

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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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)

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## DELISTING PROPOSED FOR STOCKS OF TWO RAILROAD COMPANIES

The New York Stock Exchange has applied to the SEC for permission to delist the common stocks of Mahoning Coal Railroad Company and The New York and Harlem Railroad Company; and the Commission has issued an order (Release 34-6069) giving interested persons until September 23, 1959, to request a hearing thereon. The applications assert that the respective stock issues are no longer suitable for listing and registration by reason of their limited distribution, all but 5,994 shares of Mahoning stock and 9,682 shares of New York and Harlem stock being held by New York Central Railroad Company.

## UNLISTED TRADING IN TEXAS GULF PRODUCING STOCK PROPOSED

The Philadelphia-Baltimore Stock Exchange has applied to the SEC for unlisted trading privileges in the common stock of Texas Gulf Producing Company, which is listed and registered on the New York and Midwest Stock Exchanges; and the Commission has issued an order (Release 34-6069) giving interested persons until September 23, 1959, to request a hearing thereon.

## UNLISTED TRADING IN THREE STOCK ISSUES GRANTED

The SEC has issued orders granting applications of the Midwest and Pacific Coast Stock Exchanges for unlisted trading privileges in the common stock of Glen Alden Corporation; of the Pacific Coast Stock Exchange for such privileges in the common stock of Corn Products Company (Del.); and of the Pittsburgh Stock Exchange for such privileges in the common stock of Loew's Theatres, Inc. (Release 34-6069). All three stock issues are listed and registered on the New York Stock Exchange.

## MAXWELL SACKS REGISTRATION REVOKED

In a decision announced today (Release 34-6066), the SEC revoked the broker-dealer registration of Maxwell M. Sacks, 9 Hightop Lane, Jericho, N. Y., for a false statement and omission in his registration application, in violation of the Securities Exchange Act and rules of the Commission thereunder.

According to the decision, Sacks first became registered as a broker-dealer in April 1956; and on June 19, 1958, his registration was revoked by the Commission for failure to file a report of financial condition for 1956, in violation of the Act and Commission rules thereunder. In a new application for registration, filed September 23, 1958, Sacks stated in response to Item 8(d) of the application that he had never been found by the Commission to have violated any provision of the Act or any rule thereunder, which was false. Moreover, Sacks failed to answer Item 6 as to whether any other person directly or indirectly controlled his business.

Although notified of the proceeding, Sacks failed to appear at the hearing despite the fact that the hearing was continued to a second day to give him further opportunity to appear. Some two and one-half months after the hearing examiner had filed his recommended decision, counsel for Sacks requested an opportunity to appear before the Commission; and although he was requested to clarify this request within two weeks, it was not until about a month afterward that his counsel wrote that Sacks wished to have the hearings reopened to permit him to testify.

OVER

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It was significant, the Commission observed, that Sacks also failed to appear at the hearing in the prior revocation proceedings or otherwise to communicate with the Commission until after the earlier order of revocation had been issued, when he filed a request for reconsideration which was denied. In addition, he failed to appear at hearings in October 1958 in proceedings on the question whether his present application for registration should be denied. The Commission concluded "that Sacks has had abundant opportunity to appear and testify, and we deny his request to reopen the hearings at this time." It also concluded that in view of the false statement in his application for registration and his failure to supply required information, and his disregard of notice of proceedings relating to his registration, it is in the public interest to revoke his registration as a broker-dealer.

#### JOHN HUGHES CO. REGISTRATION REVOKED

The SEC today announced the issuance of a decision (Release 34-6067) revoking the broker-dealer registration of John S. Hughes, doing business as John S. Hughes Co., Locust Valley, Long Island, New York, for failure to file a report of financial condition for the year 1957, in violation of the Securities Exchange Act and a Commission rule thereunder. Notice of the proceedings was served upon Hughes at his last known address, but was returned unclaimed.

#### NORTHERN INSURANCE CO. FILES FOR EXCHANGE OFFER

Northern Insurance Company of New York, 83 Maiden Lane, New York, filed a registration statement (File 2-15571) with the SEC on September 10, 1959, seeking registration of 56,000 shares of capital stock. Northern proposes to offer to exchange these shares for shares of the capital stock of Maine Bonding and Casualty Company at the rate of 56/100ths of a share of Northern for each share Maine stock. The exchange offer will expire at the close of business on December 31, 1959, provided that at least 80,000 of Maine stock have been tendered for exchange prior to the close of business November 9, 1959. In the event less than 80,000 shares of Maine stock are tendered prior to the close of business November 9, 1959, no shares will be exchanged and all shares of Maine stock will be returned to the tendering stockholders.

#### CROWLEY'S MILK CO. FILES FOR SECONDARY

Crowley's Milk Company, Inc., 145 Conklin Ave., Binghamton, N. Y., filed a registration statement (File 2-15572) with the SEC on September 10, 1959, seeking registration of 120,000 outstanding shares of its common stock to be offered for public sale at \$10 per share by the present holders thereof through an underwriting group headed by Auchincloss, Parker & Redpath, which will receive a commission of 80¢ per share.

The company operates a milk products receiving, processing, manufacturing, selling and distributing business, principally in New York, New Jersey and Pennsylvania. It has outstanding 419,850 shares of common stock (and certain indebtedness), of which management officials own 311,670 shares (74.2%) and propose to sell 100,340 in the aggregate. The largest block is held by Francis E. Crowley, president, who proposes to sell 37,500 shares of his holdings of 112,320 shares. Additional blocks of 24,800, 17,810, 16,200, and 10,500 shares are to be sold by J. Elmer Crowley, vice president, Vincent Crowley, Secretary, Frank L. Crowley, production manager, and Margaret Parsons, respectively.

#### WITNESS REQUIRED TO TESTIFY

The SEC Fort Worth Regional Office announced August 31, 1959 (Lit. Release No. 1488), that, upon application of the Commission, Chief Judge Roby C. Thompson (USDC, Roanoke, Va.) had ordered Arthur F. Dobie of Roanoke to testify and produce relevant documents in response to an SEC subpoena issued in connection with the Commission's investigation of John Milton Addison, Trans-World Mining Corporation, et al. Dobie had previously refused to respond to the subpoena.

#### BANK STOCK CORP. OF MILWAUKEE FILES FOR EXCHANGE OFFER

Bank Stock Corporation of Milwaukee, 721 North Water St., today filed a registration statement (File 2-15573) with the SEC seeking registration of 605,000 shares of its common stock. The company proposes to offer this stock in exchange for shares of the common stock of Marshall & Ilsley Bank and stock of Northern Bank, on the basis of two shares of company stock for each share of Marshall &

OVER

Ilsley stock, and 10 $\frac{1}{2}$  shares of company stock for each share of Northern Bank stock. The exchange offer is conditioned upon the company acquiring by exchange not less than 80% of the outstanding shares of each of the other banks, which are also located in Milwaukee. According to the prospectus, the respective boards of directors of the two banks in January 1959 authorized the creation of a bank holding company; and, accordingly, Bank Stock Corporation of Milwaukee was formed. The Federal Reserve Board recently granted approval of the acquisition by the holding company of voting stock of the two banks, on condition that at least 80% of the voting stock of the two banks is acquired by December 3, 1959. The primary reason for organization of the holding company to act as a holding company and controlling stockholder of banks "is to furnish the banks with certain types of management services more economically and efficiently than they can provide for themselves on an individual basis." The prospectus lists as president of the new company A. S. Puelicher, who is board chairman of Marshall & Ilsley Bank.

#### FRANTZ MFG. CO. FILES FOR RIGHTS OFFERING

Frantz Manufacturing Company, 301 West 3rd St., Sterling, Ill., today filed a registration statement (File 2-15574) with the SEC seeking registration of 190,953 outstanding shares of its common stock, to be offered for public sale by the present holders thereof through an underwriting group headed by Blair & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the design, development, production and distribution of builders' hardware, primarily overhead type garage door hardware. It has outstanding 500,039 common shares, of which management officials own an aggregate of 127,819 shares (25.56%). The prospectus includes a long list of selling stockholders, including F. T. Wyne, president (27,546 shares); Ruth I. Wyne (56,744); Helen L. Towne (11,493); A. H. Prestin, executive vice president (11,123); Joseph B. Lahman (10,965); Lela L. Irvin (11,341); and Mary L. Andrews (10,144).

#### SEC ANNOUNCES STAFF CHANGES

Chairman Edward N. Gadsby of the Securities and Exchange Commission today announced a realignment of functions and personnel within the Division of Corporation Finance and the appointment of several career employees of the Division to supervisory positions.

"The unprecedented rate of financing and capital expansion", Chairman Gadsby stated, "has resulted in an enormous volume of registration statements, preliminary proxy statements, annual reports and other documents which must be examined by the staff of the Division of Corporation Finance for compliance with the disclosure requirements of the securities laws. In fiscal 1959, for example, 1,226 registration statements were filed. These figures are an all-time high in the history of the Commission and represent an increase of 30% over the number of registration statements filed in fiscal 1957, the year in which the organization of the Division was last realigned."

"The Division of Corporation Finance is the Commission's largest unit. Its present staff of 190 authorized positions, however, represents an increase of only 13% over fiscal 1957. The realignment of the Division, which provides for the establishment of an additional Assistant Director position and the establishment of twelve Branches of Corporate Analysis and Examination in lieu of the twelve sections which formerly performed those functions, is designed to promote efficiency of operation and more timely completion of the examination process."

Mr. Charles E. Shreve has been appointed to the position of Chief Counsel of the Division, succeeding Mr. Manuel F. Cohen who was recently designated Adviser to the Commission. Mr. Shreve, a career employee of the Commission, joined the Commission's staff in December, 1935, as an attorney in the Research Division, Investment Trust Study. He was reassigned to the Registration Division (now Division of Corporation Finance) in February, 1940, and has served in progressively more responsible legal capacities since that date. From September, 1956 to July, 1957, Mr. Shreve served as Acting Chief Counsel of the Division. For the past two years he has been Chief of the Division's Branch of Interpretations and Review.

Mr. Harold V. Lese, formerly Chief of the Branch of Small Issues, has replaced Mr. Shreve as Chief of the Branch of Interpretations and Review. Mr. Patrick J. Griffin succeeds Mr. Lese as Chief of the Branch of Small Issues.

CONTINUED

Mr. Robert H. Bagley, appointed to the new Assistant Director position, and Assistant Directors Charles H. Eisenhart, Harry Heller and Harvey A. Therson each will be in charge of three of the newly constituted Branches.

Mr. Bagley, also a career employee, has served with the Commission since September 1, 1934, in various analytical capacities in the Registration Division and in the successor Division of Corporation Finance except for a period of military service from August, 1942 to April, 1945. He was promoted to Chief of Section on May 1, 1945, and was designated a Branch Chief on September 2, 1956.

Messrs. Douglas M. Dunn, Ralph C. Hocker, Maxwell Kaufman, Alfred S. King, Joseph P. Romeo and Abraham Zwerling will continue as Branch Chiefs. Appointed to remaining six Branch Chief positions are Messrs. Joseph Bernstein, Reford Burney, Bertram K. DuBois, Theodore S. Kliston, Herbert D. Miller and George K. Scully.

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