

# 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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**HANOVER-SIGNATURE RECORD 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 Hanover-Signature Record Corp., of 119 West 57th St., New York City.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed in June 1959, the said Record Corp. proposed the public offering of 141,000 Class B shares at \$2 per share. The Commission's suspension order asserts that the company failed to comply with a condition of the Regulation A by reason of its failure to file semi-annual reports of stock sales pursuant to such exemption. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

**ROULETTE RECORDS SUSPENSION PERMANENT.** Roulette Records, Inc., 1631 Broadway, New York City, has withdrawn its request for a hearing to determine whether to vacate or make permanent the March 8th order of the Commission temporarily suspending a Regulation A exemption from registration with respect to its offering of 100,000 common shares at \$2 per share; and, accordingly, the suspension has become permanent. The Commission's suspension order asserted that the company's offering circular was false and misleading in certain respects.

**DECISION ISSUED IN VORNADO - IDS CASE.** The SEC has issued its decision (Release IC-3249) supporting its April 26th order granting an exemption from provisions of the Investment Company Act with respect to the proposed purchase of 160,000 shares of Vornado, Inc., common stock from Investors Diversified Services, Inc., in exchange for \$2,340,000 principal amount of Vornado's 3.10% Junior Subordinated Notes due 1976 and a warrant, expiring April 27, 1967, to purchase 42,000 shares of Vornado common at \$16 per share. The Commission ruled that the terms of the transactions are fair and reasonable and that the transactions do not involve overreaching on the part of any parties involved and are consistent with the policies of IDS and the general purposes of the Act.

**VALIC SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release 40-3253) giving interested persons until May 25th to request a hearing upon an application under the Investment Company Act filed by Variable Annuity Life Insurance Company of America, Washington, D. C., for exemption from provisions of that Act to the extent necessary to permit it to make privately arranged borrowings and to compute the required asset coverage therefor in a specified manner.

**BALDWIN SECURITIES SEEKS EXEMPTION.** Baldwin Securities Corporation, Philadelphia, a Pennsylvania corporation, has applied to the SEC for an order declaring that it has ceased to be an investment company under the Investment Company Act; and the Commission has issued an order (Release IC-3251) giving interested persons until June 2d to request a hearing thereon. The applicant company has been merged with and into Baldwin Securities Corporation, a Delaware corporation, its then wholly-owned subsidiary which is a registered investment company.

**CHAMPION INDUSTRIES SEEKS EXEMPTION.** Champion Industries, Inc., St. Louis, Mo., has applied to the SEC for an order declaring that it has ceased to be an investment company under the Investment Company Act; and the Commission has issued an order (Release IC-3252) giving interested persons until June 2d to request a hearing thereon. The company is in the process of liquidation and dissolution.

**OHIO EDISON BOND OFFERING CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-14441) authorizing Ohio Edison Company (Akron) to issue and sell at competitive bidding \$30,000,000 of first mortgage bonds due 1991. Net proceeds will be used for property additions and improvements, the discharge of obligations or the reimbursement of the company's treasury for expenditures made for construction purposes.

**WORLD COLOR PRESS FILES FOR SECONDARY.** World Color Press, Inc., 420 DeSoto Avenue, St. Louis, Mo., filed a registration statement (File 2-18116) with the SEC on May 16th seeking registration of 218,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering will be made on an all or none basis through underwriters headed by Scherck, Richter Company and Dempsey-Tegeler & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is a printer in the United States of magazines produced primarily for newsstand sale, newspaper comic supplements, community newspapers and other specialized publications of national and regional scope. It also produces industrial cartoon type magazines distributed other than through newsstands. In addition to certain indebtedness, the company has outstanding 654,500 shares of common stock, of which Roswell Messing, Jr., president, the Roswell Messing, Jr. Foundation, Messing as custodian for Roswell Messing III, and Wilma E. Messing own 76,525, 4,400, 16,150 and 72,658 shares, respectively, and propose to sell 56,525,

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4,400, 9,150 and 38,925 shares, respectively. In addition, Maurice L. Hirsch, a vice president, Barbara M. Hirsch (sister of Roswell Messing Jr.), and Gay H. Lieberman own 51,306, 73,972 and 71,808 shares, respectively, and propose to sell 44,306, 49,886 and 14,808 shares, respectively. After the sale of outstanding shares, Messing and his family and Barbara M. Hirsch and her family will own 33.31% of the company's outstanding stock.

**AMERICAN PHOTO COPY EQUIPMENT FILES FOR OFFERING AND SECONDARY.** American Photocopy Equipment Company, 2100 West Dempster Street, Evanston, Ill., filed a registration statement (File 2-18119) with the SEC on May 16th seeking registration of 435,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 385,000 shares, being outstanding stock, by the present holders thereof. The offering will be made on an all or none basis through underwriters headed by Lehman Brothers. The public offering price and underwriting terms are to be supplied by amendment.

The business of the company and its subsidiaries consists of (a) the assembling and sale of photocopy equipment for the reproduction of copies of letters, documents and any other type of written, printed, typed, photographed or drawn material, (b) the coating and sale of photographic-type paper used in such equipment, (c) the compounding and sale of chemical concentrates used in such equipment, (d) the compounding and sale of photographic chemicals to retail photography shops and other organizations, (e) the assembling and sale of plastic lamination equipment and supplies for such equipment, and (f) the assembling and sale of equipment for punching and binding of documents with a plastic binder and supplies for such equipment. Most of the products of the company are sold under the trademark "Apeco". The net proceeds from the company's sale of additional stock will be added to general funds and be available for general corporate purposes, including, among other things, use as additional working capital or in connection with the acquisition of additional properties or the financing of expansion.

The company has outstanding 7,483,136 shares of common stock. Of such stock Samuel G. Rautbord, president, owns 121,791 shares and proposes to sell 18,270 shares; Clay-Bob Realty Corp. (99% owned by Samuel G. Rautbord) owns 985,815 shares and proposes to sell 147,870 shares; Clayton L. Rautbord, senior vice president, owns 365,856 shares and proposes to sell 54,880 shares; Clayton Enterprises, Inc. and Scott-Evan Enterprises, Inc. (both 100% owned by Clayton L. Rautbord) own an aggregate of 315,000 shares and propose to sell 47,250 shares; Robert A. Rautbord, a vice president, owns 364,458 shares and proposes to sell 54,670 shares; Alrob Corp. and Bobber Enterprises (100% owned by Robert A. Rautbord) own an aggregate of 360,000 shares and propose to sell 54,000 shares; and Rose Glinberg owns 426,171 shares and proposes to sell 8,060 shares.

**ASSOCIATED OIL & GAS FILES EXCHANGE PLAN.** Associated Oil & Gas Co., P.O. Box 66465, Houston, Texas, filed a registration statement (File 2-18120) with the SEC on May 16th seeking registration of 530,629 shares of capital stock. The company proposes to offer such stock in exchange for the outstanding shares of three classes of capital stock of Gulf States Development Corporation (Gulf States) on the following basis: (1) one share for 2-2/7 Class A shares of Gulf States, (2) one share for 2-2/7 Class B shares of Gulf States, and (3) one share for 1-29/35 preferred shares of Gulf States.

The company is primarily engaged in the acquisition, exploration and development of gas and oil properties and the production and sale of gas and oil therefrom. It has recently concentrated on the production of gas rather than oil. Gulf States is engaged in similar business. The prospectus states that in October 1960, the company made an offer to the shareholders of Gulf States to exchange shares of its capital stock for all of the outstanding capital stock of Gulf States. Suit was started in Delaware to block the consummation of such offer and assert claims against certain directors and former directors of the company. Subsequently the offer was terminated. On May 2, 1961 an agreement to settle and compromise such suit was submitted to the Delaware Court providing, among other things, for the renewal of such offer of the company to the shareholders of Gulf States but upon the reduced terms reflected herein. According to the prospectus, the purpose of the exchange offer is to facilitate the expansion of the operations of the company as a producer of hydrocarbons.

In addition to certain indebtedness, the company has outstanding 3,621,172 shares of capital stock, of which Walter N. Maguire, board chairman, owns 17.8%, H. J. Mosser, board chairman of Gulf States, 12%, and management officials as a group 25.3%. Walter L. Maguire is listed as president. The two Maguires are directors of Gulf States and own an aggregate of 13.1% of its outstanding Class A common shares. B. T. Parr, vice chairman of the company and president of Gulf States, own 7.3% of Class A shares of Gulf States. The prospectus indicates that Mosser has entered into an agreement for sale of all shares of the company and Gulf States owned by him and he has resigned his positions with Gulf States.

**HARVEY ALUMINUM FILES FOR STOCK OFFERING.** Harvey Aluminum (Incorporated), 19200 South Western Ave., Torrance, Calif., filed a registration statement (File 2-18125) with the SEC on May 16th seeking registration of 1,000,000 shares of A common stock, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., Inc., and Tucker, Anthony & R. L. Day. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 150,000 additional shares of A common stock, of which 50,000 underlie options sold to the two underwriting firms in June 1960 for \$25,000 and are exercisable at an initial price of \$25.03 per share. Options for the remaining 100,000 are to be sold to the two firms in June for \$50,000; and their exercise price is to be supplied by amendment.

The company intends to use the net proceeds of this financing to assist in its program for development into a fully integrated producer of aluminum and aluminum products. Its program includes the construction of an alumina plant at an estimated cost of \$35,000,000 and an aluminum rolling mill at a cost estimated at \$40,000,000. Substantial additional financing will be required.

In addition to indebtedness, the company now has outstanding 750,000 A shares and 4,000,000 B shares. Leo M. Harvey (president) and Lena P. Harvey own 16-2/3% each of the B shares and Lawrence A. Harvey and Homer M. Harvey, officers, 33-1/3% each.

**EDWARD IHNEN & SON FILES FOR STOCK OFFERING.** Edward H. Ihnen & Son, Inc., 2 Railroad Avenue, Montvale, N. J., filed a registration statement (File 2-18123) with the SEC on May 16th seeking registration of 75,000 shares of common stock, to be offered for public sale at \$5 per share. The offering will be made through underwriters headed by Amos Treat & Co., Inc., which will receive a 62½¢ per share commission and \$5,000 for expenses. The registration statement also includes 7,500 outstanding common shares which the holders thereof sold to Amos S. Treat at 10¢ per share and 1,200 such shares sold to Stieglitz & Co. as a finder's fee.

The company is engaged in the design, construction and sale of reinforced concrete public, semi-public and home swimming pools, and Nautilus Swimming Pool Supplies & Service, Inc., its subsidiary, is engaged in selling swimming pool supplies, fixtures and equipment and in servicing pools. The net proceeds from the stock sale, estimated at \$297,625, will be used to repay bank loans (\$111,000), purchase equipment and discharge accounts payable, and for working capital.

In addition to certain indebtedness, the company has outstanding 231,200 shares of common stock (present book value of about 11¢ per share), of which Edward H. Ihnen, president, and George H. Ihnen, vice president, own 30% and 21.5%, respectively, and Helen Ihnen, treasurer, and Everett Ihnen and Edward W. Ihnen own 12.9% each. Management officials as a group own 68.6%.

**TENNESSEE INVESTORS FILES FOR STOCK OFFERING.** Tennessee Investors, Inc., Life & Casualty Tower, Nashville, Tenn., filed a registration statement (File 2-18124) with the SEC on May 16th seeking registration of 500,000 shares of common stock, to be offered for public sale at \$12.50 per share. The offering will be made through underwriters headed by Faine, Webber, Jackson & Curtis, which will receive a \$1.10 per share commission and an option to purchase an additional 50,000 common shares at the public offering price. The registration statement also includes 4,206 common shares which the company proposes to offer for subscription at \$11.40 per share to its common stockholders on the basis of one new share for each nine shares held. The record date is to be supplied by amendment. No underwriting discounts will be paid with respect to such rights offering.

Organized in 1958, the company (whose name will be changed to Southeastern Capital Corporation in June 1961) is registered as a closed-end, non-diversified management investment company under the Investment Company Act of 1940 and is licensed under the Small Business Investment Act of 1958. The net proceeds from the stock sale will be added to general funds and used to finance the company's activities of providing equity capital and long-term loans to small business concerns. As of June 1, 1961, Lee Davis & Associates, Inc. will furnish the company with certain clerical services and office facilities and hold itself available to handle individual analyses and investigations of small business concerns which are clients or prospective clients of the company and to render management consulting or advisory services to such concerns.

The company has outstanding 42,066 shares of common stock. R. Lee Davis is listed as president of the company and principal officer and stockholder of Associates.

**SPECIAL METALS FILES FINANCING PLAN.** Special Metals, Inc., New Hartford, New York, filed a registration statement (File 2-18121) with the SEC on May 16th seeking registration of \$2,656,250 of 6% subordinated debentures due July 1, 1976 and 159,375 shares of common stock, to be offered for public sale in units each consisting of \$50 of debentures and three common shares. The offering will be made on an all or none basis through underwriters headed by White, Weld & Co. and Lehman Brothers. The public offering price of the units and the underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in March 1961 to investigate the business and properties of the Metals Division of Kelsey-Hayes Company with a view to purchasing the assets of such division. The prospectus states that the company will acquire such assets in June 1961 in consideration of \$5,500,000 in cash (subject to certain adjustments), \$1,500,000 of 5% promissory notes, and the assumption of current liabilities. The company's business will be the development and production of metal alloys which are presently used mainly in the manufacture of certain temperature-resistant parts of engines for jet airplanes. The estimated \$3,950,000 net proceeds from the sale of the units will be applied to the repayment of a \$4,000,000 short term bank loan incurred for organization expenses and cash payment for the Metals Division. The balance of funds required for such repayment will be provided from general funds.

In addition to certain indebtedness, the company has outstanding 55,000 shares of common stock (sold at \$2 per share), of which Falih Darmara, president, Lehman Brothers and White, Weld & Co. own 14,000, 15,400 and 23,100 shares, respectively. The prospectus states that in June 1961, the company will sell at \$10 each 204,000 common shares to a group including Lehman Brothers, partners, associates and members of their families (73,000 shares), and White, Weld & Co., partners and members of their families (118,500 shares).

**BORG-WARNER FILES OPTION PLAN.** Borg-Warner Corporation, 200 S. Michigan Ave., Chicago, filed a registration statement (File 2-18128) with the SEC on May 16th seeking registration of 834,298 common shares, representing the total number of shares with respect to which options are now outstanding or are reserved for the granting of options to key employees of the company under the Borg-Warner Restricted Stock Option Plans.

**INLAND STEEL FILES FOR SECONDARY.** Inland Steel Company, 30 West Monroe St., Chicago, today filed a registration statement (File 2-18129) with the SEC seeking registration of 79,765 outstanding shares of common stock. These shares constitute all the shares held by the Executors of the Estate of Celia L. Block, deceased, and may be offered for sale by the Executors from time to time on the New York Stock Exchange or otherwise. The company now has outstanding 17,636,235 common shares.

**HANDMACHER-VOGEL FILES FOR OFFERING AND SECONDARY.** Handmacher-Vogel, Inc., 533 Seventh Ave., New York today filed a registration statement (File 2-18130) with the SEC seeking registration of 245,000 shares of common stock, of which 94,950 shares are to be offered for public sale by the issuing company and 120,050 shares, being outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. The remaining 30,000 shares are reserved for issuance under the company's restricted stock option plan for officers and certain employees.

The company is engaged in the manufacture and sale of women's suits and costumes sold principally under the names "Tailored by Handmacher" and "Weathervane, Tailored by Handmacher." Of the net proceeds of its sale of additional stock, a small proportion will be used for machinery and equipment and modernization of existing plants and to increase inventories. The remainder has not been allocated for any particular purpose, but may be used to acquire other enterprises.

The company now has outstanding 605,050 common shares, of which Alvin Handmacher, president, owns 477,508 shares (78%) and management officials as a group 87%. Handmacher proposes to sell 110,050 shares; and Herman Heller, executive vice president, proposes to sell 10,000 of his holdings of 47,250 shares.

EICHLER HOMES PROPOSES DEBENTURE OFFERING. Eichler Homes, Inc., 2151 St. Francis Drive, Palo Alto, Calif., filed a registration statement (File 2-18122) with the SEC on May 16th seeking registration of \$2,000,000 of convertible subordinated debentures due June 1, 1973, to be offered for public sale through underwriters headed by J. S. Strauss & Co. The public offering price and underwriting terms are to be supplied by amendment.

Since 1954 the company has been engaged in home building activities in locations in or adjacent to the San Francisco Bay area and in two areas in Southern California, the city of Orange and the San Fernando Valley. The company expects to complete this year a 36 unit garden apartment project located in Palo Alto and a 78 unit cooperative housing project in the city of Santa Clara. It has also entered the field of urban redevelopment by purchasing four blocks in the Western Addition, a San Francisco redevelopment project. The net proceeds from the debenture sale will be added to general funds to provide funds which will be used from time to time for the acquisition and development of additional land.

In addition to certain indebtedness, the company has outstanding 444,551 shares of common stock, of which Joseph L. Eichler, president, Edward P. Eichler, vice president, and Richard L. Eichler, treasurer, own 35%, 16% and 16% respectively.

DONNELLEY & SONS FILES FOR SECONDARY. R. R. Donnelley & Sons Company, 350 East Twenty-second Street, Chicago, filed a registration statement (File 2-18127) with the SEC on May 16th seeking registration of 270,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by Harriman Ripley & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company prints and binds nationally distributed magazines, catalogs, encyclopedias, telephone directories and a wide variety of other printed matter including Bibles, religious publications, school books and other books. In addition to certain indebtedness, the company has outstanding 5,858,771 shares of common stock, of which Gaylord Donnelley, president, owns 781,863 shares, Elliott Donnelley, vice chairman of the board, 550,955 shares, and The Northern Trust Company as trustee holds 652,576 shares. The Northern Trust Company as trustee under Fund A of the will of Reuben H. Donnelley for the benefit of Thorne Donnelley proposes to sell 131,100 of 306,636 shares held; David L. Harrington, Charles C. Haffner, Jr., board chairman, and Northern Trust as trustees under a trust agreement for the benefit of Thorne Donnelley, et al proposes to sell 58,900 of 137,532 shares held; Northern Trust as trustee under an agreement for the benefit of Clarissa Donnelley Haffner proposes to sell 40,000 of 158,581 shares held; and Elliott Donnelley proposes to sell 40,000 shares.

SEC COMPLAINT NAMES NORMAN LEMMONS INC. The SEC Chicago Regional Office announced May 12th (LR-2017) the filing of a complaint (USDC, Hammond, Ind.) seeking to enjoin Norman Lemmons, Inc., from further violations of the SEC net capital rule and to enjoin Norman Levinson, president and controlling person, from aiding and abetting in any such violations.

PRUETT & CO. INC. ENJOINED, RECEIVER APPOINTED. The SEC Atlanta Regional Office announced May 15th (LR-2018) the entry of a court order (USDC, Atlanta) permanently enjoining Pruett & Company, Inc., Carl A. Pruett, president, and Gertrude A. Pruett, executive vice president, from violating the anti-fraud and anti-manipulative provisions of the Federal securities law and the SEC net capital and record-keeping rules. The court also appointed a receiver to administer the assets of the defendant corporation.

ALEX. GUTERMA FILES GUILTY PLEAS. Alexander L. Guterma, who is now serving a prison sentence as a result of his conviction in the F. L. Jacobs & Co. case, entered pleas of guilty on May 15th (LR-2019) to various counts of four indictments outstanding against him (USDC SDNY) involving his activities in connection with and/or his transactions in stocks of United Dye & Chemical Corp., Western Financial Corp., Diversified Financial Corp. of America, Consolidated American Industries, Inc., and Shawano Development Corp. Sentencing deferred.

SECURITIES ACT REGISTRATIONS. Effective May 17: American Educational Life Insurance Co. (File 2-17361); Great Lakes Bowling Corp. (File 2-17640); Economy Bookbinding Corp. (File 2-17727); Duplex Vending Corp. (File 2-17760); Paramount Development Co. (File 2-17797); Nelly Don, Inc. (File 2-17906); Federal Paper Board Co., Inc. (File 2-17923); New Orleans Public Service, Inc. (File 2-17959); Upper Peninsula Power Co. (File 2-17969); Mississippi River Transmission Corp. (File 2-18013).