

# 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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Washington 25, D.C.

FOR RELEASE August 10, 1961

**ARCADY CORP. SEEKS EXEMPTION.** The Arcady Corporation, Chicago, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company (and therefore entitled to exemption from said Act); and the Commission has issued an order (Release IC-3306) giving interested persons until August 23d to request a hearing thereon. According to the application, the total outstanding shares of Applicant's common stock were reduced from 95,474 shares owned by 129 stockholders of record on September 9, 1960, to 86,676 shares owned beneficially by 42 persons as of July 26, 1961. This reduction was effected through a Stock Purchase Offer mailed on April 19, 1961, to all shareholders of record for the purpose of purchasing for retirement all or part of such shareholders' holdings of Applicant's common stock. Walter K. Scheuer, Applicant's President and Director, together with five members of his family and three business associates, own beneficially 83,190 of the 86,676 shares now outstanding. Under Section 3(c)(1) of the Act, an issuer whose outstanding securities are beneficially owned by not more than 100 persons and which is not making and does not presently propose to make a public offering of its securities, is not an "investment company" within the meaning of the Act.

**MOVIE STAR FILES FOR STOCK OFFERING.** Movie Star, Inc., 392 Fifth Avenue, New York, filed a registration statement (File 2-18660) with the SEC on August 9th seeking registration of 200,000 shares of Class A stock, to be offered for public sale through underwriters headed by Milton D. Blauner & Co. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 15,000 outstanding Class A shares which the former holders thereof sold to the principal underwriter at \$2 per share.

The company is engaged in the design, manufacture and distribution of women's daywear and sleepwear lingerie under nationally advertised trademarks, including among others, "Movie Star," and "Mee-ow's." The net proceeds from the stock sale will initially be added to general funds. During the next 12 months the company intends to expend about \$125,000 to expand existing plant facilities at two of its plants; \$125,000 to purchase additional machinery and equipment; and the balance will be added to working capital.

In addition to certain indebtedness, the company has outstanding 15,000 Class A and 635,000 Class B shares, of which latter stock Milton Herman, president, owns 435,982 shares.

**DELTA CAPITAL FILES FOR STOCK OFFERING.** Delta Capital Corporation, 610 National Bank of Commerce Bldg., New Orleans, La., filed a registration statement (File 2-18661) with the SEC on August 9th seeking registration of 500,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Blair & Co. and Howard, Weil, Labouisse, Friedrichs and Company. The public offering price and underwriting terms are to be supplied by amendment.

Organized under Louisiana law on August 2, 1961, the company is a Federal licensee under the Small Business Investment Act of 1958 and is also registered with the Commission under the Investment Company Act of 1940 as a non-diversified, closed-end, management investment company. With the estimated \$5,450,000 net proceeds from the stock sale, the company will furnish equity capital and long term loans to small businesses, principally those operating in the Southeastern United States, and supply financial, management consulting, and advisory services on a fee basis to small business, primarily those in which it has invested or is contemplating investing.

The company has outstanding 45,350 common shares sold in August to 13 persons including management officials for a total of \$453,500. Of such stock, Jack R. Aron, Oliver deG. Vanderbilt, board chairman, and Robert M. Walmsley, president, own 22.05%, 11.03% and 5.51%, respectively.

**BOHN ALUMINUM & BRASS FILES STOCK PLAN.** Bohn Aluminum & Brass Corporation, 1400 Lafayette Bldg., Detroit, filed a registration statement (File 2-18662) with the SEC on August 9th seeking registration of 20,600 shares of common capital stock, to be offered to employees, except management officials, pursuant to the 1961 Salaried Employees Stock Purchase Plan.

**DALE SYSTEM FILES FOR STOCK OFFERING AND SECONDARY.** Dale System, Incorporated, 1790 Broadway, New York, filed a registration statement (File 2-18663) with the SEC on August 9th 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 an "all-or-nothing, best efforts" basis by Theodore Arrin & Co., Inc., which will receive a 42¢ per share commission and \$17,500 for expenses. The registration statement also includes 15,000 outstanding shares to be sold to the underwriter by Leonard S. Lowell, executive vice president and principal stockholder, at 50¢ per share, of which 10,000 will be offered for public sale at \$3.50 per share by the underwriter after the completion of the company's offering.

The company is engaged in a service business offering its customers a retail shopping service which checks on the honesty, efficiency, loyalty and sales ability of the personnel of all types of retail establishments. It functions by the utilization of shopping crews which make actual purchases and then render written reports. Additionally, it provides establishments of any kind with a service for the prevention and/or minimization of inventory shortages from fraud or inefficient control. The net proceeds from the stock sale,

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estimated at a maximum of \$273,000 will be used either to open additional offices in territories not presently serviced or to purchase existing businesses of the same type as the company in areas not presently serviced, or a combination of both. Any funds not so used will be used for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 140,000 shares of common stock (after giving effect to 466-2/3-for-1 stock split in August 1961), of which Lowell owns 97.33% and Addison H. Verrill, president, 2.67%. Such shares have a present book value of 73¢ per share and, after the sale of new stock the shares then outstanding will have a book value of \$1.71 per share.

**KEYSTONE ALLOYS FILES FOR STOCK OFFERING.** Keystone Alloys Company, 511 Mellon Bank Bldg., Latrobe, Pa., today filed a registration statement (File 2-18664) with the SEC seeking registration of 42,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Singer, Deane & Scribner. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 10,980 common shares to be sold to certain shareholders of Brown & Grist, Incorporated and Brown & Grist Realty Corporation at \$14 per share, which companies Keystone proposes to acquire.

The company manufactures and distributes a broad line of aluminum siding and accessories, coated materials, aluminum railing and columns for interior and exterior use, and a variety of aluminum combination storm-screen sash and doors, screen doors and aluminum extrusions. The company proposes to acquire the said Brown & Grist companies for a net purchase price of \$1,343,110. Such companies manufacture aluminum curtain wall and aluminum windows, primarily for new schools and hospitals and new commercial and industrial buildings. The net proceeds from the stock sale will be used to furnish a portion of said purchase price, the balance to be derived from the sale of the 10,980 shares to shareholders of the Brown & Grist companies, the proceeds from a \$500,000 bank loan to one of the two newly incorporated subsidiaries of the company (through which the acquisition will be effected), and other funds of the company. Concurrently with the stock offering the company proposes to prepay in full its \$100,000 6% promissory note due 1965 to the order of Zappone Engineering Company, and at the same time will sell to such company 7,020 common shares at a price not less than \$14 per share.

In addition to certain indebtedness, the company has outstanding 300,000 shares of common stock, of which A. J. Zappone, president, and Beatrice L. Zappone, his wife, own 5.1% each; C. F. Zappone, vice president, and Margaret B. Zappone, his wife, own 5.4% each; John B. Zappone, secretary-treasurer, and Marian B. Zappone, his wife, own 5.6% each; and Zappone Engineering Company (owned by the three Zappone brothers) owns 15.3%.

**CONTROL DATA FILES FOR STOCK OFFERING.** Control Data Corporation, 501 Park Avenue, Minneapolis, Minn., today filed a registration statement (File 2-18665) with the SEC seeking registration of 300,000 shares of common stock (after giving effect to a proposed 3-for-1 stock split in September), to be offered for public sale on an all or none basis through underwriters headed by Dean Witter & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company and its divisions and a subsidiary (1) develop, design, manufacture and market advanced fully-transistorized, high-speed digital computing systems and components including input-output devices, (2) design and manufacture electronic and electromechanical components, including input-output devices for computers, and (3) design, manufacture and sell electronic supervisory control and telemetering equipment. The company has recently developed full transistorized control systems utilizing electronic digital computers for application in the utility field. The net proceeds from the stock sale will be used to repay outstanding bank loans, estimated to be \$8,500,000, and the balance will be added to general funds and used for working capital and other corporate purposes. Working capital will be required to finance, among other things, expenditures in fiscal 1962 of \$4,500,000 for property, plant and equipment.

In addition to certain indebtedness and preferred stock, the company will have outstanding after said stock split, 1,120,113 shares of common stock, of which management officials as a group will own 441,024 shares. William C. Norris is listed as president and board chairman.

**HAWTHORNE FINANCIAL FILES FOR SECONDARY.** Hawthorne Financial Corporation, 305 South Hawthorne Blvd., Hawthorne, Calif., today filed a registration statement (File 2-18666) with the SEC seeking registration of 33,117 outstanding shares of capital stock, to be offered for public sale by the present holder thereof through Crowell, Weedon & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized in 1959 for the purpose of acquiring all of the outstanding stock of Hawthorne Savings and Loan Association, which is engaged in the savings and loan business in Los Angeles County. The company operates an insurance agency which assists the Association in making fire and other insurance available to borrowers from the Association and acts as trustee under trust deeds securing loans made by the Association. The company has outstanding 593,250 capital shares, of which management officials as a group own 14%. The 33,117 outstanding shares are to be sold by William R. Staats & Co. and represent the total number of shares beneficially owned by such stockholder. Cecil O. Garton is listed as president.

**SECURITIES ACT REGISTRATIONS.** Withdrawn August 9: Southland Oil Ventures, Inc. (File 2-15875). Effective August 10: Center Laboratories, Inc. (File 2-18334); Diamond Crystal Salt Company (File 2-18220); Fifth Dimension Inc. (File 2-18187); Great Southern Financial Corporation (File 2-17729); Independence Life Insurance Company of America (File 2-18173); Parkview Drugs, Inc. (File 2-18343); St. Clair Specialty Manufacturing Co., Inc. (File 2-18325).