

# 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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(In ordering full text of Releases from Publications Unit, cite number)

FOR RELEASE May 16, 1960

Statistical Release No. 1678. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended May 13, 1960, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1960, is as follows:

	1939 = 100		Percent Change	1960	
	5/13/60	5/6/60		High	Low
Composite	393.6	391.2	+0.6	432.5	388.8
Manufacturing	471.0	467.5	+0.7	538.9	464.5
Durable Goods	456.7	448.9	+1.7	521.6	446.5
Non-Durable Goods	475.0	475.5	-0.1	544.4	472.1
Transportation	286.2*	289.5	-1.1	329.3	286.2
Utility	231.6	230.8	+0.3	237.6	216.1
Trade, Finance & Service	436.0	430.0	+1.4	446.5	414.7
Mining	243.5*	247.9	-1.8	299.7	243.5

\*New Low

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended May 12, 1960, 32 registration statements were filed, 28 became effective, 1 was withdrawn, and 376 were pending at the week end.

SECURITIES VIOLATIONS CHARGED TO CULLEN-STANFORD CORP. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Cullen-Stanford Corp., of 99 Wall Street, New York, defrauded investors in the offer and sale of the common stocks of Union Gulf Petroleum Corporation and Pacific Central Company and, if so, whether its broker-dealer registration should be revoked.

According to the Commission's order, Cullen-Stanford has been registered with the Commission as a broker-dealer since February 22, 1959. Stanford R. Gabaeff is president, a director and owner of 10% or more of its outstanding stock.

The Commission asserts in its order that information developed in an investigation conducted by its staff tends if true to show that in the offering and sale of Union stock during the period October 9-30, 1959, and Pacific stock during the period December 17, 1959, to January 28, 1960, Cullen-Stanford and Gabaeff made false and misleading representations of material facts and "engaged in acts, practices and a course of business which would and did operate as a fraud and deceit upon certain persons," namely, the purchasers of such stock. The order also alleges that the Union stock was offered and sold in violation of the registration requirements of the Securities Act of 1933.

With respect to the Union stock, the alleged misrepresentations relate to the purported Commission approval of the stock, the rapid growth of the stock and the increase in its price, the purchase of such stock by a New York syndicate which would cause the price of the stock to increase markedly, and dividends to be paid on the stock; and those with respect to the Pacific stock related to an increase in the price of the stock, a contract with Shell Oil Company to take Pacific's entire output of oil, a merger of Pacific with Shell Oil, increase in dividends, listing on an exchange, startling new discoveries to be announced by Pacific, new fields to be opened by Pacific, and the size of Cullen-Stanford among Wall Street Brokerage firms.

A hearing for the purpose of taking evidence with respect to the foregoing will be held in the Commission's New York Regional Office commencing May 25, 1960.

"LOVE ME LITTLE CO." 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 securities by Alexander H. Cohen as: "LOVE ME LITTLE COMPANY," of 40 West 55th Street, New York.

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 August 1957, Cohen proposed the public offering of \$180,000 of preformation limited partnership interests in the "Love Me Little Company." The Commission's

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suspension order asserts that certain terms and conditions of the Regulation were not complied with, in that Cohen failed to file a definitive offering circular as an amendment to the notification, failed to file an accurate report of sales, as required, and failed to cooperate with the Commission in its investigation of the offering. The Commission also questions the accuracy of the statement in the notification that the offering would be made only in the states of New York, New Jersey, Connecticut and Pennsylvania.

A hearing will be held, on request, on the question whether the suspension should be vacated or made permanent.

COURT ORDER ENJOINS COLO, MGM, T K HUDSON, OTHERS. The SEC Denver Regional Office announced May 10, 1960, (Lit. Release 1681), issuance of a Federal court decree (USDC, Denver) permanently enjoining Colorado Management Corp., Thomas K. Hudson, and others from further offering and sale of American Founders Life Insurance stock in violation of Securities Act registration and anti-fraud provisions.

WORLD WIDE INVESTORS REGISTRATION REVOKED. In a decision announced today (Release 34-6260), the SEC revoked the broker-dealer registration of World Wide Investors Corporation, 231 Washington Street, Hoboken, N.J. The revocation order was based upon a Federal court decree of April 23, 1958 (USDC SDNY) permanently enjoining the company from offering or selling Micro-Moisture Controls, Inc., stock in violation of the Securities Act registration requirement, and upon the company's failure to file a financial report for 1957 in violation of the Commission's reporting requirement.

The respondent failed to appear at the SEC hearing which resulted in the revocation order.

GULF POWER DEBENTURE ISSUANCE APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14228) authorizing Gulf Power Company to issue \$431,000 of bonds for sinking fund purposes.

FAULTLESS CASTER FILES FOR OFFERING AND SECONDARY. Faultless Caster Corporation, 1421 North Garvin St., Evansville, Ind., filed a registration statement (File 2-16589) with the SEC on May 13, 1960, seeking registration of 250,000 shares of common stock, of which 200,000 shares are outstanding and are to be offered for public sale by the holders thereof and the remaining 50,000 shares are to be offered for the account of the issuing company. The public offering price and underwriting terms are to be supplied by amendment. Hayden, Stone & Co. heads the list of underwriters.

According to the prospectus, the company produces a full line of industrial and commercial casters, for home and office furniture and equipment, and industrial and materials handling equipment. It also manufactures metal handles, knobs, and other trim for furniture. In addition to certain indebtedness and preferred stock, the company now has outstanding 400,000 shares of common stock. Net proceeds to the company from its sale of the additional 50,000 shares will be used in part (\$300,000) to purchase new presses and certain other production equipment and for working capital.

The prospectus lists Clarence B. Noelting as president. He and Walter W., Elmer H., and William H. Noelting assumed management of the company in 1941 following the death of their father, the founder. In March 1960, all the outstanding stock was owned by Clarence, Walter and Elmer Noelting and the widow of William H. Noelting, and members of their respective families. Mrs. Wm. Noelting and family then owned 110,473 shares and Elmer Noelting and family 97,527 shares. These 208,000 shares were acquired in April 1960 by the Clarence and Walter Noelting families (who had held 96,001 and 95,999 shares, respectively), for an aggregate amount of \$1,928,000, or \$9.27 per share; and the sellers withdrew from the management. The purchasers made borrowings to finance the said purchase; and they now propose to sell 200,000 shares and intend to apply the proceeds to the repayment of the notes representing such borrowings.

FAIRFIELD SECURITIES PROPOSES OFFERING. Fairfield Securities, Inc., 420 Lexington Ave., New York, filed a registration statement (File 2-16590) with the SEC on May 13, 1960, seeking registration of 19,494 shares of capital stock.

The company was organized in November 1956. The prospectus indicates it will register as an investment company with the Commission under the Investment Company Act in May 1960. It is managed by Fairmont Advisory Service, Inc., of the same New York address. Elmer F. Huebsch is president. He and two other officers are directors and officers of Fairmont and own all its outstanding voting securities.

COLUMBIA BROADCASTING FILES STOCK PLAN. Columbia Broadcasting System, Inc., 485 Madison Ave., New York, filed a registration statement (File 2-16591) with the SEC on May 13, 1960, seeking registration of 72,000 shares of CBS common, to be offered pursuant to its Employees' Stock Purchase Plan.

GENERAL DYNAMICS FILES STOCK PLAN. General Dynamics Corporation, 445 Park Ave., New York, filed a registration statement (File 2-16592) with the SEC on May 13, 1960, seeking registration of 200,000 shares of common stock, representing additional stock issuable upon exercise of restricted stock options which may be granted pursuant to the company's Restricted Stock Option Plan.