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 November 30, 1960

COMMISSIONER HAROLD C. PATTERSON. It is with deepest regret that the Securities and Exchange Commission announces the death of Commissioner Harold C. Patterson on Tuesday, November 29, 1960. Death occurred in Hollywood, Florida, while the Commissioner was attending the annual convention of the Investment Bankers Association of America.

Commissioner Patterson was born in Newport, R. I., on March 12, 1897. He attended George Washington University after graduating from Randolph Macon Academy. In 1918 he enlisted in the United States Naval Reserve for service in World War I, was commissioned Ensign in the Naval Reserve and subsequently in the United States Navy, from which he resigned in 1923. Prior to 1954, he had for many years been a partner of the securities firm of Auchincloss, Parker & Redpath, in Washington, D. C. He served as a Board Member of the National Association of Securities Dealers, Inc. On June 15, 1954, he was appointed Director of the Division of Trading and Exchanges of the Securities and Exchange Commission. On August 5, 1955, he took office as a member of the Commission and in June, 1960, was reappointed by the President for a five-year term.

The Commissioner is survived by his wife, Dorothy Rowland Patterson, by three sons, Harold C. Patterson, Jr., of 12414 Denly Road, Silver Spring, Md., Bradford M. Patterson of Pittsburgh, Pa., and James C. Patterson of 1110 South Barton, Arlington, Va., and by a brother, George W. Patterson, of Annapolis, Md., and a sister, Mrs. Anna Wadsworth.

Funeral arrangements will be announced later.

GULF STATES UTILITIES FILES FOR COMMON STOCK OFFERING. Gulf States Utilities Company, 285 Liberty Avenue, Beaumont, Texas, filed a registration statement (File 2-17343) with the SEC on November 29, 1960, seeking registration of 350,000 shares of common stock to be offered for public sale at competitive bidding.

The net proceeds from the stock sale will be used by the company to pay off short-term notes due December 31, 1961, issued to provide funds for construction purposes, of which it is estimated that $7,000,000 will be outstanding prior to the date of sale of the common stock, and the balance will be used to carry forward the construction program and for other corporate purposes.

GULF GUARANTY LAND & TITLE FILES FOR OFFERING. Gulf Guaranty Land & Title Company, 557 Northeast 81st Street, Miami, Florida, filed a registration statement (File 2-17348) with the SEC on November 29, 1960, seeking registration of $750,000 of 7% Convertible Subordinated Debentures due 1968 and 150,000 shares of common stock, to be offered for public sale in units, at $200 per unit, through a group of underwriters headed by Street & Co., Inc. The units will consist of $100 principal amount of debentures and 20 shares of common stock. The underwriters will receive a $27.75 per unit selling commission, and the company has sold to stockholders, partners and principals of the underwriters 30,000 shares of common stock at $1.04 per share. The registration statement also includes 125,000 shares of common stock issuable upon conversion of outstanding debentures due 1968; 34,000 shares to be covered by restricted stock options; and 21,500 shares which are to be offered in exchange for the outstanding capital stock of its 78.7% owned subsidiary, Gulf Development & Utilities Corporation.

The company's principal business is the development of large tracts of unimproved land into a planned community in which it offers for sale homesites, multiple dwelling sites and commercial and industrial lots. Through its subsidiary, Gulf Development and Utilities, the company is also engaged in the construction of houses at Cape Coral, Florida, and through wholly-owned subsidiaries is engaged in the clearing and draining of land, the construction of roads and waterways, the operation of a motel and restaurant, and local real estate brokerage operations in the Cape Coral development. Of the net proceeds from the sale of the units, $600,000 will be used to reduce indebtedness to a bank expected to amount to about $2,250,000, the proceeds of which will be used to make partial payment of a mortgage note and the balance will be exchanged for 256,200 shares of the company's common stock; $300,000 on the construction of an interim water and sewage disposal plant to serve a section of certain property; $300,000 toward the construction of an 18 hole golf course estimated to cost $325,000; and the balance for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 24,000 shares of Class A common stock and 26,000 shares of Class B common stock. Pursuant to a recapitalization which will become effective prior to the delivery of any of the new units, each of the outstanding shares of capital stock will become 34.6 shares of common stock or an aggregate of 1,730,000 shares. Leonard Rosen, board chairman and president, and Julius J. Rosen, vice president, own 644,338 shares each, and management officials as a group own 1,357,950 shares.

AMERICAN ELECTRIC POWER STOCK DIVIDEND CLEARED. The SEC has issued an order (Release 35-14319) authorizing American Electric Power Company, Inc., New York holding company, to declare a stock dividend at the rate of one share on each 40 shares of $10 par common stock outstanding, payable January 10, 1961, to holders of record on December 9, 1960.

BROAD STREET INVESTING CORP. SEEKS ORDER. Broad Street Investing Corporation, New York investment company, has applied to the SEC for an order under the Investment Company Act authorizing the issuance of its shares at net asset value for substantially all of the cash and securities of Hudson Investment Corporation, and the Commission has issued an order (Release 40-3144) giving interested persons until December 15, 1960, to request a hearing on the application.

Hudson Investment Corporation, a New Jersey corporation, is a personal holding company with seven stockholders (of which two hold only directors' qualifying shares) which engages in the business of investing and reinvesting its funds. Pursuant to an agreement between Broad Street and Hudson, substantially all of the cash and securities of Hudson, with a total value of $2,606,727 as of September 26, 1960, will be transferred to Broad Street in exchange for shares of stock of Broad Street. The shares acquired by Hudson are to be distributed immediately to its stockholders, who intend to take such shares for investment with no present intention of distribution or redemption.

SHINN INDUSTRIES PROPOSES OFFERING. Shinn Industries, Inc., 100 West Tenth Street, Wilmington, Delaware, filed a registration statement (File 2-17338) with the SEC on November 29, 1960, seeking registration of 150,000 shares of common stock, to be offered for public sale at $6.00 per share through a group of underwriters headed by Myron A. Lomasney & Co. In addition to $11,500 for expenses, the underwriters will receive a $.75 per share selling commission. The company will issue to the principal underwriter 30,000 immediately transferable warrants, at 1¢ each, entitling the holder thereof to purchase from the company one share of common stock at $6.60 per share and at prices increased 60¢ per annum thereafter for five years. According to the prospectus, the underwriter plans to offer 1,500 of such shares to the public following the completion of this offering at the prevailing market price. The company will pay $27,000 to Ralph R. Frank, the finder.

The company was organized in November 1960 to acquire all the issued and outstanding shares of capital stock of Shinn Engineering Inc., a California corporation organized in 1952, and Universal Ecsco Corporation, a Delaware corporation organized in April 1960. All of the outstanding shares of the subsidiaries were acquired in November 1960 in exchange for a total of 296,500 shares of common stock of the company. The company is now engaged (through its subsidiaries) in the manufacture, assembly and sale of aircraft and missile components on a sub-contract basis, primarily for defense purposes, and in the design, engineering, manufacture and installation and/or erection of industrial and research facilities and equipment, and in fully packaged automated systems. The net proceeds from the sale of the 150,000 shares of common stock will be used as follows: $200,000 to discharge a bank loan evidenced by a note issued by Ecsco, the proceeds of which were used to discharge payroll and withholding tax delinquency and other current liabilities of Ecsco; $225,000 to expand the manufacturing capabilities of Shinn, $150,000 to obtain the necessary tooling, advertising, and inventory build-up necessary to ready a new product, the "Morrisey plane" for marketing; and the balance for working capital.

In addition to certain indebtedness, the company has outstanding 287,500 shares of common stock, of which Clifford L. Shinn, president, owns 160,000 shares, and Robert M. Swaffield, board chairman, and Stanley W. Stanick, executive vice president, own 43,750 shares each.

The registration statement also includes the following securities, which, according to the prospectus, are not being offered for sale at this time, the company having undertaken to file an amendment to the registration statement with respect to any future offering of these securities: (a) $900,000 principal amount of 6% Ten Year Convertible Subordinated Debentures, (b) 112,500 shares of common stock initially issuable upon full conversion of the debentures, (c) 50,000 shares of common stock initially issuable upon full conversion thereof to the holders of an aggregate of $200,000 principal amount of 6% Five Year Convertible Debentures issued on November 21, 1960, upon full conversion thereof, and (d) 20,000 shares of common stock issuable to Josiah M. Scott, an associate of Laird & Co., upon the exercise of 20,000 options at $6.00 per share. Myron A. Lomasney & Co. received a $45,000 commission for the private placement of the $900,000 principal amount of Subordinated Convertible Debentures.

EASTERN BOWLING SHARES IN REGISTRATION. Eastern Bowling Corporation, 99 West Main Street, New Britain, Conn., filed registration statements (Files 2-17339 and 2-17340) with the SEC on November 29, 1960, seeking registration of (1) 120,525 shares of Class A common stock, to be offered in exchange for the securities and assets of National Bowling Corporation, Meadow Lanes Realty Company, and Meadow Lanes, Inc., all Connecticut corporations, in connection with its proposed acquisition of such companies, and (2) 150,000 shares of Class A common stock, to be offered for public sale through a group of underwriters headed by Schirmer, Atherton & Co. The principal underwriter will purchase at a price of 10¢ per share covered thereby certain options to purchase 20,000 Class A shares at an initial price of $6.00 per share, which will increase periodically to $7.50. Irving H. Gale will receive 2,000 Class A shares as a finder's fee (the price to be supplied by amendment). The public offering price and underwriting terms of the 150,000 shares are to be supplied by amendment.

The company was organized in Delaware in November 1960 for the purposes of making the proposed acquisitions and of establishing and operating, directly or through subsidiaries, modern Ten Pin bowling centers and related facilities in various locations.

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The company has outstanding 40,200 shares of Class B stock, of which Bernard L. Glass, president, owns 15,580 shares, Saul Lebow, a vice president, owns 11,560 shares, and management officials as a group own 100% of such shares.

LEASING CREDIT FILES FOR OFFERING. Leasing Credit Corporation, 440 West 34th Street, New York, filed a registration statement (File 2-17344) with the SEC on November 29, 1960, seeking registration of 200,000 shares of Class A stock and a like amount of warrants, to be offered for public sale in units, at $4.00 per unit, through a group of underwriters headed by Edward Lewis Co., Inc. The warrants will entitle the holder thereof to purchase one share of Class A stock for five years commencing January 1962 at $2.50 per share to $3.25 per share during the third year therefrom. The underwriters will receive a 60¢ per unit selling commission and a 24¢ per unit expense allowance. In addition, warrants to purchase 20,000 shares will accrue to the underwriters on the basis of 10 warrants for each 100 units sold, and they may purchase, for 30 days after the completion of the offering, 10 shares of Class A stock at 10¢ per share for each 100 units sold. The company will pay $15,000 to John Kullers as a finders fee.

Organized under Delaware law in September 1960, the company intends to engage in the business of advancing funds to finance accounts receivable, inventories, purchases of industrial and commercial equipment sold on the installment basis or leased, as well as to advance funds on the security of, or to purchase, mortgages on chattels and real estate or other collateral, and other loan or lien transactions. The $585,000 net proceeds from the sale of stock will be added initially to the company's funds and used as opportunities present themselves from time to time in its business as stated.

The company has outstanding 500,000 shares of Class B stock, all of which is owned by its parent, Shelbourne Realty & Construction Corporation. Burton S. Laden is listed as the company's president and as president of Shelbourne, and Florence Laden, his wife, is listed as vice president of both companies. They own an aggregate of 77% of the outstanding stock of Shelbourne.

LIFE ASSURANCE FILES FOR OFFERING. Life Assurance Company of Pennsylvania, 2204 Walnut Street, Philadelphia, Pa., filed a registration statement (File 2-17345) with the SEC on November 29, 1960, seeking registration of 60,000 shares of capital stock, to be offered for public sale through a group of underwriters headed by Auchincloss, Parker & Redpath. The underwriters will receive, for $1,000, transferable warrants to purchase 10,000 shares of capital stock at $18 per share up to 1964 and $20 per share until expiration. The public offering price and underwriting terms are to be supplied by amendment.

The company offers a line of life insurance including whole life, limited payment life, term group and endowment policies, and individual and group health and accident insurance. The net proceeds from the stock sale will be credited to paid-in capital and paid-in surplus, and will be invested in income producing securities and mortgages. The funds and additional income therefrom will be used as needed to absorb the cost of writing new insurance and to enable the company to expand its operations.

The company has outstanding 100,000 shares of capital stock, of which management officials as a group own 42,380 shares. David J. Dean is listed as board chairman and Paul Brandeis as president.

GATESIDE-ARCHITECTS BUILDING TRUST PROPOSES OFFERING. Gateside-Architects Building Trust, 521 Fifth Avenue, New York City, filed a registration statement (File 2-17346) with the SEC on November 29, 1960, seeking registration of $675,000 Class A Beneficial Share Interests to be offered for sale to the public at a price of $5,000 per unit. The Trust was formed to acquire the Architects Building, a twenty-five story and penthouse office building in Philadelphia, Pa. The trustees are Ronald Altman, David Dolgenos, Gilbert Gold, and George Israel.

The Trust proposes to offer 135 Class "A" Beneficial Share Interests for a total of $675,000 which will be used as follows: to pay the balance due under the purchase contract, to reimburse the sponsors for the $50,000 deposit advanced by them, and to pay $57,000 to defray all disbursements including title search and insurance, legal, accounting and engineering fees, printing, closing adjustments, recording fees, expenses incurred by the trustees in the issuance or sale of beneficial interests, including selling commission, if any, and other miscellaneous expenses. In the event such expenses are in excess of the $57,000, such excess will be paid by the sponsors individually. If the total of expenses is less than $57,000, such difference will become the property of the trust.

Purchasers of beneficial interests will receive Class "A" Certificates of Beneficial Interest, $5,000 par value, and will receive the first $74,250 out of the annual profits of building operation. Messrs. Altman, Dolgenos, Gold and Israel will receive 45 Class "B" Subordinated Certificates of Beneficial Interest, $1 par, and will receive the next $20,000 out of such annual profits. Any profit in excess of $94,250 will be distributed one-half to the holders of Class "A" Certificates, as a group, and one-half to the holders of Class "B" Certificates, as a group, pro rata to the par value of such Certificates in each group Before any distribution can be made to Class "B" holders, Class "A" holders must first have received their full 11% distributions for that year and all previous years.

UNITED GAS SHARES IN REGISTRATION. United Gas Corporation, 1525 Fairfield Ave., Shreveport, La., filed a registration statement (File 2-17347) with the SEC on November 29, 1960, seeking registration of not in excess of 161,573 shares of its $10 par common stock to be offered for public sale. The shares being offered for sale are a portion of the shares owned by Electric Bond and Share Company and are being sold by it. United Gas will not receive any proceeds from the sale.

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Bond and Share is offering for sale, at competitive bidding, 140,498 shares of United Gas common stock. The remaining shares covered by the registration statement represent shares which may be acquired by Bond and Share in stabilizing operations in connection with the proposed offering. The prospectus states that, upon completion of the proposed stock sale Bond and Share's holdings of common stock of United Gas will be reduced to 500,000 shares and that United Gas has no knowledge of any program on the part of Bond and Share to reduce its holdings of United Gas common stock below 500,000 shares.

STOP ORDER SUSPENDS OIL, GAS & MINERALS AND AMERICAN INVESTORS SYNDICATE FILINGS. In a decision announced today (Release 33-4301) the SEC suspended the effectiveness of registration statements filed by Oil, Gas & Minerals, Inc., and American Investors Syndicate, Inc., both of New Orleans, La. The Commission ruled that the registration statements were materially false and misleading and failed to disclose certain information and that financial reports filed with the registration statements were inadequate.

The registration statement of Oil, Gas & Minerals covered 260,000 shares of common stock offered at $2 per share. American's registration statement covered a $2,400,000 public offering of 600,000 shares of common stock and 200,000 shares of $9 stated value convertible preferred stock in units of three shares of common and one share of preferred at an offering price of $12 per unit. The principal assets of Oil, Gas & Minerals were a 1/24th working interest in a Louisiana oil field and a plot of land located in New Orleans which it had leased to American so that American might construct and operate an apartment hotel thereon. James A. and Joseph D. Lindsay are officers, directors and shareholders of both companies and own Lindsay Securities Corp., formerly known as Assets Investment Co., Inc., the underwriter for both proposed issues.

Both prospectuses were found to be deficient in failing to include a clear summary of the speculative features of the offerings, including, in the case of Oil, Gas & Minerals, operating losses, a restriction on the transferability of its shares, the arbitrary determination of the $2 offering price of its stock which had a book value of $.67 per share and was recently offered to the public at $1 per share, and a contingent liability of $166,800 to purchasers of shares sold without compliance with the Securities Act. In the case of American, disclosure should have included reference to the company's reliance on the proceeds of the offering to provide the funds for the construction of the proposed apartment hotel, earnings after taxes of $108,000 to meet the annual 6% cumulative dividend on its preferred stock, the arbitrary offering price of $1 per share for the common stock (which had a book value of $.20 per share, was sold to organizers at $.10 per share, and was recently offered to the public at $.50 per share), and the reliance of Oil, Gas & Minerals, the lessor of the proposed site, upon the proceeds of its offering to retire a $125,000 mortgage on the property.

The registration statements were also found to be deficient in their descriptions of the properties, the leasing arrangements, and the proposed construction. Oil, Gas & Minerals failed to disclose the pertinent information concerning its oil field interest, and its statement that the wells may produce oil for the next six years, amounting to 45,784 barrels having a present worth of $100,000, was without support. Both prospectuses failed to state that the proposed construction site was in a neighborhood whose residential qualities were deteriorating and failed to disclose the present physical condition of the property, the fact that American was a corporation recently formed by the promoters of Oil, Gas & Minerals and its management had had no experience in the construction or operation of an apartment hotel, and that the estimated cost and construction period were not based on detailed plans or arrangements. American's prospectus referred to a report of an engineering company which had stated that there was a demand for the housing but the prospectus failed to reveal that the apartments to be constructed were not of the same type as those mentioned in the report, and the report was characterized in the prospectus as a "preliminary analysis of a feasibility survey" whereas the report stated that no consideration had been given to the economic feasibility of the project.

Both prospectuses failed to reveal that the underwriter had been recently formed to distribute the shares of the companies, and the Oil, Gas & Minerals prospectus did not state that part of the underwriter's compensation consisted of an option to purchase at $1 per share a number of shares equal to 10% of the shares issued for cash and did not describe the consequences of such option.

The financial statements of both companies filed with the registration statements had been certified by accountants who were not independent, did not contain certain required schedules, and did not present information in the manner required.

SEVEN ISSUES DELISTED. The SEC has granted applications (Release 34-6426) of the New York Stock Exchange and the American Stock Exchange, respectively, (1) to delist six certain issues of securities of the Republic of Mexico, the Institution for Encouragement of Irrigation Works & Development of Agriculture (S.A.), and the United States of Mexico and (2) to delist the underlying common stocks of the Cuban-Venezuelan Oil Voting Trust (the voting trust certificates therefor having previously been delisted). The delistings on the New York Stock Exchange are to become effective at the close of the trading session on December 14, 1960, and the delisting on the American Stock Exchange is to become effective at the closing of the trading session on December 1, 1960.

SUSPENSION OF UTAHCAN MADE PERMANENT. The SEC today announced that its order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to an offering of common stock by Utahcan, Inc., Spokane, Wash., has become permanent. Previously, the Commission has granted a request of the company for a hearing on the question whether the suspension order should be vacated or made permanent. Subsequently, the request for hearing was withdrawn, and, by operation of the provisions of Regulation A, the suspension order has now become permanent.

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