

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 April 14, 1960

SMALL BUSINESS INVESTMENT RULE ADOPTED. The SEC today announced the adoption of a new Rule 14a-1 under the Investment Company Act of 1940 (Release 40-3011), permitting small business investment companies which operate under the Small Business Investment Act of 1958 and are registered with the SEC under the Investment Company Act, to comply with the net worth requirements of Section 14 (a) of the Investment Company Act by obtaining the required \$100,000 minimum net worth through an exempt offering pursuant to Regulation E under the Securities Act of 1933 in lieu of full registration.

RELIANCE MFG. CO. FILES STOCK OPTION PLAN. Reliance Manufacturing Company, 350 Fifth Ave., New York, filed a registration statement (File 2-16461) with the SEC on April 13, 1960, seeking registration of 110,250 shares of common stock, to be offered to management employees who have been or may in the future be granted options to purchase such shares pursuant to the company's Key Employees' Stock Option Plan.

ORDER EXEMPTS CAPITAL SHARES STOCK SALE. The SEC has issued an order under the Investment Company Act (Release 40-3016) granting an exemption application of Capital Shares, Inc., New York investment company, with respect to its proposed sale of 1600 shares of Hugh W. Long & Co., 3000 shares of National Securities and Research, and 1700 shares of Television Shares Management Co., all investment adviser companies. Harold J. Ryan, an officer and director of Capital Shares and owner of all the outstanding shares of its investment adviser, Investors Counsel, Inc., proposes to acquire any of the securities not otherwise disposed of by Capital Shares.

AMERICAN-INTERNATIONAL ALUMINUM FILES FOR STOCK OFFER. American International Aluminum Corporation, 4851 N. W. 36th Avenue, Miami, Fla., filed a registration statement (File 2-16460) with the SEC on April 13, 1960, seeking registration of 400,000 shares of common stock, to be offered for public sale on an all or none basis through a group of underwriters headed by Hardy & Co. and Filor, Bullard & Smyth. The public offering price and underwriting terms are to be supplied by amendment. Hardy & Co. has purchased 30,000 shares of common stock from existing stockholders of the company at \$1.80 per share. These shares are also included in the registration statement and may be sold at some future time. A finder's fee of \$5,000 is payable to Herbert Katz.

The company was organized under Florida law in February 1959 and leased the two plants and all of the machinery, equipment and other operating assets of American Aluminum Extruders, Inc., Aluminum Smelting and Casting Company and International Aluminum Corp. The company is primarily a producer of aluminum extrusions, having two plants in Miami and a plant under construction in San Jose, Calif. In February 1960 the assets of five wholly-owned subsidiaries were transferred to the company and such subsidiaries have been dissolved. Proceeds from the sale of the stock will be used in connection with the establishment and operation of the new California plant. The allocation includes \$250,000 for initial payments on equipment and for defraying expenses for moving smelting and casting equipment from one of the Miami plants to the California plant; and \$400,000 for carrying inventories and \$850,000 for carrying accounts receivable at the California plant. An aggregate of \$175,000 will be used for consolidating the Miami operations at one plant, for the installation of a monorail and transfer crane system throughout such plant, and for converting three heat treat ovens to end-flow type of air circulation. The balance of the proceeds will be added to working capital.

The company has outstanding 5,000 shares of preferred stock and 730,000 shares of common stock. Officers and directors own an aggregate 591,850 shares of common stock (81.07%), including 350,000 shares (47.95%) owned by American Aluminum Extruders, Inc. The prospectus lists Theodore S. Walker as board chairman, Richard P. Walker as president, and Seymour C. Somerstein as executive vice-president. The Somerstein group owns American Aluminum Extruders. The Walker group (including Thomas A. Cooper, an officer) also owns a 47.9% interest in the company; and each owns 50% of the preferred stock. The 5,000 preferred shares were issued in satisfaction of a \$500,000 indebtedness. The prospectus indicates that purchasers of the 400,000 shares will acquire a 35% interest in the then-outstanding common stock for an aggregate cost of \$2,000,000, or \$5 per share, whereas the Walker and Somerstein groups will hold a 62% interest which as of February 27, 1960, had a net worth applicable to the common stock of \$626,384, or \$.86 per share. The preferred stock is convertible into common on the basis of 20 common shares for each preferred share.

OVER

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

GENERAL AMERICAN TRANSPORTATION PROPOSES OFFERING. General American Transportation Corporation, 135 South LaSalle St., Chicago, today filed a registration statement (File 2-16462) with the SEC seeking registration of \$30,000,000 of Equipment Trust Certificates, due May 1, 1980 (Series 58), to be offered for public sale through an underwriting group headed by Kuhn, Loeb & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company's principal business activity is the supplying of its railroad freight cars to railroads and shippers for their use. Other activities include the manufacture and sale of railroad freight cars and of heavy machinery and process equipment for chemical, petroleum and other industries, erection of storage tanks, and the manufacture and sale of molded plastic articles and of mining, milling, smelting and cement manufacturing equipment. Net proceeds of this financing will be used toward reimbursing the company's treasury for the cost (not less than \$33,333,334 after adjustment for depreciation) of the cars to be subjected to the Agreement under which the Certificates will be issued. All of such cost had been expended as of December 31, 1959. The company contemplates further expenditures of at least \$30,000,000 in 1960 for additions to its fleet of specialized railroad freight cars.

INDICTMENT NAMES KIRCHOFER & THOMPSON. The SEC Atlanta Regional Office announced April 11, 1960 (Lit. Release 1643) the return of an indictment (USDC, Raleigh, N. Car.) charging Robert Carl Kirchofer and James W. Thompson, Jr., with fraud and other securities violations in the sale of Kirchofer & Arnold, Inc., stock and other securities.

HERBERT ENTERS GUILTY PLEA. The SEC Atlanta Regional Office announced April 11, 1960 (Lit. Release 1644) that Jerome B. Herbert entered a plea of guilty to two counts of indictment charging fraud in the sale of securities of Greater Georgia Investment Corp., and received a four-year prison sentence (USDC, ND GA.)

CHAMPION VENTURES 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 stock offering by Champion Ventures, Inc., 600 Mile High Center, Denver, Colo., for failure to file the required semi-annual reports of stock sales and failure to cooperate within the meaning of the Regulation by reason of its failure to respond to letters regarding the filing.

The Commission's order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent. The company's stock offering proposal, filed on March 19, 1958, related to 2,950,000 shares to be offered for sale at 10¢ per share.

CEMEX (ARIZ.) HEARING POSTPONED. At the request of Cemex of Arizona, Inc., Yuma, Arizona, the Commission has authorized a postponement from April 18 to June 6, 1960, of the hearing on the question whether to vacate or make permanent an order temporarily suspending a Regulation A exemption from Securities Act registration with respect to a public offering of stock by Cemex. The hearing will be held in the State A.S.C. Committee Conference Room, 1001 N. First Street, Phoenix.

---0000000---