

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

FOR RELEASE May 20, 1959

VOCALINE CO. FILES FOR OFFERING AND SECONDARY

Vocaline Company of America, Incorporated, Old Saybrook, Conn., filed a registration statement (File 2-15126) with the SEC on May 19, 1959, seeking registration of 225,000 shares of common stock. Of this stock, 180,000 shares are to be offered for public sale in behalf of the issuing company; and 30,000 shares, representing outstanding stock, are to be offered for sale by the present holders thereof. The offering is to be made on a "best efforts" basis by George, O'Neill & Co., Inc., of New York; and the offering price and underwriting terms are to be supplied by amendment. The company and the selling stockholders have agreed to pay to the underwriter an expense allowance of \$25,000 and to pay their own legal, accounting and printing charges in connection with the offering. In the event the underwriter sells all of the 180,000 shares offered by the company, he will receive an option, exercisable within three years, to purchase 12,500 common shares at the public offering price. In such event the company has also agreed to pay Jesup & Lamont the sum of \$3000 and to grant it a similar option for 2,500 shares for its services in arranging for this financing.

The company is engaged in the development, manufacture and sale of electro-mechanical assemblies and electronic communications equipment. Of the net proceeds of the company's sale of stock, \$140,000 will be used to retire notes due during 1959; \$30,000 will be used for expanding plant facilities at Old Saybrook, Conn., and Waldoboro, Maine; and the balance will be added to working capital and will be used for general corporate purposes, including research and development and the production and marketing of new products and reduction of accounts payable.

The company's capitalization includes 338,500 common shares, of which Phoenix Industries, Inc., of Mineola, L. I., owns 50,000 and all officers and directors as a group 86,388 shares. One of the directors, Alexander M. Laughlin, of Locust Valley, N. Y., proposes to sell 24,900 of his holdings of 34,138 shares; and Judith W. Laughlin proposes to sell all of her holdings of 5,100 shares.

PEOPLES DRUG STORES PROPOSES STOCK OFFERING

Peoples Drug Stores, Incorporated, 77 P St., N. E., Washington, D. C., filed a registration statement (File 2-15127) with the SEC on May 19, 1959, seeking registration of 121,000 shares of common stock, to be offered for public sale through an underwriting group headed by Alex. Brown & Sons and Kidder, Peabody & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company operates a chain of 178 retail drug stores over half of which are located in the Washington, D. C., metropolitan area. Net proceeds of this stock sale will be used to finance the addition of new stores. It is expected that the capital expenditures for furniture, fixtures and equipment, in connection with plans which the company has for opening during 1959 and 1960 of 36 new "self-service" stores, all of which will be leased, will approximate \$3,300,000. The company estimates that the increased inventory requirements for these new stores will be \$2,300,000. Funds required for the remodeling of existing stores and office buildings are expected to be provided from internal sources.

According to the prospectus, the company has obtained signed leases or firm lease commitments on 23 additional store locations and construction of retail store facilities is now in progress at 11 of these locations. It is currently negotiating leases for 13 new store locations and is constantly studying marketing areas to find locations for future expansion.

OVER

For further details, call ST. 3-7600, ext. 5526

HENRY GILPIN CO. FILES FINANCING PROPOSAL

The Henry B. Gilpin Company, 7401 Pulaski Highway, Baltimore, filed a registration statement (File 2-15128) with the SEC seeking registration of \$725,000 of 6% Convertible Subordinated Debentures, due June 1, 1974, and 17,500 shares of Class A Common Stock. These securities are to be offered for public sale through Alex. Brown & Sons. The public offering prices and underwriting terms are to be supplied by amendment. The underwriter is initially offering a portion of the debentures to holders of \$420,800 of notes payable of the company, excluding notes payable to banks.

The company is a wholesale drug company which sells principally to retail drug stores in Maryland, Virginia, District of Columbia, Delaware, Pennsylvania, North Carolina and West Virginia. With the net proceeds of the financing, unsecured demand notes payable, held other than by banks, outstanding in the amount of \$187,800 will be discharged; long-term unsecured, non-callable notes payable, in the amount of \$233,000, will be retired to the extent they are tendered to the company at a price of 100% of principal amount plus interest; short-term bank notes will be reduced by approximately \$350,000. This indebtedness was incurred to finance a plant and equipment modernization program. The remaining net proceeds will be added to general funds of the company and, with other funds, including long-term mortgage financing, will be used to complete the establishment of the new Division at Dover, Delaware.

GIANT FOOD PROPERTIES FILES FOR SECONDARY

Giant Food Properties, Inc., Washington, D. C., filed a registration statement (File 2-15129) with the SEC on May 19, 1959, seeking registration of \$680,000 of 5½% Sinking Fund Debentures (GT Series), due December 1, 1971, together with 74,800 shares of common stock. These securities are presently outstanding and held by Richard Borden Industries, Inc., and are to be offered for public sale through an underwriting group headed by Auchincloss, Parker & Redpath and Kidder, Peabody & Co. The public offering price and underwriting terms are to be supplied by amendment. The company will receive none of the proceeds of such sale.

According to the prospectus, Borden Industries is also selling an additional 74,800 shares to its stockholders, of which Abraham Radin, a director of Properties, and his family will acquire 37,400 shares and Tower Construction Company will acquire the remaining 37,400 shares at the same price as the acquisition cost of the underwriters. Tower Construction is a Washington partnership.

Properties has built and is operating six shopping centers in Maryland and Virginia; and a seventh shopping center is expected to be in operation in Baltimore by the end of June. Presently under leasing are two additional shopping centers, one each in Virginia and Maryland. Properties was formed at the instance and under the sponsorship of Giant Food, Inc., of Prince Georges County, Md., and Tower Construction, but its operations are separate and distinct from the operations of the latter. Giant Food itself owns none of the securities of Properties, but stockholders of Giant Food and partners of Tower Construction and persons and corporations affiliated with them own 19.93% and 25.79% respectively of the 160,207 outstanding shares of Properties common stock. Giant Food is said to be owned beneficially in its entirety by the families of N. M. Cohen and Jacob Lehrman, two of the founders of the business. It operates, directly and through subsidiaries, a chain of 39 super-markets. Tower Construction is a partnership in which Albert Abramson, Bernard Libby, and Henry S. Reich are partners with equal interests; and it is engaged in the construction business and in the development and management of real estate.

SUNRAY MID-CONTINENT OIL FILES EXCHANGE OFFER

Sunray Mid-Continent Oil Company, 9th & Detroit Ave., Tulsa, Okla., filed a registration statement (File 2-15130) with the SEC on May 19, 1959, seeking registration of 525,000 shares of its common stock. Sunray proposes to offer its stock in exchange for shares of the common stock of Suntime Refining Company in the ratio of one share of Sunray for three shares of Suntime. The offer is conditional upon the deposit of sufficient Suntime shares so that Sunray will own at least 9% of the outstanding Suntime shares. Sunray presently owns 1,550,000 of the 3,125,000 outstanding shares of Suntime common. The purpose of the exchange offer is said to be to achieve a more profitable operation through integrating the businesses of Suntime and Sunray which up to this time have been conducted separately.

Suntide is engaged in the purchasing, transporting and refining of crude petroleum and the marketing of products derived therefrom at wholesale in the United States. Its offices are located in Corpus Christi, Texas. Sunray was instrumental in its organization in 1952 and received 1,500,000 shares (50% of the then outstanding shares) of Suntide stock at one cent a share, or \$15,000. In addition, Sunray has sold to Suntide a portion of Suntide's daily requirements of crude oil and has furnished certain financial assistance and management personnel.

THREE FUNDS SEEK REGISTRATION OF ADDITIONAL SHARES

The following investment companies filed amendments on May 18, 1959, to their registration statements seeking registration of additional shares, as indicated: INVESTORS RESEARCH FUND, INC., of Santa Barbara (File 2-14675), 215,940 shares of common stock; KEYSTONE CUSTODIAN FUNDS, INC., of Boston (File 2-10529), 1,000,000 shares, Keystone Custodian Fund Certificates of Participation, Series 84; and NUCLEONICS, CHEMISTRY & ELECTRONICS SHARES, INC., Englewood, N. J. (File 2-12285) 100,000 shares of capital stock.

SUSPENSION OF GIANT PETROLEUM OFFERING MADE PERMANENT

The SEC has issued an order (Release 33-4083) permanently suspending a Regulation A exemption from registration under the Securities Act with respect to a proposed public offering of stock by Giant Petroleum Corporation of New York.

In a notification filed in July 1957, Giant Petroleum proposed the public offering of 150,000 common shares at \$2 per share pursuant to the conditional exemption from registration provided by Regulation A. By order dated October 18, 1957, the Commission temporarily suspended the exemption by reason of the fact that the company's offering circular appeared to contain various false and misleading statements of material fact. Later, at the request of the company, a hearing was ordered on the question whether the suspension order should be vacated or made permanent. Subsequently, Giant Petroleum requested withdrawal of its prior request for a hearing and, without admitting the matters set forth in the temporary suspension order, consented to the entry of an order permanently suspending the exemption on the basis of such matters. Accordingly, the Commission ordered the permanent suspension of the exemption from registration.

GENERAL PUBLIC UTILITIES CHARTER AMENDMENTS APPROVED

The SEC has issued an order under the Holding Company Act (Release 35-14006) authorizing General Public Utilities Corporation, New York holding company, to amend its certificate of incorporation so as to increase the authorized shares of its common stock from 12,485,000 shares, \$5 par, to 24,970,000 shares, \$2.50 par. The 10,934,493 outstanding shares of \$5 par stock, of which 63,790 shares are held in the company's treasury, will be reclassified into 21,868,986 shares of \$2.50 par stock, of which 127,580 shares will be held in the treasury. The proposed charter amendment will require the approval of stockholders; and the company will call a special meeting of stockholders and solicit proxies from stockholders to be voted at the meeting.

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