

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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DES MOINES REALTY ASSOCIATES FILES FOR OFFERING. Des Moines Realty Associates, 527 Madison Avenue, New York, filed a registration statement (File 2-19822) with the SEC on February 23rd seeking registration of \$1,825,000 of limited partnership interests in Associates, to be offered for public sale at \$5,000 per interest. The offering will be made on a best efforts all or none basis by Synco Securities Corp., 527 Madison Avenue, N.Y.

Associates is a limited partnership organized under New York law in January 1962 for the purpose of acquiring and holding for investment fee title to "Indian Hills." These properties will comprise a community of 95 modern garden apartment houses and related facilities to be constructed on a 68-acre tract in Des Moines, Iowa. John A. Reppert and his wife, Ruth A. Reppert, are both the general partners and, together with John M. Bess, the original limited partners; and they have agreed to contribute an aggregate of \$75,000 to the partnership. The partnership will acquire the land at a cost of \$300,000, and will enter into a contract with Reppert for the development and construction of the entire project, and payment of all expenses pertaining to this offering (including a 10% commission to the underwriter) for a consideration of \$4,500,000. Of the \$1,825,000 estimated proceeds from the sale of interests (together with the \$75,000 contribution from said partners), \$300,000 will be used for land acquisition, and \$1,600,000 (together with the proceeds of a mortgage not exceeding \$2,900,000) will be used to pay for development and construction of the entire project and payment of all expenses incident to the offering. Indian Hills, Inc., a corporation wholly owned by Reppert, has assigned to the partnership the purchase contract for the original tract, which includes Indian Hills, in return for which it will receive, at no cost, a reconveyance of a parcel of about six acres which may be improved with a shopping center in which the partnership will have no interest. Contemporaneously with the closing of title, Indian Hills will be leased to Reppert for an initial term of 21 years.

SYMINGTON WAYNE CORP. PROPOSES DEBENTURE RIGHTS OFFERING. Symington Wayne Corporation, Salisbury, Md., filed a registration statement (File 2-19824) with the SEC on February 23rd seeking registration of \$5,005,700 of convertible subordinated debentures due 1982. It is proposed to offer such debentures for subscription by common stockholders (and warrant holders) at the rate of \$100 of debentures for each 38 common shares (or warrants) held. Unsubscribed debentures are to be taken down by underwriters headed by Paine, Webber, Jackson & Curtis, 25 Broad Street, New York. The interest rate, record date, subscription price and underwriting terms are to be supplied by amendment. The statement also includes 28,000 common stock purchase warrants acquired (with stock) in 1958 by Louis Yaeger, a director, in the merger of The Wayne Pump Company into the company, which warrants may be sold from time to time privately or on the American Stock Exchange at prices prevailing at the time of sale.

The company is primarily engaged in the manufacture and sale of (a) gasoline dispensing pumps, hoists and other service station equipment, (b) specialty steel castings and other equipment for the railroad industry, and (c) mechanics hand tools, principally socket and flat wrenches. The net proceeds from the debenture sale will be used to retire \$3,000,000 of bank notes, and the balance to provide additional working capital and for other general corporate purposes. Such notes were incurred to finance the acquisition in October 1961 of the business and operating assets of Lectrolite Corporation, a manufacturer of hand tools, for about \$3,100,000 and the assumption of certain liabilities. In addition to certain indebtedness and 263,395 warrants (exercisable until May 31, 1968 at from \$10 to \$15 per share), the company has outstanding 1,628,078 shares of common stock, of which management officials as a group own 10% (and 11% of the outstanding warrants). W. H. Bateman is president.

E. R. MOORE CO. FILES FOR OFFERING AND SECONDARY. E. R. Moore Company, 932 Dakin Street, Chicago, filed a registration statement (File 2-19825) with the SEC on February 23rd seeking registration of 150,000 shares of common stock, of which 60,000 shares are to be offered for public sale by the company and 90,000 shares, being outstanding stock, by the holders thereof. The offering will be made on an all or none basis through underwriters headed by A. G. Becker & Co., 120 South LaSalle Street, Chicago. The public offering price (maximum \$14 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 25,000 shares underlying a five-year option to be granted to the principal underwriter, exercisable at a price to be supplied by amendment.

The company is engaged principally in the manufacture and sale or rental of girls' gym suits, academic caps and gowns, and confirmation and choir robes. Of the net proceeds from the company's sale of additional stock, \$116,100 will be used to reimburse its treasury for the cost of all the outstanding stock of a California corporation which owns the company's Los Angeles service facility, and the balance will be used to retire long-term debt, and for general corporate purposes including increased rental inventories and carrying of accounts receivable. In addition to certain indebtedness, the company has outstanding 550,000 shares of common stock (after giving effect to a proposed 100-for-1 stock split), of which Edwin R. Moore, president and board chairman, and Marjorie Moore Fantacci, a director, own 143,000 each and propose to sell 23,400 each. In addition, Hattie O. Burton and Archibald P. Ogden own 132,000 shares each and propose to sell 21,600 shares each. All of the outstanding shares of the company, with the exception of those to be offered by the selling stockholders, have been or will be placed in a voting trust until 1972, of which the selling stockholders are voting trustees.

OVER

LIVESTOCK FINANCIAL CORP. FILES FOR STOCK OFFERING. Livestock Financial Corporation, 26 Platt Street, New York, filed a registration statement (File 2-19826) with the SEC on February 23rd seeking registration of 245,000 shares of common stock, to be offered for public sale at \$10 per share. The offering will be made through underwriters headed by Shearson, Hammill & Co., 14 Wall Street, New York, which will receive a 90¢ per share commission.

The company was organized under New York law in November 1961 as an insurance holding company. One of its subsidiaries, Livestock and Casualty Insurance Co. Limited, a British corporation, began in January 1962 to write insurance on the lives of all types of animals including thoroughbred horses, pedigreed cattle and racing animals and is writing ocean marine insurance. Another British subsidiary, Livestock Underwriting Agency Limited, proposes to acquire the good will and certain other assets of another company of a similar name which has been engaged in the underwriting of insurance on livestock. It is intended that the company's to-be-organized American insurance subsidiaries will be authorized under the laws of New York and Florida to engage in the business of insuring lives of animals. Of the net proceeds from the stock sale, (together with \$100,000 of previously invested capital), \$1,600,000 will be allocated to the New York insurance subsidiary and \$600,000 to the Florida subsidiary.

The company has (or will have) outstanding 61,750 shares of common stock, of which Jay B. Rappaport, chairman of the executive committee, and J. N. Pollock & Co. (formerly known as Livestock Underwriting Agency Ltd. and wholly-owned by James N. Pollock, company president, and his wife) own 45% and 19%, respectively, and management officials as a group 93%. Rappaport contributed to the capital of the company or expended on its behalf a total of \$250,250 in return for which he received 27,500 shares. The company intends to purchase the British underwriting agency (J. N. Pollock & Co.) for \$109,200 in cash and an additional \$28,000 in installments, and shortly thereafter to sell to such company 12,000 shares for \$109,200. The company also proposes to sell to nine investors an aggregate of 22,250 common shares at \$9.10 per share.

LAB-LINE INSTRUMENTS FILES FOR OFFERING AND SECONDARY. Lab-Line Instruments, Inc., 3070-82 West Grand Avenue, Chicago, filed a registration statement (File 2-19827) with the SEC on February 23rd seeking registration of 142,860 shares of common stock, of which 122,168 shares are to be offered for public sale by the company and 20,692 shares, being outstanding stock, by the holders thereof. The offering will be made on an all or none basis through underwriters headed by R. W. Pressprich & Co., 80 Pine Street, New York. The public offering price (maximum \$9 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 10,000 shares underlying five-year options to be granted to the principal underwriter, exercisable at a price to be supplied by amendment.

The company was organized under Delaware law in February 1962 as successor to Labline Inc., an Illinois company organized in 1952. It is engaged in the manufacture and sale of an extensive line of industrial, hospital and clinical laboratory instruments and apparatus, as well as laboratory instruments and apparatus used in secondary schools and colleges. Of the net proceeds from the company's sale of additional stock, \$175,000 will be used to repay a bank loan made to purchase a new plant site in Melrose Park, Ill., \$150,000 to construct the plant and purchase equipment, and the balance for expansion of research and development programs, to repay bank loans and for working capital.

In addition to certain indebtedness, the company has outstanding 22,444 shares of common stock and 439,570 shares of Class B stock, of which Alexander I. Newman, president, owns 92.2% of each class. He proposes to sell the 20,692 common shares.

BESTFORM FOUNDATIONS FILES FOR OFFERING AND SECONDARY. Bestform Foundations, Inc., 38-01 47th Avenue, Long Island City, N. Y., filed a registration statement (File 2-19828) with the SEC on February 23rd seeking registration of 185,000 shares of common stock, of which 36,500 shares are to be offered for public sale by the company and 148,500 shares, being outstanding stock, by the holders thereof. The offering will be made through underwriters headed by Smith, Barney & Co., 20 Broad Street, New York. The public offering price (maximum \$20 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the design, manufacture and sale of popular priced foundation garments principally under the brand name "Bestform." The net proceeds from the company's sale of additional stock will be added to working capital and used for general corporate purposes, including equipping of additional plant facilities in Puerto Rico (\$200,000) and investment in proposed foreign plants (\$400,000). In addition to certain indebtedness, the company has outstanding 360,000 common and 342,880 Class B shares (equally divided into two series), of which Gertrude Goldberg, president, and Julius Bienenfeld, vice president, own 25% and 15.8%, respectively (in the aggregate). They propose to sell 45,650 and 38,500 common shares, respectively. In addition, as trustees for Gertrude Goldberg under a trust instrument, they hold an aggregate of 129,890 shares and propose to sell 64,350 common shares. After the stock sale, the selling stockholders will own 36% of the outstanding stock of the company and an additional 30% in various fiduciary capacities.

MAC-ALLAN CO. FILES FOR OFFERING AND SECONDARY. Mac-Allan Company, Inc., 1650 Broadway, Kansas City, Mo., filed a registration statement (File 2-19829) with the SEC on February 23rd seeking registration of 130,260 shares of Class A common stock, of which 65,130 shares are to be offered for public sale by the company and 65,130 shares, being outstanding stock, by the holders thereof. The offering will be made at \$5 per share on an all or none basis through underwriters headed by George K. Baum & Company (1016 Baltimore Ave., Kansas City, Mo.), which will receive a 45¢ per share commission.

The company's business consists of the sale and distribution of costume jewelry, ladies' handbags, and accessories. The net proceeds from the company's sale of additional stock will be added to general funds. In addition to certain indebtedness, the company has outstanding 65,130 Class A and 219,867 Class B shares (after giving effect to (1) a recent recapitalization whereby 99,753 Class B shares were issued in exchange for the 456 shares then outstanding, (2) the issuance of an aggregate of 185,244 Class B shares in exchange for the stock of two companies, and (3) the conversion of Class B shares into Class A for purposes of this

offering). Max Gluck, president, and Ada Gluck, vice president, own 45.83% and 40.01%, respectively, of the outstanding stock of the company, and they propose to sell 32,000 and 28,000 Class A shares, respectively (converted from Class B shares). In addition, Hugo Schlessinger and Joseph J. Kass propose to sell 2,565 shares each of 8,550 shares owned by each. Sale of the new stock to the public at \$5 per share will result in an increase in the book value of stock outstanding from \$1.66 to \$2.13 per share and a corresponding dilution of \$2.87 per share in the book equity of stock purchased by the public.

COMPUTER ORIENTED RESEARCH FILES FOR OFFERING AND SECONDARY. Computer Oriented Research & Engineering, Inc., 119 Federal Street, Pittsburgh, filed a registration statement (File 2-19830) with the SEC on February 23rd seeking registration of 135,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 35,000 shares, being outstanding stock, by Apollo Industries, Inc., the principal stockholder of the company. The offering will be made at \$4 per share on an all or none basis by Arthurs, Lestrangle & Co., 2 Gateway Center, Pittsburgh, and Morris, Cohon & Co., 19 Rector Street, New York. The underwriters will receive a 40¢ per share commission and \$15,000 for expenses. The statement also includes 10,000 shares underlying 5-year warrants to be sold to the underwriters at 25¢ each, exercisable at from 107% to 128% of the public offering price.

The company is engaged in the business of electronic data processing through the use of large scale data processing machines and allied equipment. The sale of computer time is at present the major business of the company; and consulting and programming services on an advisory basis are available to its customers when directly connected to the sale of computer time. The \$328,125 estimated net proceeds from the company's sale of additional stock will be used to develop computer systems which will be proprietary and will be sold on a service basis rather than selling only the computer time required to perform the calculations. Of such proceeds, \$200,000 will be allocated for the acquisition of literature search abstracts, and the balance for the addition of personnel and for working capital to be used in the development of programs.

In addition to certain indebtedness, the company has outstanding 480,000 shares of common stock (after giving effect to a recent 400-for-1 stock split), of which Apollo Industries, Inc. owns 400,000 shares (and proposes to sell the 35,000 shares) and management officials as a group 44,400 shares. Apollo purchased its shares in 1961 for an aggregate of \$10,000, and at that time it made a loan to the company of \$190,000. Sale of stock to the public at \$4 per share will result in an increase in the book value of stock now outstanding from \$.025 to 58¢ per share and a corresponding dilution of \$3.42 per share in the book equity of stock purchased by the public.

TREMCO MFG. FILES FOR SECONDARY. The Tremco Manufacturing Company, 10701 Shaker Blvd., Cleveland, filed a registration statement (File 2-19831) with the SEC on February 26th seeking registration of 150,000 outstanding shares of Class A common stock, to be offered for public sale by the holders thereof on an all or none basis through underwriters headed by McDonald & Company, 1250 Union Commerce Building, Cleveland. The public offering price (maximum \$15 per share*) and underwriting terms are to be supplied by amendment.

The company is a producer of protective coatings, sealants, mastics, paints and enamels for use in the maintenance and construction of the exterior and interior of buildings, as well as sealants, adhesives and coatings for use by manufacturers of original equipment, including boats, motor vehicles, rolling stock and appliances. It is also engaged in the manufacture of industrial baking enamels, vinyls and organic plastisols. It owns substantial stock interests in an English company specializing in the manufacture and installation of industrial flooring, and a Canadian manufacturer of insulated glass. In addition to certain indebtedness, the company has outstanding 372,026 Class A and 207,835 Class B common shares, of which William C. Treuhaft, president, owns 30,002 Class A shares (and 202,015 Class B shares) and proposes to sell 30,000 Class A shares. In addition, Homer A. Evans and The Elizabeth and William C. Treuhaft Foundation own 9,018 and 110,982 Class A shares, respectively, and propose to sell all such shares.

ADVISER RULE ADOPTED. The SEC today announced the adoption of a new Rule 206(4)-2 under the Investment Advisers Act of 1940 requiring investment advisers who have custody or possession of funds or securities of clients to segregate the securities and hold them in safekeeping and to set up a separate trust account in a bank for funds belonging to each client. In adopting the rule, the Commission seeks to implement the provisions of Section 206(4) of the Act which prohibit any investment adviser from engaging in any act, practice or course of business which is fraudulent, deceptive or manipulative; and the stated purpose of the rule is to require an investment adviser who has custody of funds or securities of any client "to maintain them in such a way that they will be insulated from and not be jeopardized by financial reverses, including insolvency, of the investment adviser."

The rule makes it a fraudulent, deceptive or manipulative act, practice or course of business for any investment adviser who has custody or possession of funds or securities of clients to do any act or to take any action with respect to any such funds or securities unless (1) all such securities of each such client are segregated, marked to identify the particular client who has the beneficial interest therein, and held in safekeeping in a reasonably safe place; (2) all funds of such clients are deposited in one or more bank accounts which contain only clients' funds; such accounts are maintained in the name of the investment adviser as agent or trustee for such clients; and the investment adviser maintains a separate record for each such account showing where it is, the deposits and withdrawals, and the amount of each client's interest in the account; (3) the adviser, immediately after accepting custody or possession, notifies the client in writing of the place and manner in which the funds and securities will be maintained; (4) the adviser sends each client, at least once every three months, an itemized statement of the funds and securities in his custody or possession at the end of such period and all debits, credits and transactions in the client's account during the period; and (5) at least once each calendar year the funds and securities are verified by actual examination by an independent public accountant in a surprise examination and a certificate of the accountant, stating that he has made the examination and describing the nature and

extent of it, is sent to the Commission promptly thereafter. In order to make an appropriate examination it would be necessary for the accountant not only to make a physical examination of the securities, and in certain cases to obtain confirmation, but also to reconcile the physical account or confirmation with the records of the investment adviser. Similar verification of and confirmation of the funds being held and the records with respect thereto would also have to be made.

LP GAS SAVINGS STAMP 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 proposed public offering of stock by LP Gas Savings Stamp Company, 300 West 61st Street, Shreveport, La.

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 September 1960, the said Stamp Co. proposed the public offering of 30,000 common shares at \$10 per share. The Commission asserts in its suspension order that it has reasonable cause to believe that certain terms and conditions of the Regulation were not complied with; that Stamp Co.'s offering circular was false and misleading in respect of certain material facts by reason of its failure to disclose certain information; and that the company and its president, Welborn C. Murphrey, failed to cooperate and to respond to requests for amendment to the notification and offering circular. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Stamp Co. was organized in May 1960 "primarily for the purpose of engaging in the issuing, selling and redeeming of traded stamps." Its stamp plan is said to be designed specifically for petroleum marketers. The alleged misrepresentations in its offering circular relate to the following: (a) failure to disclose certain facts with respect to the offering and underwriting, including the failure to state clearly that the underwriting is on a "best efforts" basis and the company is wholly dependent upon the proceeds thereof for any effective working capital; (b) the failure to state clearly the exact stage of development of the company's business operations and to differentiate clearly between current status and future plans, particularly in regard to the number of retailers licensed to use Stamp Co.'s services; (c) failure to make proper disclosure of the facts with respect to Stamp Co.'s capital structure, shares issued and outstanding and to be outstanding, the percentage of outstanding shares to be held by management officials and promoters upon sale of the new shares and the respective amounts of cash paid therefor by such group and by the public purchasers, and the failure to include information concerning transactions giving rise to outstanding subscriptions to shares held by management officials and promoters; and (e) failure to include a statement of cash receipts and disbursements as required. It also is alleged, among other things, that the notification filed by Gas Co. fails to name Murphrey (its president and 75% stockholder) as an affiliate, fails to give the required information with respect to outstanding subscriptions for 2500 common shares, fails to set forth the basis for the exemption claimed for the sale of unregistered stock and subscriptions, and fails to provide satisfactory escrow arrangements for outstanding shares.

URAN MINING HEARING SCHEDULED. The Commission has scheduled a hearing for March 12th in its Denver Regional Office to determine whether to vacate or make permanent a February 1959 order temporarily suspending a Regulation A exemption from registration with respect to a public offering by Uran Mining Corporation, of Rochester, N. Y., pursuant to a notification filed in September 1955, of 58,400 shares of Class A voting common stock and 233,600 shares of Class B nonvoting common stock.

TRADING IN BLACK BEAR INDUSTRIES SUSPENDED. The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Black Bear Industries, Inc., on the San Francisco Mining Exchange and the over-the-counter market for a further ten-day period February 28 to March 9, 1962, inclusive.

G.P.U. PROPOSES CONTRIBUTIONS TO SUBSIDIARIES. General Public Utilities Corporation, New York holding company, has filed a proposal with the SEC under the Holding Company Act for cash capital contributions of \$19,000,000 during 1962 to its subsidiary, Jersey Central Power & Light Company; and the Commission has issued an order (Release 35-14585) giving interested persons until March 12th to request a hearing thereon. The said subsidiary will use the funds to pay in full its short-term notes to banks, outstanding at November 30, 1961, in the amount of \$14,995,000, and for other corporate purposes.

G.P.U. also proposes cash capital contributions of \$1,000,000 during 1962 to its subsidiary, New Jersey Power & Light Company; and the Commission has issued an order (Release 35-14586) giving interested persons until March 12th to request a hearing thereon. New Jersey Power will use the funds partially to reimburse its treasury for construction expenditures prior to December 1, 1961.

PROVIDENT FUND FOR INCOME ORDER ISSUED. The SEC has issued an order under the Investment Company Act (Release IC-3434) granting an exemption application filed by Provident Fund for Income, Inc., Philadelphia investment company, and Provident Management Corporation of Philadelphia, underwriter of the Fund's shares, permitting certain purchasers of Fund shares to complete their purchases on the basis of the offering price existing prior to a proposed adjustment in the sales load applicable to Fund shares.

SECURITIES ACT REGISTRATIONS. Effective February 27: All-State Auto Rental Corp. (File 2-19070).

*As estimated for purposes of computing the registration fee.