

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 March 2, 1959

Statistical Release No. 1587

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended February 27, 1959, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1958 and 1959, is as follows:

	<u>1939 = 100</u>		Percent Change	<u>1958 - 1959</u>	
	<u>2/27/59</u>	<u>2/20/59</u>		<u>High</u>	<u>Low</u>
Composite	407.0	408.3	-0.3	413.2	299.0
Manufacturing	498.4	501.6	-0.6	511.5	373.3
Durable Goods	471.1	474.9	-0.8	476.6	332.2
Non-Durable Goods	513.9	516.4	-0.5	534.8	402.2
Transportation	351.8	355.2	-1.0	356.3	219.7
Utility	218.6*	216.0	+1.2	218.6	155.5
Trade, Finance & Service	404.9	406.6	-0.4	406.6	263.2
Mining	340.5	347.4	-2.0	360.4	261.3

* New High

FOOD FAIR STORES PROPOSES DEBENTURE OFFERING

Food Fair Stores, Inc., 2223 East Allegheny Ave., Philadelphia, filed a registration statement (File 2-14780) with the SEC on February 27, 1959, seeking registration of \$21,750,000 of Twenty Year Subordinate Debentures (Convertible). The company proposes to offer the debentures for subscription by its common stockholders at the rate of \$100 of debentures for each 25 shares held. The record date, interest rate, subscription price and underwriting terms are to be supplied by amendment. Eastman Dillon, Union Securities Co. is listed as the principal underwriter.

Net proceeds to be received from the sale of the debentures will be added to the general funds of the company and will be available for general corporate purposes, including additional working capital and future capital expenditures. Initially, part of the proceeds may be used to reduce the amount of payments received by the company on account of properties completed and under construction and covered by commitments to purchase and lease-back and also may be used to purchase short-term marketable securities.

CHAS. PFIZER & CO. FILES FOR OPTION PLAN SHARES

Chas. Pfizer & Co., Inc., 11 Bartlett Street, Brooklyn, N. Y., filed a registration statement (File 2-14781) with the SEC on February 27, 1959, seeking registration of 500,000 shares of Common Stock, to be offered by the company from time to time to officers and employees of the company and its subsidiaries pursuant to the terms of Stock Options granted and to be granted under the company's Stock Option Plan of 1958.

REVISED BROKER-DEALER REGISTRATION FORM ADOPTED

The SEC has adopted a revised Form BD, the form of application for registration as a broker or dealer under the Securities Exchange Act of 1934 and to amend such an application. The purpose of the revisions, none of which is substantive in nature, is to change the format, to clarify the instructions and questions, and to simplify the use, preparation and processing of the form.

The principal modifications consist of the following; (1) the general instructions are now stated on the first page, and in a more clear and concise form; (2) the identifying information (such as the name under which the business will be conducted and the previous name of the applicant or registrant, where the name is being amended) will be stated on the first page; (3) Item (7), which requests information concerning past connections of certain persons with other broker-dealers, has been reworded so that it is clear that each of the persons as to whom the information must be furnished must be listed under this item in the form and the appropriate information furnished as to each and that "connections" with other broker-dealers in the past includes financial interest in such other broker-dealers; and (4) the form as revised makes it clear that it must contain not only true and correct information, but also all the information required to be furnished.

(Note to broker-dealer firms: Copies of the form are available at all regional and branch offices of the Commission. One copy also is being mailed to each broker-dealer firm)

DE- VEL-CO. MINERALS OFFERING SUSPENDED

The Securities and Exchange Commission 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 securities by De-Vel-Co Minerals Development Company, of 324½ West Maint Street, Denison, Texas. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from Securities Act registration with respect to public offerings of securities not exceeding \$300,000 in amount. De-Vel-Co filed a notification on March 8, 1957, proposing the public offering of 4,880 investment contract units at \$25 per unit pursuant to such exemption. In its suspension order, the Commission asserts that it has reasonable cause to believe (1) that the terms and conditions of Regulation A have not been complied with, in that written communications prepared or authorized by De-Vel-Co distributed to more than ten persons were not filed with the Commission as required by the Regulation; and (2) that the company's offering circular is false and misleading in respect of certain material facts and the stock offering would violate Section 17 (the anti-fraud provision) of the Securities Act.

The misrepresentations cited by the Commission concern, among other things, (a) the failure to disclose the identity of all properties on which the issuer has performed work; (b) the failure to disclose the extent, nature and outcome of developments of each property on which the work was performed; (c) the failure to disclose all properties acquired by the issuer; (d) the failure to disclose litigation concerning certain claims on which the issuer performed work; and (e) statements in sales material concerning ore discoveries and favorable work progress.

WEST TEXAS UTILITIES BORROWINGS CLEARED

The SEC has issued an order (Release 35-13932) authorizing West Texas Utilities Company, of Abilene, Texas, to borrow from banks sums not exceeding \$4,000,000 in the aggregate, the funds to be applied to the company's 1959 construction program, involving expenditures estimated at \$7,900,000.

SYSTEM FINANCING BY CENTRAL AND SOUTH WEST CLEARED

The SEC has issued an order (Release 35-13933) authorized \$6,000,000 of bank borrowings by Central and South West Corporation, of Wilmington, Del., and its purchase of additional stock of subsidiaries, as follows: Central Power and Light Company, \$3,200,000; and Southwestern Electric Power Company, \$2,000,000. The subsidiaries propose to use the funds to finance in part the cost of their construction programs; and the balance of the proceeds of its borrowings will be used by the parent for general corporate purposes.

PUBLIC SERVICE (OKLA) GUARANTEE AND BORROWINGS CLEARED

The SEC has issued an order (Release 35-13934) authorizing Public Service Company of Tulsa, Oklahoma, to guarantee an additional \$7,500,000 of 4-7/8% bonds to be issued by Transok Pipe Line Company, to three institutional investors. The Commission previously authorized Public Service to enter into a gas fuel purchase contract with Transok which constituted a guaranty by Public Service of the bonds issued and to be issued by Transok, of which there were outstanding at February 1, 1959, \$16,681,000 principal amount. Additional funds are now required by Transok for the construction of an extension of its pipe line to connect with Public Service's Oolagah generating station and for the construction of additional gathering and compressing facilities.

In a separate order (Release 35-13935), the Commission authorized Public Service to make bank borrowings aggregating \$7,000,000 during the next twelve months, the funds to be used to finance in part its construction expenditures during 1959 estimated at \$20,360,000.

BORROWINGS BY GREAT NORTHERN INVESTMENTS EXTENDED

The SEC has issued an order (Release 40-2837) extending from February 28 to May 30, 1959, the period within which bank borrowings by Great Northern Investments, Inc. (formerly Inter-Canadian Corporation) may be reduced by such amount as to conform to the limitations prescribed by Section 18 (a) (1) (A) of the Investment Company Act. (For nature and purpose of borrowings, see (Release 40-2751)).

JAMES LAMAR McMICHAEL INDICTED

The SEC Atlanta Regional Office announced February 26, 1959, the indictment (USDC, Mobile, Ala.) of James Lamar McMichael and his arrest in Miami on charges of violating anti-fraud provisions of Securities Act, mail fraud statute, and fraud by wire statute, in sale of securities of United Security, Inc., and for transactions in other securities.

CLARIFICATION

In SEC News Digest of February 16, 1959, the indictment was reported of David W. Taylor of Norman, Okla., for securities fraud. The Commission is advised that, because of the identity of names, the announcement has caused embarrassment to and threatens the business reputation of David W. Taylor, president of Wissahickon Corporation, 203 Wynnewood Plaza, Wynnewood, Pa., which is registered with the Commission as a broker-dealer. In fairness to the Mr. Taylor of Pennsylvania, the Commission wishes to clarify the record by this supplemental announcement.

INTERMOUNTAIN SECURITIES HEARING ~~TO BE~~ SCHEDULED

The Securities and Exchange Commission has scheduled for hearing in its Denver Regional Office, on ~~January 23~~, 1959, the proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Intermountain Securities, Inc., 309 Columbine Street, Denver, Colorado, should be revoked.

In its order authorizing the proceedings (Release 34-5896), the SEC charged a failure by Intermountain Securities to comply with Commission rules governing disclosure, financial reporting, and maintenance of books and records.

March 16, 1959

CONTINUED

AUTOMATIC CANTEEN CO. FILES FOR REGISTRATION OF SHARES

Automatic Canteen Company of America, Merchandise Mart, Chicago, today filed a registration statement (File 2-14782) with the SEC seeking registration of 292,426 shares of Common Stock.

Of this stock, Automatic Canteen proposes to issue 126,072 shares to A M I Incorporated for the latter's property and assets. The issuance of the 126,072 shares is based upon the number of shares of A M I outstanding on February 13, 1959. In addition, A M I on that date had outstanding options entitling the holders to purchase 7,195 A M I shares which Automatic Canteen will assume and will allow the optionees to purchase 5.25 shares of its stock for each 10 shares of A M I common, at the price per share of 100/52.5 of the price per share of the A M I stock. Of the shares being registered, 3,777 shares are reserved for issuance upon exercise of these options.

In the event the company acquires the A M I property and assets, it intends to contract for the employment of John W. Haddock, now A M I president. Of the shares being registered, 9,229 shares are being registered and reserved for issuance upon the exercise of a restricted option which the company expects to grant Haddock in connection with such employment.

An additional 147,035 of the shares being registered are reserved for issuance upon exercise of options granted or to be granted by Automatic Canteen under its restricted stock option plan for certain key employees. Of the balance of 6,312 shares 5,586 shares are shares which were issued by the company to directors and officers upon options exercised during the fiscal year ended September 27, 1958, and 726 shares are shares issued to them since that date upon options exercised to purchase common shares. Proceeds of the sale of stock upon exercise of options and subsequent payments thereunder are to be added to working capital for general corporate purposes.

A M I has its principal offices in Grand Rapids, Mich., and is engaged primarily in the manufacture and sale of coin-operated automatic phonographs and accessories.

TRADING IN JACOBS CO. AND BON AMI STOCKS AGAIN SUSPENDED

The SEC has issued orders (Release 34-5897), under the Securities Exchange Act of 1934 suspending trading on exchanges and in the over-the-counter markets, for a further ten-day period March 3-12, 1959, inclusive, in the common stock of F. L. Jacobs Co. and the Class A and Class B common stocks of the Bon Ami Company.

MANAGED FUNDS SEEKS REGISTRATION OF ADDITIONAL SHARES

Managed Funds, Inc., St. Louis investment company, filed an amendment on February 26, 1959, to its registration statement (File 2-1106), seeking registration of an additional 7,500,000 shares of its common stock.

COMPOSITE BOND AND STOCK FUNDS FILES FOR ADDITIONAL SHARES

Composite Bond and Stock Fund, Inc., Spokane, Wash., investment company, filed an amendment on February 26, 1959, to its registration statement (File 2-10766), seeking registration of an additional 226,839 shares of its capital stock.

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