

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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FRANKLIN REALTY TRUST PROPOSES OFFERING. Franklin Realty Trust, 1616 Walnut St., Philadelphia, filed a registration statement (File 2-19601) with the SEC on January 3d seeking registration of 800,000 shares of beneficial interest in the Trust. The shares are to be offered for public sale at \$12.50 per share by underwriters headed by A. G. Becker & Co., Inc., which will make the offering on an all or none basis and receive a \$1.125 per share commission.

The Trust was organized in October 1961 to provide investors with an opportunity to own, through transferable shares, an interest in diversified properties consisting principally of real estate interests. It expects to qualify as a "real estate investment trust" under the January 1961 amendment of the Internal Revenue Code. Net proceeds of this offering are to be used primarily in acquiring real estate investments. It now has outstanding 12,000 shares, of which some 11% each is owned by Jere M. Mills, Chairman, and six other trustees.

GENERAL REAL ESTATE INVESTMENT TRUST PROPOSES OFFERING. General Real Estate Investment Trust, 1221 Harney St., Omaha, filed a registration statement (File 2-19602) with the SEC on January 2d seeking registration of 35,000 shares of beneficial interest in the Trust. The Trust proposes to offer its shares in a tax-free exchange for real estate interests, at an offering price equivalent to \$10 per share, based on one share for each dollar of net income of assets deposited. The offering will be made through General Investors Services Corp., whose fee will be 2% of the value of the assets exchanged. The sponsors and promoters of the Trust are the General Fiduciary Corporation, the General Real Estate Investment Corporation, and David Sloan Allen, all of Omaha. The Trust will not operate its properties but has entered into an agreement with General Service Corporation to provide operating services. It has outstanding 20 shares owned by the said Investment Corporation. General Fiduciary, of which Allen is president, will serve as trustee; and it is owned by the Investment Corporation, as is the underwriter, General Investor's Services Corp.

CARROLTON ASSOCIATES PROPOSES OFFERING. Carrolton Associates, of 565 Fifth Ave., New York, filed a registration statement (File 2-19603) with the SEC on January 3, 1962, seeking registration of \$578,000 of interests (115.6 units) in the Carrolton Associates partnership, to be offered for sale at \$5,000 per unit. The partnership was formed by John D. Bussell and four associates under Maryland law for the purpose of acquiring a lease covering property in Carrolton, Md., upon which a building is being constructed for use as a retail discount department store. Upon completion, the building will be leased to a subsidiary of Tower's International, Inc. This lease will be guaranteed by Towers Marts International, Inc. The unimproved land is owned by Maxbee Investments, Inc. which leased it to Carrollan Shopping Center, Inc., an affiliate of Food Fair Properties, Inc. Carrollan subleased $3\frac{1}{2}$ acres of the property to Tower's Properties of Carrollan, Inc., a subsidiary of Tower's Marts International, Inc. Carrollan has agreed that it will construct on land immediately adjacent to the retail discount department store, a shopping center development, to be completed by September 1962, which shall include a Food Fair Supermarket. Tower's Properties of Carrollan Inc. and Tower's Properties Inc. are subsidiaries of Tower's Marts International, Inc. Tower's Properties, Inc., which was recently merged into Tower's Marts International, Inc., has contracted with Bussell and associates to sell to them for a net price of \$577,344, all of its right, title and interest in the sublease, upon the erection and completion at said site of the retail discount center. The property is to be leased back to a subsidiary of Tower's Marts International, Inc. The said individuals have assigned this contract to Associates for \$114,000 in subordinated partnership interests.

SALADMASTER FILES FOR OFFERING AND SECONDARY. Saladmaster Corporation, 131 Howell St., Dallas, filed a registration statement (File 2-19604) with the SEC on January 3d seeking registration of \$700,000 of 6% Subordinated Convertible Debentures due 1972 and 126,030 shares of common stock. The debentures are to be offered for public sale by the company at 100% of principal amount. Of the stock, 110,631 shares are now outstanding and are to be offered for sale by the present holders thereof. The offering price of the stock and the underwriting terms for both issues are to be supplied by amendment. Parker, Ford & Company, Inc., is the principal underwriter. Also included in the statement are 10,000 shares underlying five-year options granted the principal underwriter, exercisable initially at the offering price of the stock.

The company markets an assortment of kitchenware and tableware and the Saladmaster food cutting machine. Net proceeds of its sale of stock and debentures will be used in part to pay some \$675,000 of bank indebtedness, with the balance added to working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 309,601 shares of common stock, of which Harry Lemmons, President, owns 236,036 shares and proposes to sell 80,000 shares. Other selling stockholders propose to sell amounts ranging from 20 to 10,235 shares.

AUSTRALIA FILES FOR OFFERING. Commonwealth of Australia filed a registration statement (File 2-19605) with the SEC on January 4th seeking registration of \$30,000,000 of Twenty Year Bonds due 1982, to be offered for public sale through underwriters headed by Morgan Stanley & Co. The interest rate, public

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offering price and underwriting terms are to be supplied by amendment. Net proceeds of this financing will be added to the Commonwealth's international reserves which, to the extent required, will be applied to the repayment of some \$38,085,000 of outstanding fifteen-year 3-3/8% due February 1, 1962. In lieu of cash payment for the bonds, the Commonwealth will accept from the underwriters said 3-3/8% bonds (each such bond and attached coupon to be accepted as the equivalent of \$1,016.88, the premium represented accrued interest to February 1, 1962. The prospectus states that the Commonwealth is now engaged in negotiations with the International Bank for Reconstruction and Development relating to a proposed loan from said Bank to assist in financing the next major section of the Snowy Mountains Hydro-Electric Scheme.

TANDY CORP. FILES STOCK PLAN. Tandy Corporation, 1001 Foch St., Fort Worth, Texas, filed a registration statement (File 2-19606) with the SEC on January 4th seeking registration of 30,078 shares of common stock, to be offered to managers and supervisors of the various stores operated by the company pursuant to its 1961 Key Personnel Stock Option Plan.

AMERICAN COFFEE PROPOSES OFFERING. American Coffee Company, 605 Ohio St., Corpus Christi, Texas, filed a registration statement (File 2-19607) with the SEC on January 4th seeking registration of 1,000 Coffee Plantation Investment Plans (ownership units or interests in a proposed coffee plantation with a lease back management and maintenance agreement) aggregating \$1,050,000 in amount. American has acquired land in Cerro Azul, Panama Province, Republic of Panama, for the purpose of developing the land into a coffee plantation for resale pursuant to the Coffee Plantation Investment Plan formula. The 1,000 plans comprise 1,000 acres acquired as a part of a tract of land (comprising 1,235.5 acres) for which American paid \$25,000 in cash and executed a note for \$162,500 to cover the balance. For each unit sold, \$600 is attributable to the cost of the property per acre and \$450 to management and maintenance costs. The pro rata cost to American for the 1,000 acres was about 81% of the \$187,500 total purchase price. If all 1,000 plans are sold, American will have a gross profit on land sales of about \$448,239, before general administrative expenses and the expenses of this offering, estimated at \$198,000. American anticipates that it will be able to develop the proposed coffee plantation at the \$450 it is charging as development costs. The prospectus lists Curtis Bell as president and Cecil E. Burney as secretary-treasurer. Of the 4,250 outstanding common shares, they own 1,375 shares each.

INTERNATIONAL AIRPORT HOTEL SYSTEM FILES FINANCING PROPOSAL. International Airport Hotel Systems, Inc., Miami International Airport, Miami, Fla., filed a registration statement (File 2-19608) with the SEC on January 4th seeking registration of \$1,700,000 of convertible subordinated debentures due 1977 and 170,000 common shares. It is proposed to offer these securities for public sale in units consisting of a \$100 debenture and 10 shares of stock. The interest rate on the debentures, the offering price of the units and underwriting terms are to be supplied by amendment. Bache & Co. and The Robinson-Humphrey Company, Inc., are listed as the principal underwriters. Each of the two firms has purchased, for \$6,250, five-year warrants for the purchase of 12,500 common shares, the exercise price of which is to be supplied by amendment. The underwriters have agreed to pay a finder's fee of \$15,000 to Jules Pascal, a Miami Beach stockholder of the company.

The company (formerly Airway Hotel, Inc.) and its subsidiaries are engaged in the business of establishing and operating modern hotels located in or adjacent to the terminal buildings of airports serving major cities. Giving effect to recent acquisitions, the company operates the Airport Hotel at Miami International Airport and at Birmingham Municipal Airport, has contracted for operation of a hotel, expected to be completed in 1962, at Houston International Airport, has contracted for the construction and operation of a hotel, expected to be completed by April 1963, at Dulles International Airport, to serve Washington, D. C., and has contracted for the purchase of land, on which it intends to construct a hotel by the latter part of 1963, near the Los Angeles International Airport. The net proceeds of this financing will be used to pay the balance due on the purchase price of the said Los Angeles property (\$2,730,000, of which \$100,000 has been paid). Any remaining proceeds will be added to working capital. The cost of constructing and furnishing the Los Angeles hotel is estimated at \$7,500,000, the cost of furnishing the Houston hotel at \$350,000, and the cost of constructing and furnishing the Dulles Airport hotel at \$3,250,000.

In addition to indebtedness, the company has outstanding 250,000 shares of common stock and 125,000 shares of Class B stock (each convertible under certain conditions into 3 common shares), of which management officials own 60,122 shares of common and 30,597 shares of Class B stock. The prospectus lists Saul S. Cohen as president. The October 31, 1961, book value of the company was \$427,055, or \$1.14 per share of common and Class B stock. The purchase of the stock of the Washington and Birmingham companies was made in December 1961, their stockholders being substantially the same as those of the issuing company.

TRADING IN APEX MINERALS SUSPENDED. The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Apex Minerals Corporation on the San Francisco Mining Exchange and over-the-counter market for a further ten-day period January 6 to 15, 1962, inclusive.

SECURITIES ACT REGISTRATIONS. Effective January 4: The Consolidated Zinc Corporation Limited (File 2-19410). Effective January 5: Investors Preferred Life Insurance Co. (File 2-17855). Withdrawn January 4: Circle-The-Sights, Inc. (File 2-16389). Withdrawn January 5: Republic Groves, Inc. (File 2-18166).