order that registrant while engaged in such distribution bid for and purchased shares of Pearson stock for its own account. Finally, the Commission's order alleges registrant violated the registration requirements of the Securities Act of 1933 by offering to sell and selling shares of Pearson stock when no registration statement had been filed with the Commission or was in effect as to such stock under the Securities Act.

The Commission in an order dated September 16, 1960 temporarily suspended the Regulation A exemption for such offering of Pearson common stock.

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

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