

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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NATIONAL WORK-CLOTHES RENTAL FILES FOR SECONDARY. National Work-Clothes Rental, 1100 Sherman Avenue, Elizabeth, N. J., filed a registration statement (File 2-19899) with the SEC on March 6th seeking registration of 500,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Hornblower & Weeks, 1 Chase Manhattan Plaza, New York. The public offering price (maximum \$11 per share) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in renting and laundering work clothes and uniforms for industrial and commercial customers. To integrate the business of the company with its two principal sources of supply and to acquire control of the real estate used for 15 of its industrial laundry processing plants, the company has agreed to issue simultaneously with this offering by the selling stockholders, an aggregate of 456,500 common shares in exchange for all of the outstanding voting stock of Angus Manufacturing Company, Inc., Textiles, Inc. and 12 companies holding the real estate used for 15 company plants. Nathaniel Cohen, president, and Irving Kirshbaum, board chairman, will receive 83,334 common shares of the company each in exchange for their interests in Angus (33.3% each), and certain trusts for the benefit of Cohen's children will receive 18,750 shares in exchange for 30% of Textiles, as will certain trusts for the benefit of Kirshbaum's children. The capital stock of the 12 real estate holding companies is held by members of the respective families of Cohen and Kirshbaum, and they will receive an aggregate of 144,000 shares of the company.

In addition to certain indebtedness, the company now has outstanding 843,500 common and 700,000 shares of common B stock. Cohen and Kirshbaum own 31.6% and 21.7%, respectively, of the common (and propose to sell 250,000 shares each). They also own 50% each of the common B stock. After the stock sale and said exchange, they will own 22.5% and 18.3%, respectively, of all outstanding stock of the company.

INTERMOUNTAIN GAS FILES FINANCING PLAN. Intermountain Gas Company, 905 Main Street, Boise, Idaho, filed a registration statement (File 2-19901) with the SEC on March 6th seeking registration of \$3,400,000 of subordinate debentures due 1987 and 68,000 shares of common stock, to be offered for public sale in units consisting of \$50 of debentures and one common share. The statement also includes 63,803 common shares which the company proposes to offer for subscription by common stockholders at the rate of one new share for each 10 shares held. White, Weld & Co., 20 Broad Street, New York, heads the list of underwriters. The interest rate on the debentures, public offering price of the units (maximum \$70 per unit*), record date and subscription price of the rights offering (maximum \$20 per share*) and underwriting terms are to be supplied by amendment.

The company distributes natural gas in 41 communities located primarily in the Snake River Valley of southern Idaho. The net proceeds from this financing will be used to retire \$1,750,000 of bank loans obtained for the temporary financing of part of the company's 1961 construction program and to retire bank loans obtained for the temporary financing of part of its 1962 construction program. The balance will be applied in part to the 1962 construction program, with the remainder being added to general funds to be available for general corporate purposes including an increase in working capital. In addition to certain indebtedness, the company has outstanding 638,026 shares of common stock, of which management officials as a group own 1%. Ralph F. Gibson is president and Edgar F. Lessinger is board chairman.

ISRAEL HOTELS INTERNATIONAL FILES FINANCING PLAN. Israel Hotels International, Inc., 229 South State Street, Dover, Del., filed a registration statement (File 2-19903) with the SEC on February 28th seeking registration of \$4,036,000 of 6½% sinking fund dollar debentures due 1980-86 and 40,360 shares of common stock (with attached option warrants to purchase 80,720 common shares at \$5 per share until December 1968), to be offered for public sale in units consisting of one \$1,000 debenture and 10 common shares (with warrants to purchase 20 shares). The offering will be made at \$1,050 per unit on a best efforts basis by American Israel Basic Economy Corporation (AMIBEC), which will receive a \$52.50 per unit selling commission and \$45,000 for expenses. At the discretion of the company, debentures may be purchased alone at their par value, and shares thus made available at \$5 per share; and the company may accept as payment in lieu of cash State of Israel Bonds of the Independence or First Development Issue (and certain Second Development Issue). The statement also includes (1) \$2,760,000 of 6½% dollar debentures due 1980 to be offered for public sale at 100% of principal amount (without underwriting), of which the Government of Israel has agreed to purchase (under certain circumstances) \$1,400,000 at par and to pay AMIBEC 8% for commissions and expenses on sales of such debentures to others, and (2) 15,000 common shares, 45,000 option warrants and 2,864 like units (for a total of \$3,007,200) previously sold by the company.

The company was organized under Delaware law in May 1961 at the instance of AMIBEC, for the purpose of constructing a luxury hotel in Tel Aviv, Israel, to be leased to managed by Hilton Hotels International, Inc. and to be known as the "Tel Aviv Hilton." The Government of Israel has agreed to sell to the company for \$800,000 a 4.25 acre site in Tel Aviv bordering on the Mediterranean. It is estimated that the cost of the project will be \$9,660,000, of which the company has raised subscriptions totalling \$3,007,200 (\$2,514,681 having been paid as of February 26, 1961) by its prior sale of securities. As indicated, the Government of Israel has agreed to purchase \$1,400,000 of 1980 debentures if not otherwise sold, and to the extent that the proceeds of this offering are insufficient to complete the hotel and meet the balance of the cost of the

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project, to advance up to \$7,160,000 to the company for such purposes. Of the \$9,325,400 estimated net proceeds from this financing, \$800,000 will be used to purchase the hotel site, \$5,531,300 for construction of the hotel, landscaping, swimming pool, cabanas, etc. \$1,949,100 for furnishings, operation, equipment, interior decoration and other expenses, \$700,000 for net interest costs and corporate expenses during construction, and the balance will be held as a reserve.

In addition to certain indebtedness, the company has outstanding 15,000 shares of common stock (exclusive of 28,640 shares included in units previously sold), all of which are owned by AMIBEC. Nathaniel P. Kann is president and Jose Kalach is board chairman.

DREW REALTY FILES STOCK OFFERING & EXCHANGE PLAN. Drew Realty Corporation, 50 Broad Street, New York, filed a registration statement (File 2-19902) with the SEC on March 6th seeking registration of 163,000 shares of Class A stock, to be offered for public sale at \$10 per share. The offering will be made on an all or none best efforts basis by Drew Securities Corp. (of the Broad Street address and wholly owned by a company vice president), which will receive no commissions as such but \$60,000 for expenses. The statement also includes (1) 330,500 Class A and 43,000 Class B shares, to be offered by the company in exchange for outstanding interests consisting of capital stock and notes of shareholders of certain corporations, and in exchange for outstanding interests of partners in Phoenix Fifth Avenue Company, a limited partnership, (2) 50,000 Class A shares to be offered to Dinkler Management Corporation of Tennessee, a wholly-owned subsidiary of Transcontinental Investing Corp., in consideration for certain property, and (3) 55,000 outstanding Class A shares to be distributed pro rata to the shareholders of Transcontinental Investing by Venture Funding Corporation, its wholly-owned subsidiary, which purchased the shares from the company prior to this offering.

The company was organized under Delaware law in February 1962 to engage in various phases of the real estate business. It commenced activities by acquiring from the organizers all of the stock of 1058 Second Ave. Corp., the owner of a brownstone apartment and store building located in Manhattan, N.Y., all of the stock of Drew Operating Corp., the company which manages 18 of the properties held by the corporations involved in the exchange offer, and by acquiring from Dinkler Hotel Corp. (a subsidiary of Transcontinental Investing) the Belvedere Motor Hotel located in Decatur, Georgia. The company proposes to acquire through the exchange offer various properties in New York, Daytona Beach, Atlanta, Louisville, Miami Beach, Ft. Lauderdale, Phoenix and Hialeah. Of the \$1,485,000 estimated net proceeds from the cash sale of stock, \$720,000 will be used toward payment of the company's note given as part of the purchase price (\$1,375,000) of The Belvedere Motor Hotel, \$190,000 toward the purchase price (\$200,000, subject to mortgages of \$625,000) of The Pickwick Hotel, San Francisco, \$397,500 toward purchase (subject to mortgages of \$740,000) of the Warren Apartments, Arlington, Va., \$134,000 to satisfy existing mortgages on property held by Elson-Aibel Development Corp. and Aibel Corp. (two of the corporations to be acquired in the exchange), and the balance for working capital. The properties presently held by the corporations involved in the exchange offer were, for the most part, originally acquired from or through the services of Norman Elson, president and board chairman, who together with Harold Aibel, executive vice president, organized the company. Most of such corporations were sponsored and organized by Elson, who as a result of these operations received amounts aggregating \$215,000 before costs and expenses. Elson and Aibel have interests in four of the corporations involved in the exchange offer and their relatives own interests of varying amounts in many of such corporations.

The company has outstanding 136,000 Class A and 136,000 Class B shares. Elson, Aibel and Venture Funding Corp. own 46.32%, 10.29% and 40.45%, respectively, of the Class A shares. In addition, Elson and Aibel own 83.09% and 8.82%, respectively, of the outstanding Class B shares. All of the Class A shares owned by Aibel and Venture Funding, and 41,000 of the 63,000 Class A shares owned by Elson, were recently purchased from the company at \$1 per share. Aibel acquired 10,000 Class B shares in exchange for all the stock of 1058 Second Ave. Corp. and Elson acquired 26,000 Class A and 126,000 Class B shares for all of the stock of Drew Operating Corp.

GEOTECHNICAL CORP. FILES FOR OFFERING AND SECONDARY. The Geotechnical Corporation, 3401 Shiloh Road, Garland, Texas, filed a registration statement (File 2-19904) with the SEC on March 7th seeking registration of 90,000 shares of common stock, of which 80,000 shares are to be offered for public sale by the company and 10,000 shares, being outstanding stock, by William B. Heroy, board chairman. The offering will be made by Lehman Brothers, One William Street, New York. The public offering price (maximum \$22 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the organization and performance of research programs, the design, development and manufacture of instruments and systems for the detection, recording and measurement of earth motion, and the operation of facilities and field services. It specializes in seismology, the branch of geophysics which is concerned with the study of natural events, such as earthquakes, and of chemical and nuclear explosions (both in the atmosphere and underground) produced by human agencies. Certain of the company's instruments are used in governmental and commercial applications in other scientific fields. The net proceeds from the company's sale of additional stock will be used principally to increase working capital, except for about \$60,000 which will be used to retire the outstanding preferred stock of the company.

In addition to certain indebtedness and the preferred stock, the company has outstanding 375,900 shares of common stock, of which Heroy and American Research and Development Corp. own 36.05% and 29.02%, respectively, and management officials as a group 53.68%. As indicated, Heroy proposes to sell 10,000 shares. William B. Heroy, Jr. is president.

I.T.&T. PROPOSES DEBENTURE OFFERING. International Telephone and Telegraph Corporation, 320 Park Ave., New York, filed a registration statement (File 2-19905) with the SEC on March 7th seeking registration of \$50,000,000 of sinking fund debentures due 1987, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 30 Wall Street, New York. The interest rate, public offering price and underwriting

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terms are to be supplied by amendment. Of the net proceeds from the debenture sale, \$32,500,000 will be used to pay outstanding short-term bank loans incurred to provide the company's divisions and subsidiaries with increased working capital and to finance a portion of their capital expenditures; and the balance will also be used for such working capital and capital expenditures. Expenditures by the company and its consolidated subsidiaries for plant, property and equipment for the years 1962 and 1963 are presently estimated at \$125,000,000 and \$105,000,000, respectively. In addition to various indebtedness and preferred stock, the company has outstanding 16,375,060 shares of common stock, of which management officials as a group own 126,117 shares. Harold S. Geneen is president.

REGISTRATION DENIED UNION SECURITIES CORP. The SEC today announced the issuance of an order under the Securities Exchange Act (Release 34-6749) denying an application for broker-dealer registration filed by Union Securities Corporation, of 60 Wall Street, New York. Robert K. Berry, president and sole stockholder, of the applicant company was found to be a cause of the denial order.

In a prior Decision of August 1960, the Commission found that Berry, then president and sole stockholder of Berry & Company, a registered broker-dealer, willfully violated the anti-fraud provisions of the Securities Act and the Exchange Act, in that he made false and misleading statements in the offer and sale of securities to customers in connection with an intensive multi-state sales campaign, involving repeated telephone calls to induce further purchases and involving the use of confirmations of transactions not authorized by customers. On the basis of such findings, the Commission revoked Berry & Company's registration, expelled it from membership in the National Association of Securities Dealers, Inc. and found Berry to be a cause of such action.

In its denial of registration to Union Securities, the Commission considered Berry's asserted activities since the earlier proceedings, including assisting the companies for which Berry & Company has acted as underwriter, and applicant's statement that as a registered broker-dealer it would sell only seasoned over-the-counter securities and specialize in certain underwritings. Having concluded that these factors do not outweigh the serious nature of Berry's prior misconduct so as to warrant his reentry in the securities business as the controlling person of a registered broker-dealer, the Commission determined that it is not in the public interest to permit applicant's registration to become effective.

GEORGE SEYBOLD SENTENCED. The SEC Chicago Regional Office announced March 7th that George Robert Seybold, of Jackson, Mich., has been sentenced on his plea of guilty to an indictment charging violations of the anti-fraud provisions of the Securities Act and Investment Advisers Act in the conduct of an investment advisory business under the name Seybold and McBurney. Seybold received a five-year imprisonment sentence on the first count of the indictment and a like term on the second, to run consecutively to the sentence imposed on the first count. He was sentenced to three years each on the third to ninth counts, one year each on the tenth and eleventh, and five years on the twelfth count, such sentences to run concurrently with those imposed on the first and second counts. (Lit-2206)

TOWNSEND MANAGEMENT EXCHANGE PROPOSAL CLEARED. The SEC has issued an exemption order under the Investment Company Act (Release IC-3441) permitting Townsend Management Corporation, Short Hills, N. J., to exchange all of its interest in Fiduciary Counsel, Inc., a wholly-owned subsidiary, for cash of \$79,750 and 31,000 shares of its own stock held by a group of individuals.

TOWNSEND CORP. EXCHANGE PROPOSAL CLEARED. The SEC has issued an exemption order under the Investment Company Act (Release IC-3442) permitting Townsend Corporation of America, Short Hills, N. J., to exchange all of its interest in Princessville Research Corporation and Princeton Pike Corporation for 68,316 shares of TCA stock held by two individuals who had previously sold TCA its interests in the two companies.

G.P.U. PROPOSES CASH CONTRIBUTION TO SUBSIDIARY. General Public Utilities Corporation, New York holding company, has filed a proposal with the SEC under the Holding Company Act for cash capital contributions during 1962 to its subsidiary, Pennsylvania Electric Company, in amounts not to exceed \$11,000,000 in the aggregate; and the Commission has issued an order (Release 35-14591) giving interested persons until March 27th to request a hearing thereon. The subsidiary will use the funds to reimburse its treasury in part for construction expenditures prior to December 1, 1961, and to pay off some \$5,000,000 of bank loans.

TEXACO FILES STOCK PLAN. Texaco, Inc., 135 East 42nd Street, New York, filed a registration statement (File 2-19907) with the SEC on March 7th seeking registration of 1,063,946 shares of capital stock, to be offered pursuant to the Incentive Stock Option Plan of the company and Stock Option Contracts of The TXL Oil Corporation (to be assumed by the company upon its acquisition of TXL).

SEEBURG CORP. FILES INVESTMENT AND STOCK PLANS. The Seeburg Corporation, 1500 North Dayton Street, Chicago, today filed registration statements (Files 2-19909 and 2-19910) with the SEC seeking registration of (1) 180,000 shares of common stock, to be offered pursuant to the company's Stock Option Plan, and (2) 10,000 shares, to be offered pursuant to its Employee Savings-Investment Plan.

SECURITIES ACT REGISTRATIONS. Effective March 8: Albert Voigt Industries, Inc. (File 2-18793); Bowey's, Inc. (File 2-19251); Electro-Mec Instrument Corp. (File 2-18895); National Growth Investment Plans (File 2-19409); Programming and Systems, Inc. (File 2-19125); Western Land Corp. (File 2-19192).

*As estimated for purposes of computing the registration fee.