

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 April 23, 1962

Statistical Release No. 1823. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended April 20, 1962, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1961 - 1962 is as follows:

	1957-59 = 100		Percent Change	1962	
	4/20/62	4/13/62		High	Low
Composite	139.6	137.8	1.3	144.3	137.8
Manufacturing	129.7	128.1	1.2	135.0	128.1
Durable Goods	129.5	128.6	0.7	135.6	128.6
Non-Durable Goods	130.0	127.7	1.8	134.4	126.2
Transportation	104.5	103.2	1.3	111.0	103.2
Utility	182.6	179.8	1.6	185.5	179.6
Trade, Finance & Service	173.7	171.1	1.5	178.2	170.0
Mining	105.9	103.4	2.4	113.3	99.7

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended April 19, 1962, 27 registration statements were filed, 54 became effective, 2 were withdrawn, and 838 were pending at the week-end.

MERCO ENTERPRISES FILES FOR OFFERING AND SECONDARY. Merco Enterprises, Inc., 1692 Utica Avenue, Brooklyn, N. Y., filed a registration statement (File 2-20265) with the SEC on April 20th seeking registration of 104,000 shares of common stock, of which 33,000 shares are to be offered for public sale by the company and 71,000 shares, being outstanding stock, by the holders thereof. D. J. Singer & Company, 50 Broad Street, New York, heads the list of underwriters. The public offering price (maximum \$7.50 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 15,000 shares underlying 5-year options to be sold to the principal underwriter at 1¢ each, exercisable at the public offering price.

The company is engaged in the business of selling phonograph records to, and providing merchandising services for, 71 retail record departments in the United States, including 5 leased record departments operated by subsidiaries in retail discount centers in the New York metropolitan area. The net proceeds from the company's sale of additional stock will be used to cover expenses resulting from the impending transfer of operations to larger quarters in Garden City, Long Island (\$25,000), and the balance for working capital and general corporate purposes, including possible acquisition and establishment of additional leased record departments. The company has outstanding 301,035 shares of common stock (recently issued in exchange for the 105 capital shares then outstanding), of which Jack Grossman, president, and Marvin W. Rossman, vice president, own 129,015 and 114,680 shares, respectively. They propose to sell 36,833 and 34,167 shares, respectively. They also hold 28,670 shares each in trusts for the benefit of their respective children. Book value of stock now outstanding is 72¢ per share.

SIMPLEX LOCK PROPOSES RIGHTS OFFERING. Simplex Lock Corporation, 150 Broadway, New York, filed a registration statement (File 2-20266) with the SEC on April 20th seeking registration of 20,000 shares of common stock. It is proposed to offer such stock for subscription by common stockholders of the company and of Associated Development & Research Corporation (principal stockholder of the company) at the rate of one new share for each 10 company shares held by its stockholders other than Associated, and one new share for each 10 common shares of Associated held by Associated stockholders. The subscription price (maximum \$20 per share*) is to be supplied by amendment. Charles Plohn & Co., 4 Albany Street, and B. W. Pizzini & Co., 25 Broad Street, both of New York, are committed to take down unsubscribed shares at the subscription price less an underwriting discount of 75¢ per share, and they will receive a standby fee of \$15,000. The statement also includes 20,000 outstanding shares underlying options granted to said underwriters by Associated, in connection with a prior offering by the company, exercisable until 1967 at \$3 per share.

The company was organized under New York law in January 1961 for the purpose of developing and selling a new type of combination lock known as the Simplex Push Button Lock. This lock consists of a row of numbered buttons and can be opened by pressing such bottoms in a pre-selected sequence and turning the knob. The number of possible combinations of a five-button lock are said to exceed 1,000, and by adding buttons, can be made to exceed 1,000,000. According to the prospectus, the company has contracted with Scovill Manufacturing Company of Waterbury, Conn. to produce locking mechanisms for the lock and with The General-Gilbert Corporation of Winsted, Conn. (an affiliate) to manufacture hardware for the lock and provide engineering and model making services. The prospectus further states that the company, which shares office space with Associated and General-Gilbert, has not established its own plant for manufacturing or assembly, and has 5 full-time employees who provide sales, engineering and technical services. The net proceeds from the stock sale will be used for initial costs of machinery and equipment and tooling up for production of

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complete lock units; for additional research in and development of 7 and 10-button locks; and for working capital to be used to finance production, inventory and sales.

The company has outstanding 200,000 shares of common stock, of which Associated owns 100,000 shares and management officials as a group 8,800 shares. Associated received its shares for a patent and patent applications directed to the principles used in the lock, together with developments, drawings, models, jigs and tools. Such patent rights are said to represent a cost to Associated of \$115,057. Robert S. Wallach is president of the company, Associated and General-Gilbert; and the three companies have other common management officials.

ZAYRE FILES FOR OFFERING AND SECONDARY. Zayre Corp., One Mercer Road, Natick, Mass., filed a registration statement (File 2-20268) with the SEC on April 20th seeking registration of 475,000 shares of common stock, of which 175,000 shares are to be offered for public sale by the company and 300,000 shares, being outstanding stock, by the holders thereof. Lehman Brothers, One William Street, New York, heads the list of underwriters. The public offering price (maximum \$20 per share*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in operating 31 self-service department stores in ten states under the name of Zayre, and 52 popular-priced apparel specialty stores located principally in the New England and Middle Atlantic States. The net proceeds from the company's sale of additional stock will be used to provide additional working capital required in connection with the additional new self-service department stores presently planned to be opened through the spring of 1963. At present nine stores are actually under construction and the company expects construction to be started in the near future on six others. The company is also negotiating leases for 12 additional stores planned for opening in late 1962 and in 1963.

In addition to certain indebtedness, the company has outstanding 1,506,500 shares of common stock (after giving effect to a recent recapitalization), of which Morris Feldberg, board chairman, and Max Feldberg, executive vice president, own 237,040 and 270,784 shares, respectively, and propose to sell 82,662 shares each. In addition, Stanley H. Feldberg, president, and Barbara F. Stern own 152,634 and 152,638 shares, respectively, and propose to sell 18,000 shares each. Six others propose to sell amounts ranging from 14,676 to 24,000 shares.

VIRCO MFG. FILES FOR OFFERING AND SECONDARY. Virco Mfg. Corporation, 15134 South Vermont Avenue, Los Angeles, filed a registration statement (File 2-20269) with the SEC on April 20th seeking registration of 250,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 200,000 shares, being outstanding stock, by the holders thereof. Crowell, Weedon & Co., 629 South Spring Street, Los Angeles, heads the list of underwriters. The public offering price (maximum \$5.75 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the manufacture and sale of classroom furniture to public and parochial schools throughout the United States. It also manufactures and sells folding banquet tables and folding chairs. The net proceeds from the company's sale of additional stock will be added to general funds to be used, along with short-term bank borrowings, to meet seasonal operating requirements. In addition to certain indebtedness, the company has outstanding 774,756 shares of common stock, of which Julian A. Virtue, president, owns 504,814 shares and proposes to sell 154,814 shares. In addition, Fred E. and Irma Steinitz, Edmond and Hazel C. Favre, and Elmer H. Howlett, a vice president, own 30,758, 27,547 and 25,000 shares, respectively, and propose to sell 10,758, 10,000 and 25,000 shares, respectively.

MIRACLE MART FILES FOR OFFERING AND SECONDARY. Miracle Mart, Inc., 370 West 35th Street, New York, filed a registration statement (File 2-20270) with the SEC on April 20th seeking registration of 295,000 shares of common stock, of which 140,000 shares are to be offered for public sale by the company and 155,000 shares, being outstanding stock, by the holders thereof. McDonnell & Co., 120 Broadway, New York, heads the list of underwriters. The public offering price (maximum \$14 per share*) and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in April 1962 as successor to Holyoke Cinema Shops, Inc., a Massachusetts corporation. It is engaged principally in the operation of self-service discount department stores which carry a broad line of popularly priced department store merchandise at discount prices. The company's chain at present consists of 13 stores located in 5 states; and it is anticipated that 4 additional stores now under construction will be opened during May and June and that 8 more stores will be opened during the latter part of 1962. Of the net proceeds from the company's sale of additional stock, \$250,000 will be used to repay short-term bank borrowings incurred for working capital purposes, principally in connection with the opening of the 4 new stores; \$1,000,000 for inventories and pre-opening expenses in connection with the proposed opening of the eight new stores; and the balance to improve the company's working capital position and for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 514,614 shares of common stock (after giving effect to a proposed recapitalization whereby such shares will be issued in exchange for the 465 shares now outstanding), of which Irving Bernstein, board chairman, and George Desser, president, own 252,732 shares each. They propose to sell 77,500 shares each. All outstanding shares were issued in exchange for the outstanding stock of Holyoke Cinema Shops, Inc.

SYLVESTER-ANDERSON OIL ENJOINED. The SEC Chicago Regional Office announced April 18th (Lit-2244) the entry of a Federal court order (USDC, Hammond, Ind.) permanently enjoining Sylvester-Anderson Oil Company, Inc., Louis Sylvester and Galen Anderson from further violations of the Securities Act registration requirements in the sale of oil interests.

ATOMIC MINING STOCK SALE ENJOINED. The SEC New York Regional Office announced April 20th (Lit-2245) the entry of a Federal court order (USDC SDNY) permanently enjoining Max Tannenbaum and Alfred Lerch from further sale of Atomic Mining Corp. stock in violation of the Securities Act anti-fraud provisions.

CORPORATE SECURITIES OFFERINGS. The SEC reports (For TUESDAY Newspapers) that new corporate securities offered for cash sale during the first quarter of 1962 totaled \$2.4 billion. In addition, net sales of mutual fund shares reached a record amount. Apart from mutual fund shares, the volume of new issues was lower than in the preceding three quarters but \$400 million higher than in the first quarter of 1961. For details, see Stat. Release 1822.

SAN FRANCISCO CAPITAL FILES FOR STOCK OFFERING. San Francisco Capital Corporation, 400 Montgomery St., San Francisco, today filed a registration statement (File 2-20272) with the SEC seeking registration of 60,000 shares of common stock, to be offered for public sale at \$12.50 per share. The offering will be made through underwriters headed by Cantor, Fitzgerald & Co., Inc., 232 North Canon Dr., Beverly Hills, Calif., which will receive a \$1.25 per share commission.

Organized under California law in July 1961, the company is licensed as a small business investment company under the Small Business Investment Act of 1958 and is also registered under the Investment Company Act of 1940 as a closed-end, non-diversified management investment company. The net proceeds from the stock sale will be used to provide investment capital and management services to small business concerns. To date the company has loaned \$12,000 to one concern in association with three other investment companies through the purchase of equity securities and a long term loan, which concern is the owner of a food dehydration process; and it has loaned to a Wisconsin company engaged in the manufacture of patio and bedroom furniture and bedding \$60,000 as part of a \$100,000 loan. In connection with the latter, the company received warrants to purchase shares representing about 14.94% of the outstanding stock of the Wisconsin company for an aggregate of \$30,036.60. The company has outstanding 15,000 shares of common stock, of which B. Gerald Cantor, board chairman, and Nathaniel C. Berkowitz, president, own 13.33% and 10.67%, respectively, and management officials as a group 44.67%. Such stock was purchased at \$11 per share. Cantor is president and sole stockholder of the principal underwriter, and Samuel P. Norton, a vice president of the company, is executive vice president of the underwriter. Cantor and affiliated interests loaned \$30,000 to the Wisconsin company and Morris Hill the remaining \$10,000.

SECURITIES ACT REGISTRATIONS. Effective April 21: Brooklyn Union Gas Co. (File 2-20191). Effective April 23: The Atlantic Refining Co. (File 2-20211); Columbia Pictures Corp. (File 2-19374); Motor Parts Industries, Inc. (File 2-19243); Southern California Edison Co. (File 2-20221); The Standard Oil Co. (File 2-20216); Ultra Plastics, Inc. (File 2-18918); Union Electric Co. (File 2-20210); Wham-O Mfg. Co. (File 2-19527); Norman Wiatt Co. (File 2-19360). Withdrawn April 23: C.M.P. Corporation (File 2-19562); Educational-Aids Co., Inc. (File 2-19523).

*As estimated for purposes of computing the registration fee.

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