

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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FEDERAL PAPER BOARD PROPOSES DEBENTURE OFFERING. Federal Paper Board Company, Inc., 24 River Road, Bogota, N. J., filed a registration statement (File 2-17973) with the SEC on April 18th seeking registration of \$20,000,000 of Sinking Fund Debentures due May 1, 1981, to be offered for public sale through underwriters headed by Goldman, Sachs & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged principally in the manufacture and sale of folding boxboard, which is fabricated into folding cartons used in packaging for consumer sale such every-day articles as foods, soaps, tobaccos, drugs, tissues and numerous other items. It also manufactures machine-made glassware at its plant in Columbus, Ohio, where it produces household glassware, kitchenware and institutional lines of glassware for hospitals, hotels and restaurants. In addition, the company operates a corrugated container plant in Columbus. Of the net proceeds from the debenture sale, \$15,000,000 will be used for construction and equipment of a paperboard mill at Versailles, Connecticut, near existing plants at that location. The remaining proceeds will be added to working capital to replenish funds, aggregating \$1,425,000, which have been applied to the payment since December 1960 of current notes payable and current portions of the company's long term debt, and the remainder to be used for general corporate purposes, including further improvement of production facilities.

CRAFT GLAS POOLS STOCK 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 public offering of stock by Craft Glas Pools, Inc. (the "issuer"), of 3790 Northwest 81st Street, Miami, Fla. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. Pursuant to a notification filed in December 1959, the issuer proposed the public offering of 60,000 common shares at \$5 per share. Strathmore Securities, Inc., of Pittsburgh was listed as the underwriter. In its suspension order the Commission asserts that it has reasonable cause to believe that certain terms and conditions of Regulation A were not complied with by reason of the issuer's failure to disclose all required information; that the issuer's offering circular is false and misleading in respect of certain material facts, particularly with respect to the failure to disclose the correct amount of expenses and underwriting commissions and the true purposes for which a substantial portion of the proceeds of the stock offering were to be used; and that, by using the proceeds for purposes other than those disclosed, the issuer in its offer and sale of the stock "engaged in transactions, practices and a course of business which would and did operate as a fraud and deceit upon purchasers of the securities" in violation of Section 17(a) (the anti-fraud provision) of the Securities Act.

OWENS-CORNING FIBERGLAS FILES STOCK PLAN. Owens-Corning Fiberglas Corporation, National Bank Bldg., Toledo, Ohio, filed a registration statement (File 2-17977) with the SEC on April 18th seeking registration of 341,349 shares of common stock to be offered pursuant to options which have been or will be granted pursuant to the company's Employee Stock Option Plan.

VIRGINIA CHEMICALS & SMELTING FILES FOR STOCK OFFERING AND SECONDARY. Virginia Chemicals & Smelting Company, Third and Jefferson Avenues, West Norfolk, Va., filed a registration statement (File 2-17976) with the SEC on April 18th seeking registration of 135,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 85,000 shares, being outstanding stock, by the present holders thereof. The offering will be made on an all or none basis through underwriters headed by White, Weld & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company (formerly Virginia Smelting Company) is engaged in the manufacture of industrial chemicals, which are sold to customers for use primarily in the production of pulp and paper, textiles and synthetic fibers, and other chemicals. The company also sells, among other things, chemicals, refrigerants and related products to wholesalers dealing in refrigeration and air conditioning supplies. The net proceeds from the company's sale of additional stock, together with other company funds, will be devoted to the company's program of expanding its production and research facilities. This program presently includes increases in the company's capacity to manufacture hydroxylamine sulfate and sodium metabisulfite, at an aggregate cost of \$625,000 when completed. The program also includes expanding research and development laboratories and pilot plant facilities at costs of about \$125,000.

In addition to two series of preferred stock, the company has outstanding 596,420 shares of common stock, of which Francis C. Gray and C. Rogers Burgin, as trustees of trusts created by Augustus H. Eustis, board chairman, for the benefit of his children, hold 165,000 shares and propose to sell 21,450 shares, A. Kenneth Scribner, president, owns 50,600 shares and proposes to sell 6,600 shares, and Augustus H. Eustis, owns 34,529 shares and proposes to sell 4,482 shares. The prospectus lists 19 other selling stockholders who propose to sell amounts ranging from 154 to 9,900 shares of holdings of from 154 to 28,600 shares. William E. C. Eustis and Peter Eustis, directors, as trustees of a Voting Trust, hold 143,550 shares (24.2%) of the outstanding common stock.

OVER

FIRST SMALL BUSINESS INVESTMENT OF N. J. FILES FOR STOCK OFFERING. First Small Business Investment Corporation of New Jersey, 810 Broad Street, Newark, N. J., filed a registration statement (File 2-17974) with the SEC on April 18th seeking registration of 300,000 shares of capital stock, to be offered for public sale at \$12.50 per share. The offering will be made on an all or none basis through underwriters headed by Shearson, Hammill & Co. and Heller & Meyer, which will receive a \$1.125 per share commission.

The company was organized in 1959 by The National State Bank of Newark, which invested \$320,000 in its outstanding capital stock. It is licensed as a small business investment company under the Small Business Investment Act of 1958 and is 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 equity capital and to make long term loans to small business concerns. In addition, \$34,407 of such proceeds will be used to retire the subordinated debentures issued by the company to the Small Business Administration in connection with raising part of the initial capital with which the company commenced operations in 1960.

In addition to the debentures, the company has outstanding 28,132 shares of capital stock, all of which are owned by The National State Bank of Newark. M. Wilfred Rice is listed as president of the company and vice chairman of the bank board.

BANKERS SOUTHERN EXEMPTED. The SEC has issued an order under the Investment Company Act (Release IC-3231) granting an application of Bankers Southern, Inc., Louisville, for an order declaring that it has ceased to be an investment company as defined in the Act. According to the application, all the company's outstanding securities are owned by 79 persons and the company is not making and does not propose to make a public offering of shares.

VIRGINIA CAPITAL PURCHASE EXEMPTED. The SEC has issued an exemption order under the Investment Company Act (Release IC-3232) permitting Virginia Capital Corporation, Richmond, to purchase 22,608 shares of the common stock of Major League Bowling and Recreation, Inc., through conversion of that company's debentures held by Virginia Capital.

AMERICAN DIVERSIFIED SECURITIES ENJOINED. The SEC Washington Regional Office announced April 17th (LR-1983) the entry of a Federal court order (USDC DC) permanently enjoining American Diversified Securities, Inc., of Washington, D. C., from further violations of the Commission's net capital rule. The Commission's motion for appointment of a receiver was continued indefinitely following advice that Max M. Levy, Director, had assumed full control of the management of the company.

GENERAL DEVELOPMENT FILES STOCK PLAN. General Development Corporation, 2828 S. W. 22nd Street, Miami, filed a registration statement (File 2-17975) with the SEC on April 18th seeking registration of 150,000 shares of common stock, to be offered to selected officers and key employees pursuant to the company's Employees' Stock Option Plan.

NAT NAST FILES FOR STOCK OFFERING. Nat Nast, Inc., 816 Central, Kansas City, Mo., filed a registration statement (File 2-17978) with the SEC on April 18th seeking registration of 150,000 shares of Class A common stock, to be offered for public sale at \$4 per share. The offering will be made through underwriters headed by Hardy & Co., which will receive a 40¢ per share commission and \$10,000 for expenses. The company has agreed to sell Hardy & Co., at 1¢ each, 5-year warrants to purchase 15,000 Class A shares initially at \$4.28 per share, and 3,000 like warrants to Eugene Gilbert, a finder. The registration statement also includes 16,655 Class A common shares which are reserved for issuance upon conversion of \$83,279.71 of 5% convertible notes held by company officers.

The company was organized under Delaware law in April 1961 to acquire pursuant to a Plan of Reorganization all of the assets of Nat Nast Bowling Shirts, Inc., including all the outstanding capital stock of Swingster Shirts, Inc. The company, through its predecessors, has been in the business of manufacturing and distributing a line of men's, ladies' and children's bowling shirts and blouses since 1947. The present group of stockholders received 225,000 shares of Class B common stock, which are convertible share for share into Class A over a period from 1961 to 1967. The \$533,000 net proceeds of the stock sale will be used as follows: \$300,000 for additional working capital to finance increased inventories and receivables; \$100,000 for the construction of a plant in Bonner Springs, Kansas; and \$125,000 to stock and supply new items (bowling slacks and skirts, Little League uniforms sweat shirts, T-shirts, gyn clothing and bowling accessories) to test the potential market for these items. The total cost of the plant is estimated at \$225,000, of which \$125,000 will be secured from a bank or other institutional lender.

The company has outstanding certain indebtedness, the \$83,279.91 of convertible notes, and the 225,000 Class B shares. Nat N. Nast, president, Herman Nadel, executive vice president, and Albert J. Rosen, board chairman, own 61.05%, 20.88% and 13.11%, respectively, of the outstanding stock and 70%, 20% and 10%, respectively, of the outstanding notes. The notes are convertible at the rate of \$5 per share.

SECURITIES ACT REGISTRATIONS. Effective April 18: New England Telephone and Telegraph Company (File 2-17843).