

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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HUNTER ENGINEERING FILES FOR STOCK OFFERING. Hunter Engineering Co., 1495 Columbia Avenue, Riverside, Calif., filed a registration statement (File 2-20751) with the SEC on September 26th seeking registration of 100,000 shares of common stock and 100,000 shares of cumulative convertible preferred stock (\$25 par), to be offered for public sale in units consisting of one common and one preferred share. Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York, heads the list of underwriters. The dividend rate on the preferred stock, public offering price of the units (maximum \$32 per unit*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the production of aluminum mill products, including aluminum sheet, rod and bar, and pipe and tubing. It also engineers and builds rolling mill machinery and continuous casting equipment, for sale to the non-ferrous metals industry; and, with its subsidiaries, it is engaged in the development, manufacture and distribution of a variety of fabricated and semi-fabricated aluminum products. Of the net proceeds from the sale of the units, \$550,000 will be used to construct a rolling mill which will serve to produce light gauge aluminum foil; \$139,000 to retire a note issued in December 1961 in partial payment for outstanding stock of a present subsidiary; and the balance to repay in full outstanding secured loans of the company's subsidiaries obtained to finance their working capital requirements.

In addition to certain indebtedness, the company has outstanding 1,160,584 shares of common stock, of which J. L. Hunter, founder chairman, Walter F. O'Connell, board chairman, and R. S. Brill, president, own 33.6%, 16.8% and 10.3%, respectively, and management officials as a group 80.7%. The three officers and two others hold, as voting trustees, an aggregate of 91.4% of the outstanding stock of the company.

RONA LEE FILES FOR STOCK OFFERING. Rona Lee Corporation, 112 West 34th Street, New York, filed a registration statement (File 2-20752) with the SEC on September 26th seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. The offering will be made through underwriters headed by Winslow, Cohu & Stetson Incorporated, 26 Broadway, New York, which will receive a 50¢ per share commission and \$10,000 for expenses. The statement also includes 5,000 shares underlying 3-year warrants to be sold to the underwriter at 1¢ each, exercisable at \$5 per share, and 9,500 shares underlying like warrants to be sold to certain persons for services rendered (including 2,500 to Morris Giloni and Willis E. Burnside, as finder's fees).

Organized under Delaware law in January 1962, the company is engaged in the design, manufacture, sale and distribution of toddlers, childrens, subteens and teens girls' blouses, sportswear and coordinates. The \$410,000 estimated net proceeds from the stock sale will be used to repay a bank loan incurred to finance inventory and other working capital requirements. In addition to certain indebtedness, the company has outstanding 150,000 shares of common stock, of which Walter Friedman, president and board chairman, and Hyman Fuhr, executive vice president, own 46% each. Sale of new stock to the public at \$5 per share will result in an increase in the book value of stock now outstanding from \$2.61 to \$3.21 per share with a resulting dilution of \$1.79 per share in the book equity of stock purchased by the public.

PACKAGING CORP. OF AMERICA PROPOSES DEBENTURE OFFERING. Packaging Corporation of America, 1632 Chicago Avenue, Evanston, Ill., filed a registration registration (File 2-20753) with the SEC on September 26th seeking registration of \$25,000,000 of sinking fund debentures due 1987, to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the production of paperboard in the form of container-board and boxboard, corrugated and solid fibre containers, cartons, molded pulp products and molded plastic products. The net proceeds from the debenture sale will be used to redeem outstanding notes, other long-term debt (\$864,000) and all of the outstanding 6% preferred stock of the company. Any balance will be added to general funds to be ultimately used for improvements to existing plants and in the acquisition or construction of or investment in additional facilities (largely converting facilities) in areas not now served by the company's plants. In addition to certain indebtedness and preferred stock, the company has outstanding 3,958,621 shares of common stock, of which management officials as a group own 10.74%. Wayne Young is board chairman and W.D.P. Carey is president.

VIOLATIONS CHARGED TO HERBERT RAPP. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Herbert Rapp, doing business as Webster Securities Company, 37 Wall St., New York, violated the financial reporting requirements of the Exchange Act by reason of his failure to file with the Commission reports of his financial condition for the calendar years 1958 through 1961 and, if so, whether his broker-dealer registration should be revoked.

Rapp has been registered with the Commission as a broker-dealer since November 29, 1955. According to the Commission's order Rapp was permanently enjoined by Federal court order on August 9, 1962 from further violations of the Securities Act anti-fraud provisions in connection with the offer and sale of the common stock of Taylorcraft, Inc.; and shortly thereafter he was temporarily enjoined from similar violations with respect to the offer and sale of the common stock of Federated Holding Company, Inc.

A hearing will be held on October 15, 1962 at the Commission's New York Regional Office for the purpose of taking evidence to determine whether the staff charges are true and, if so, whether Rapp's broker-dealer registration should be revoked.

ALEXANDER HAMILTON INVESTMENT HEARING SCHEDULED. The Commission has scheduled a hearing for October 17, 1962, in its Chicago Regional Office in proceedings under the Securities Exchange Act of 1934 to determine whether Alexander Hamilton Investment Co., Inc., 67 East Madison St., Chicago, falsified a report of its financial condition filed with the Commission and, if so, whether its broker-dealer registration should be revoked.

ZALE JEWELRY FILES STOCK PLANS. Zale Jewelry Company, Inc., 512 South Akard Street, Dallas, today filed a registration statement (File 2-20754) with the SEC seeking registration of 250,000 shares of common stock, to be offered pursuant to its General Employees' Stock Purchase Plan, and its Officers' and Key Employees' Stock Option Plan.

JOSIAH M KIRBY IN CONTEMPT ACTION. The SEC Chicago Regional Office announced September 25th (Lit-2379) the filing of criminal contempt proceedings (USDC Cleveland) against Josiah Marshall Kirby of Cleveland charging violation of 1949 injunction against conduct of a securities business in violation of SEC registration requirement. Kirby was sentenced in October 1950 to one year's imprisonment on similar charge.

SECURITIES ACT REGISTRATION. Effective September 26: Caterpillar Tractor Co. (File 2-20683); Consolidated Edison Co. of New York, Inc. (File 2-20709); Maust Coal and Coke Corp. (File 2-20696); Wyle Laboratories (File 2-20678). Effective September 27: Bloomfield Building Industries, Inc. (File 2-20041); Taconic Racing and Breeding Association (File 2-20525); Walston Aviation, Inc. (File 2-19254). Withdrawn September 26: Sam Sheinberg Company (File 2-20141).

*As estimated for purposes of computing the registration fee.

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