

# 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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**CALDWELL PUBLISHING FILES FOR STOCK OFFERING.** Caldwell Publishing Corp., 339 West 51st Street, New York, filed a registration statement (File 2-20461) with the SEC on June 13th seeking registration of 100,000 shares of common stock, to be offered for public sale at \$3.50 per share. The offering will be made on a 75%-or-none basis by S. B. Cantor Co., 79 Wall Street, New York, which will receive a 45 $\frac{1}{2}$ ¢ per share commission and \$10,500 for expenses. The statement also includes 10,000 shares underlying 5-year warrants to be sold to the underwriter at 1¢ each, exercisable at \$3.50 per share.

Organized in June 1961, the company to date has conducted no business and is in a promotional and development stage. It initially intends to publish a selected group of classics now in the public domain in low priced paper back editions and in case bound library and trade editions. The company also intends to publish other books and material in the public domain and to seek publishing rights directly from authors and to acquire reprint rights from other publishers respecting books previously published. The \$247,000 estimated net proceeds from the stock sale will be used for editorial and art work, book design, composition and plates, printing and binding, market research, advertising and promotion, and for rent, office equipment, machinery and supplies, salaries and working capital. The company has outstanding 127,000 shares of common stock (purchased for an aggregate of \$10,000), of which Abraham Leeman, president, and Leon C. Leventhal, secretary-treasurer, own 45.28% each. The company has contracted with Leventhal, upon successful completion of this offering, to acquire various literary properties owned by him, without cost. Sale of new stock to the public at \$3.50 per share will result in an increase in the book value of stock now outstanding from 5¢ to \$1.25 per share with a resulting dilution of \$2.25 per share in the book equity of stock purchased by the public.

**SCHWARTZ REALTY SHARES IN REGISTRATION.** Sidney Schwartz Realty Corporation, 560 Fifth Avenue, New York, filed a registration statement (File 2-20462) with the SEC on June 13th seeking registration of 500,000 shares of Class A stock, to be offered for public sale at \$10 per share. The offering will be made through underwriters headed by Morris Cohon & Co., 19 Rector St., and Lieberbaum & Co., 50 Broadway, both of New York, which will receive a \$1 per share commission and \$30,000 for expenses. The statement also includes (1) 410,000 Class A shares to be offered in exchange for the outstanding interests of partners in certain limited partnerships, and (2) 150,000 Class B shares (convertible into Class A) to be sold to Sidney Schwartz, president, at 10¢ per share. He will also receive 50,000 Restricted Class A shares in partial exchange for stock in certain corporations.

The company was organized under Delaware law in January 1962 by Schwartz to engage in the ownership, operation and management of real property. It intends to commence such activities by the acquisition, pursuant to the exchange offer, of interests in one hotel, three motels, two apartment houses and one breeding farm located in seven different communities; and by the acquisition of certain companies acquired and wholly owned by Schwartz at no cash cost, which companies hold net leases on certain of the properties involved in the exchange offer. In addition, of the \$4,350,000 estimated net proceeds from the stock sale to the public, the company intends to apply \$1,150,000 to purchase the Cadillac Hotel, Miami Beach, Fla. (subject to a first mortgage of \$850,000); \$600,000 to purchase the Farmer's Market, Palm Beach, Fla. (subject to a \$600,000 purchase money mortgage); \$800,000 to purchase Cook's Brewery, Evansville, Ind.; \$1,000,000 to purchase Lido Spa, Miami Beach (subject to a first mortgage of \$415,000); and the balance for working capital. The prospectus lists mortgages in excess of \$5,900,000 on the properties the subject of the exchange offer. In addition to his ownership of the corporations to be acquired by the company, Schwartz is the general partner of all of the partnerships involved in the exchange offer and holds subordinated and unsubordinated interests in each. The subordinated interests in the aggregate amount of \$435,000 were acquired by him at no cash cost and will be acquired by the company from him in exchange for the restricted Class A shares. In addition to the subordinated interests, he received an aggregate of \$225,750 gross profits in connection with sales of certain properties to the partnerships; and he will receive aggregate brokerage commissions of \$48,400 on the Farmer's Market, Cadillac Hotel and Lido Spa Hotel transactions.

The company presently has outstanding 100 Class A shares sold to Schwartz at \$10 per share. Assuming 100% acceptance of the exchange offer, Schwartz will own 10.8% of the outstanding Class A stock and 100% of the outstanding Class B stock. He will have acquired such stock at an aggregate cost to him of \$198,880 in cash and for which he will also have assigned to the company certain purchase contracts, mortgage financing and resale benefits and condemnation and reserve benefits.

**GENESCO FILES EXCHANGE PLAN.** Genesco, Inc., 111 Seventh Avenue, Nashville, Tenn., filed a registration statement (File 2-20463) with the SEC on June 13th seeking registration of 65,040 shares of common stock. It is proposed to offer such stock in exchange for the outstanding common stock (not now owned by the company) of Agnew-Surpass Shoe Stores, Limited, of Ontario, Canada, at the rate of .455 of a share for each share of Agnew-Surpass. The company now owns 260,000 shares (64.5%) of the outstanding stock of Agnew-Surpass.

The company is engaged principally in the manufacture of men's, women's and children's apparel and footwear, and the sale of these products through both wholesale and retail outlets. The business of Agnew-Surpass consists of 156 retail chain shoe stores located in all Provinces of Canada, plus a shoe factory in Quebec City. In addition to certain indebtedness and preferred stock, the company has outstanding 3,795,141 shares of common stock, of which management officials as a group own 5.05%. W. M. Jarman is board chairman and B. H. Willingham is president.

OVER

**VIOLATIONS CHARGED TO LECLUSE & CO.** The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether John A. M. Lecluse, doing business as Lecluse and Company, 2904 M Street, N.W., Washington, D. C., violated certain provisions of the said Act and rules of the Commission thereunder and if so, whether its broker-dealer registration should be revoked.

Lecluse has been registered with the Commission as a broker-dealer since April 20, 1960. In its order, the Commission recites charges of its staff that information developed in an investigation tends to show that Lecluse violated the Act and certain rules thereunder, namely, the Commission's net capital and record keeping rules and its annual reporting requirement.

A hearing will be held, at a time and place to be announced, for the purpose of taking evidence to determine whether the staff charges are true and, if so, whether Lecluse's broker-dealer registration should be revoked.

**TRADING BAN IN APEX MINERALS CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Apex Minerals Corp. on the American Stock Exchange and over-the-counter market for a further ten-day period June 15 - 24, 1962, inclusive.

**SCHWEICKART HEARING POSTPONED.** The Commission has authorized postponement, until further order, of the hearing in the administrative proceedings involving Schweickart & Co. of New York, pending the preparation and filing by the parties of a stipulation of the facts to serve (in lieu of an evidentiary hearing) as the record upon which the Commission's decision may be issued. The Commission's order of October 31, 1961, authorizing these proceedings recites charges of credit extensions in violation of the margin rules.

**DIVERSIFIED COLLATERAL SHARES IN REGISTRATION.** Diversified Collateral Corporation, 8397 N.E. Second Avenue, Miami, Fla., filed a registration statement (File 2-20464) with the SEC on June 13th seeking registration of 77,050 shares of common stock, to be offered for public sale on a best-efforts all or none basis by Karen Securities Corp., 15 William Street, New York. The public offering price (maximum \$11.75 per share\*) and underwriting terms are to be supplied by amendment. The statement also includes (1) 15,400 common shares underlying option-warrants to be sold to the underwriter for \$154, exercisable at a price to be supplied by amendment, (2) 10,000 shares of 7% convertible preferred stock, to be reserved for issuance in exchange for properties, and (3) 22,950 common shares to be tendered by the company directly to certain persons who may have claims against it arising out of a prior public offering.

The business of the company is the purchase and sale of whole first and second mortgage notes on newly constructed one-family homes in Florida, and the purchase, rehabilitation and sale of homes acquired from owners in distress in Dade and Broward Counties of Florida. A recently organized subsidiary is engaged in selling and subcontracting the construction of new one-family residences on the lot of the purchaser. The net proceeds from the cash sale of stock will be added to general funds and used principally in mortgage purchasing operations. During the period April to December 1960, the company, pursuant to an exemption under Regulation A of the Securities Act of 1933, sold 66,550 common shares, receiving payment for only 43,600 shares which were issued. In January 1962, the Commission permanently suspended the Regulation A exemption. According to the prospectus, the company has determined that 92 persons purchased from one broker-dealer 22,950 common shares for which payment was received but never remitted to the company; and purchasers of those shares have claims against the broker-dealer and several have asserted claims against the company. The principal stockholders of the company have contributed to the company 22,950 common shares which the company will tender to all such purchasers in full settlement and discharge of their claims against the company and the broker-dealer.

In addition to certain indebtedness and preferred stock, the company has outstanding 133,100 shares of common stock, of which Leo Greenfield, president, and Harlan Street, secretary-treasurer, own 21.4% each.

**FUND APPLICATION WITHDRAWN.** Municipal Investment Trust Fund Series A, of New York, has withdrawn its application under the Investment Company Act for an exemption from the requirements of that Act that securities issued by the Fund be redeemable. (Release IC-3486)

**JAMES E. CAINE FILES PLEA.** The Seattle Regional Office announced June 11th (Lit-2289) that James E. Caine entered a plea of guilty to seven counts of an indictment (USDC, Tacoma, Wash.) charging violations of the Securities Act registration and anti-fraud provisions in the sale of stock of Estates Inc., a Nevada corporation, and its successor, Estates Life of Washington, a Washington corporation. Trial of remaining defendants scheduled for June 26, 1962.

**FILOSA SECURITIES ENTERS PLEA.** The Denver Regional Office announced June 12th (Lit-2290) that Frank Robert Filosa and Filosa Securities Company entered pleas of guilty to one count of indictment (USDC, Denver) charging violations of the Securities Act anti-fraud provisions.

**SECURITIES ACT REGISTRATIONS.** Effective June 14: Vanadium Corporation of America (File 2-20438). Withdrawn June 14: Caribbean Capital Corp. (File 2-19877); Chemical Coating Corp. (File 2-19533).

**NEES RIGHTS OFFERING CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-14653) authorizing New England Electric System, Boston holding company, to make a non-underwritten rights offering of an additional 872,786 common shares, at \$21 per share, on the basis of one new share for each 15 shares held. Net proceeds will be applied to the construction program of NEES subsidiaries, either through loans or the purchase of additional shares of their capital stocks; and any balance will be used for general corporate purposes.

\*As estimated for purposes of computing the registration fee.