

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)



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LING-TEMCO UNLISTED TRADING. The SEC has issued orders (A) granting an application of the Boston Stock Exchange for unlisted trading privileges in the common stock of Ling-Temco-Vought, Inc., and (B) giving interested persons until January 5, 1962, to request a hearing upon a similar application filed by the Pacific Coast Stock Exchange. (Release 34-6692).

TWO DELISTINGS PROPOSED. The SEC has issued orders (Release 34-6692) giving interested persons until January 5, 1962, to request a hearing upon applications (A) of the New York Stock Exchange to delist the 4-3/8% second preferred stock of Heyden, ^{Newport} Chemical Corp. (because of limited shares and limited shareholders) and (B) of the Midwest Stock Exchange to delist the common stock of La Salle Extension University because of limited holdings of persons other than Crowell-Collier Publishing Company.

AMERICAN MANAGEMENT AND INVESTMENT FILES FOR STOCK OFFERING. American Management and Investment Corporation, Warner Building, Washington, D. C., filed a registration statement (File 2-19482) with the SEC on December 20th seeking registration of 500,000 shares of 7% earned cumulative non-cumulative convertible preferred stock, \$2 par (and 1,000,000 shares of common stock underlying such preferred), to be offered for public sale at \$10 per share by management officials and employees. The company may also employ firms and individuals, including broker-dealers, to offer such shares and will pay them a \$1.50 per share commission.

The company was organized under District of Columbia law in October 1961 and intends to purchase and acquire other companies, particularly companies which are engaged in the fields of insurance and finance, and to manage or carry on the business of such companies. The company will use the major portion of the net proceeds from the stock sale to invest in or acquire and expand the operations of an existing life insurance company or companies, not yet determined. It will expend about \$500,000 to strengthen the financial position and to expand and revitalize such proposed subsidiary, and the balance of such proceeds will be used to acquire controlling interest in allied financial institutions.

The company has outstanding 80,120 shares of common stock, of which Ora R. Leverett, president, and W. Lloyd Sawyer, executive vice president, own 40,000 shares each (purchased at 25¢ per share). They have also subscribed for 260,000 shares each at 25¢ per share, payable at the time this registration statement becomes effective or 90 days from the date of the execution of the subscription agreement (November 24, 1961), whichever occurs earlier.

PIERCE PROCTOR INVESTMENT PROPOSES DEBENTURE OFFERING. Pierce Proctor Schuette and Taranton Investment Company, Inc., 1807 North Central Avenue, Phoenix, Arizona, filed a registration statement (File 2-19483) with the SEC on December 20th seeking registration of \$465,000 of 10-year 8% debentures, to be offered for public sale (without underwriting) at \$15,000 per debenture. Syndicate subscription rights appurtenant to each debenture consist of the right to subscribe to not less than 1/35 of the ownership of certain real estate syndicates not yet formed hereafter to be offered by the issuer.

The company was organized under Arizona law in November 1961 to engage broadly in the real estate syndication business, the investment business, the land business, the real estate brokerage business, the securities brokerage business, the property management and development business, the underwriting and securities issuance business, and the mortgage business. Its primary function, however, will be to organize and thereafter to issue and distribute, through its subsidiary (Pierce Proctor Schuette & Taranton Securities Company) so-called real estate syndicates, an arrangement whereby a real estate investment is made by a number of people who join together especially for such purpose, each contributing a fixed proportion of the necessary capital. The \$465,000 estimated net proceeds from the debenture sale will be invested in first mortgages, land contracts and other investments, with an emphasis both on liquidity and yield.

The company has outstanding 60,000 shares of common stock, of which Carroll J. Pierce, board chairman and president, and Edwin E. Proctor, William E. Schuette and Alman J. Taranton, vice presidents, own 25% each.

ARTS & CRAFTS MATERIALS FILES FOR OFFERING AND SECONDARY. Arts & Crafts Materials Corp., 321 Park Avenue, Baltimore, Maryland, filed a registration statement (File 2-19484) with the SEC on December 20th seeking registration of 150,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 50,000 shares, being outstanding stock, by Charles Ellerin, president and principal stockholder. The offering will be made on an all or none basis through underwriters headed by Federman, Stonehill & Co. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes 22,500 shares underlying five-year warrants sold to the underwriters at 1¢ each, exercisable at a price to be supplied by amendment, and 7,500 shares underlying like warrants sold to Desser Associates, which will also receive \$17,000 as a finder's fee.

The company (formerly Arts & Crafts Distributors, Inc.) is engaged in the business of importing and selling, both at wholesale and retail, arts and crafts materials, supplies and equipment to dealers, educational institutions and government agencies for occupational therapy, educational, recreational and camp use. It recently acquired from Ellerin all of the outstanding stock of three companies which are now operated as subsidiaries. Of the net proceeds from the company's sale of additional stock, \$50,000 will be used to prepare and mail additional copies of the company's catalogue and other advertising material, \$100,000 to expand

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inventories, \$100,000 to pay current Federal Income Taxes, \$150,000 to carry increasing accounts receivable, and the balance for general working capital.

The company has outstanding 200,000 shares of common stock, all of which are owned by Ellerin who, as indicated, proposes to sell 50,000 shares. Pursuant to a recent recapitalization Ellerin received 73,534 new shares in exchange for 84 old shares and 126,466 new shares for his holdings of the said subsidiaries, representing an original investment of \$40,160. The sale of new shares to the public will result in an increase of the present 82¢ per share book value of outstanding shares and a corresponding dilution in the equity of public purchasers.

CONDUCTRON FILES FOR STOCK OFFERING. Conductron Corporation, 343 South Main Street, Ann Arbor, Michigan, filed a registration statement (File 2-19487) with the SEC on December 20th seeking registration of 125,000 shares of Class A common stock, to be offered for public sale on an all or none basis through underwriters headed by McDonnell & Co. and Halle & Stieglitz. The public offering price and underwriting terms are to be supplied by amendment. The company has sold to the underwriters at 10¢ each, 5-year warrants to purchase an aggregate of 10,000 shares at \$20 per share.

Organized under Delaware law in November 1960, the company is primarily engaged in research and development in the general field of electromagnetic radiation either directly or indirectly for the U. S. Government. Of the net proceeds from the stock sale, \$320,000 will be used to retire a like amount of 6% notes, \$200,000 to complete payment for land, \$500,000 for partial payment of the \$1,000,000 estimated construction cost of two buildings thereon, \$75,000 to purchase capital equipment to increase ferrite production capabilities, \$350,000 to equip an optical shop for the building of optical correlators and for equipment to design components for fine resolution radars, \$100,000 for equipping said new buildings, and the balance for working capital. The prospectus states that the company has unrecovered research and development costs in the amount of \$210,064.41 and does not now have business assuring recovering of a substantial portion thereof.

In addition to certain indebtedness, the company has outstanding 198,750 Class A and 100,000 Class B common shares, of which Keeve M. Siegel, board chairman and president, owns of record 120,000 Class A shares and Autometric Corporation owns of record 100,000 Class B shares. The company was originally organized by Autometric, a subsidiary of Paramount Pictures Corp., which purchased 250,000 shares of the company's common stock at 10¢ per share and by Siegel who purchased 125,000 at the same price. Pursuant to a recent recapitalization all of the 498,750 common shares then outstanding were designated Class A shares. At that time, 100,000 new Class B shares were issued to Autometric in exchange for the 300,000 new Class A shares then held by it. The sale of new shares to the public will result in an increase of the 22¢ per share book value of shares now outstanding and a corresponding dilution in book value of shares purchased by the public.

JOANELL LABS FILES FOR OFFERING AND SECONDARY. Joanel Laboratories, Inc., 102 Dorsa Avenue, Livingston, New Jersey, filed a registration statement (File 2-19488) with the SEC on December 21st seeking registration of 114,500 shares of common stock, of which 82,500 shares are to be offered for public sale by the company and 32,000 shares, being outstanding stock, by the holders thereof. The offering will be made on an all or none basis by Searight, Ahalt & O'Connor, Inc. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes (1) 12,000 outstanding shares to be sold by the selling stockholders to the underwriters at 10¢ per share together with 6,000 outstanding shares to Harold A. Lerman, at a like price, as a finder's fee, and (2) 17,000 outstanding shares underlying a warrant to be sold to the underwriter by the selling stockholders at \$.001 per warrant share, exercisable at 79¢ per share, and 6,000 outstanding shares underlying a like warrant to be sold to the finder.

The company is principally engaged in the development of a simulated weapons training devices, contracting for the production of such devices and, in some instances, manufacturing them at its own facilities. The prospectus states that all such work to date has been done for the United States Armed Forces. It also manufactures electronic control devices for industry. The net proceeds from the company's sale of additional stock will be used to build and equip a pilot shop for the construction of pre-production models, for new equipment for the manufacture of radar simulators used in flight training programs, to acquire added research equipment and generally to expand research facilities, and for additional working capital and other corporate purposes.

In addition to certain indebtedness, the company has outstanding 173,500 shares of common stock, of which Joseph LaMura, president, Anthony LaMura, secretary-treasurer, and Frank Pescatore, vice president, own about 57,833 shares each and propose to sell about 10,666 shares each.

TAYLOR PUBLISHING FILES FOR SECONDARY. Taylor Publishing Company, 6320 Denton Drive, Dallas, Texas, filed a registration statement (File 2-19489) with the SEC on December 21st seeking registration of 152,000 outstanding shares of common stock, to be offered for public sale by the holders thereof on an all or none basis through underwriters headed by Dallas Rupe & Son, Inc. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes 7,000 outstanding shares underlying 18-month warrants sold by certain stockholders to the underwriter for \$70, exercisable at the public offering price.

The company is engaged primarily in the production and distribution of school yearbooks for public high schools, private schools and colleges. The company also engages in miscellaneous commercial printing. In addition to certain indebtedness, the company has outstanding 1,296,045 shares of common stock, of which H. C. Taylor, board chairman, E. M. Taylor, president, J. W. Taylor, Jr., executive vice president, and S. H. Wisdom, treasurer, own 124,844, 201,586, 200,538 and 135,248 shares, respectively. They propose to sell 30,000 shares each; M. E. Hamilton, vice president, proposes to sell 20,000 of his holdings of 106,598 shares; and three others propose to sell amounts ranging from 2,000 to 5,000 shares.

DOVER CONSTRUCTION FILES FINANCING PLAN. Dover Construction Company, 2120 Green Road, Cleveland, Ohio, filed a registration statement (File 2-19490) with the SEC on December 21st seeking registration of \$750,000 of convertible subordinated debentures due 1972 and 100,000 shares of common stock, to be offered for public sale through underwriters headed by Merrill, Turben & Co., Inc. The debentures are to be offered in \$1,000

units. The interest rate on the bonds and the public offering price and underwriting terms on both issues are to be supplied by amendment.

The company and its subsidiaries are engaged primarily in the merchandising, sale and volume construction within metropolitan population areas of architecturally designed homes which, with fully improved lots, sell in the \$9,500 to \$14,500 price range. The net proceeds from this financing will be used primarily to increase working capital and to prepay \$350,000 of outstanding notes. The company has outstanding 600,000 shares of common stock (after giving effect to a proposed recapitalization whereby such shares will be issued in exchange for the 180 shares now outstanding), of which Henry Lefkowitz, president, Harold Gootrad, executive vice president, and David I. Gootrad, secretary-treasurer, own 200,000 shares each. They originally paid an aggregate of \$4,500 for such stock in 1958 and they later made a contribution of the stock of five companies for which they paid \$17,100. The sale of new securities to the public will result in an increase of the \$1.59 per share book value of stock now outstanding and a corresponding dilution of new shares purchased by the public.

U. S. REALTY FILES FOR OFFERING. U. S. Realty Investments, 720 Euclid Avenue, Cleveland, Ohio, filed a registration statement (File 2-19491) with the SEC on December 21st seeking registration of 600,000 shares of beneficial interest in the Trust, to be offered for public sale through underwriters headed by Hornblower & Weeks. The public offering price and underwriting terms are to be supplied by amendment.

The Trust is an unincorporated association in business trust form organized under Ohio law in March 1961. Its purpose is to provide investors with an opportunity to own, through transferable, presently non-voting shares, an interest in the Trust which in turn owns diversified properties consisting principally of real estate interests. Such interests were acquired with the \$6,250,640 net proceeds from the public sale in May 1961 of 661,975 non-voting shares at \$10 per share. All such properties are located in the metropolitan area of Cleveland. With the net proceeds from the sale of new shares, the Trust will diversify its real estate holdings by acquiring or constructing properties in New York City, Miami, Columbus (Ohio), St. Louis, Tulsa and Cleveland. Any balance will be added to general funds and used for working capital or for future investments. The Trust does not and will not manage or operate its properties, some of which are managed by Metropolitan Management Company, of Cleveland.

In addition to certain indebtedness, the Trust has outstanding the 661,975 shares of beneficial interest, of which the trustees and sponsors, together with their associates, own 53,105 shares. Henry S. Gottfried is presiding trustee.

ELIZABETHTOWN WATER CO. PROPOSES DEBENTURE OFFERING. Elizabethtown Water Company, 22 West Jersey Street, Elizabeth, New Jersey, filed a registration statement (File 2-19492) with the SEC on December 21st seeking registration of \$9,000,000 of debentures due 1992, to be offered for public sale at competitive bidding. Net proceeds from the debenture sale, together with available cash, will be applied to discharge in full notes payable to banks of the company and its subsidiary amounting to \$9,920,000, incurred for construction purposes. The company estimates that it will expend about \$1,500,000 for gross property additions in the year 1962.

NATURAL GAS PIPELINE CO. OF AMERICA PROPOSES BOND OFFERING. Natural Gas Pipeline Company of America, 122 South Michigan Avenue, Chicago, filed a registration statement (File 2-19493) with the SEC on December 21st seeking registration of \$30,000,000 of first mortgage pipeline bonds due 1982, to be offered for public sale on an all or none basis through underwriters headed by Dillon, Read & Co. Inc. and Halsey, Stuart & Co. Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Net proceeds from the bond sale, together with treasury funds, will be used to pay short-term bank loans now outstanding in the amount of \$31,000,000 incurred to finance temporarily a part of expenditures made in connection with its 1960 expansion projects. In addition to various indebtedness and preferred stock, the company has outstanding 3,495,167 shares of common stock, all of which are owned by the company's parent, The Peoples Gas Light and Coke Company. Remick McDowell is board chairman and George P. Garver is president.

ATICO FINANCIAL FILES EXCHANGE PLAN. Atico Financial Corporation, 901 Northeast Second Avenue, Miami, Florida, filed a registration statement (File 2-19494) with the SEC on December 21st seeking registration of \$4,200,000 of 6% subordinated sinking fund debentures due 1977 and 893,679 shares of common stock. It is proposed to offer such securities to the common stockholders of American Title Insurance Company and of Mercantile National Bank of Miami Beach, both Florida companies, on the following basis: one company share for each common share of American Title; and \$21 of debentures and one common share for each common share of Mercantile. No underwriting is involved.

The company was organized under Delaware law in November 1961 to acquire the outstanding stock of American Title and Mercantile. American Title and its subsidiaries are engaged primarily in the business of insuring titles to real estate and performing related abstracting and escrow services. Mercantile is a national banking association engaged in a general banking business. The company was organized by Joseph Weintraub, board chairman and principal stockholder of both American Title and Mercantile, who, together with other management officials and their associates, own about 53% of the outstanding stock of each of the said companies. According to the prospectus, they intend to deposit their shares pursuant to the exchange offers. Weintraub also owns all of the 350,000 outstanding preferred shares of American Title, and he will exchange such shares for a like number of preferred shares of the company. Weintraub is board chairman of the company and John J. Scully is president. After the exchange offers are consummated, Weintraub will own about 25.2% and management officials as a group 35.5% of the company's outstanding stock.

DUNHILL INTERNATIONAL FILES MERGER PROPOSAL. Dunhill International, Inc., New York investment company has filed an application with the SEC under the Investment Company Act of 1940 seeking an exemption with respect to certain transactions incident to the merger into Dunhill of The Pyramid Rubber Company, two of its subsidiaries, Oil City Glass Company and Crator Manufacturing Company, and two of its affiliated companies, Harcourt Manufacturing Company and Archer Service Company; and the Commission has issued an order

(Release IC-3389) scheduling the application for hearing on January 15, 1962. Dunhill had outstanding on October 25th 1,525,439 common shares. Under the merger proposal, 2,000,000 additional shares will be issued in exchange for stock of the merging companies, all held by fourteen individuals.

BORROWINGS BY SOUTHWESTERN ELECTRIC APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14552) authorizing Southwestern Electric Power Company, of Shreveport, La. to make additional borrowings from its parent, Central and South West Corporation, Chicago holding company. Under the proposal, Central will extend to December 31, 1962, the maturity date of notes of Southwestern held by it in the amount of \$1,000,000; and Southwestern will make additional borrowings aggregating \$2,000,000 between now and March 31, 1962. The funds will be used for construction expenditures by Southwestern.

RICHMOND CORP. FILES FOR STOCK OFFERING. The Richmond Corporation, 220 K Street, N. W., Washington, D.C. filed a registration statement (File 2-19495) with the SEC on December 21st seeking registration of 142,858 shares of common stock, to be offered for public sale at \$7 per share. The offering will be made on a best efforts basis by Hirschel & Company, which will receive an 84¢ per share selling commission and \$30,000 for expenses. The statement also includes 36,500 shares underlying 4-year warrants sold to the underwriter at 1¢ each, exercisable from 10¢ to \$7 per share. The prospectus states that 116,500 3-year warrants have been granted to present stockholders to purchase one additional share at \$7 per share for each share owned of record November 30, 1961, exercisable during the second, third and fourth years following the commencement of the offering.

The company (formerly North American Mortgage and Development Corporation) is designed to offer investors an opportunity to participate jointly in investments in first and second mortgages and deed of trust notes; investments in undeveloped land for the purpose of sub-dividing, re-selling or constructing on said land; and investments in diversified improved properties. The company may also loan money to other persons where such loans are secured by mortgages or deeds of trust and may engage in other phases of the real estate business. The \$830,005.28 estimated net proceeds from the stock sale will be used to pay \$275,000 required at time of settlement of the company's purchase of a tract of land in Olney, Maryland, to pay off mortgages on two other tracts, and the balance will be added to general funds and used for working capital and other general corporate purposes.

In addition to certain indebtedness, the company has outstanding 116,500 shares of common stock, of which Frederic Richmond, board chairman and president, owns 64.3% and management officials as a group 100%. According to the prospectus, if the organizers do not exercise their warrants to purchase the additional 116,500 shares, the public will own, after the sale of new shares, 142,858 shares, representing about 55% of the outstanding stock for which they will have paid \$1,000,006 representing 85% of the total paid in capital; and the organizers will own 116,500 shares representing about 45% of the outstanding stock for which they paid \$173,500 representing 15% of the total paid in capital.

GARRETT CORP. PROPOSES DEBENTURE OFFERING. The Garrett Corporation, 9851 Sepulveda Boulevard, Los Angeles, filed a registration statement (File 2-19496) with the SEC on December 21st seeking registration of \$20,000,000 of debentures due 1982, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith. The interest rate, public offering price and underwriting terms are to be supplied by amendment. The statement also includes 112,200 shares of common stock, to be offered pursuant to the company's Employee Stock Option Plan.

The company is a supplier of pressurization and air conditioning equipment for military and commercial aircraft and spacecraft. It also produces gas turbine engines and related turbo-machinery, specialized parts, components and component systems for military and commercial aircraft, missiles and spacecraft, together with related ground support equipment. Net proceeds from the debenture sale, together with other funds, will be used to pay short term notes incurred to carry inventories and accounts receivable related to defense production contracts. In addition to certain indebtedness, the company has outstanding 1,449,822 shares of common stock, of which the principal underwriter holds 12.2% for the account of various customers, and management officials as a group own about 4.9%. J. C. Garrett is board chairman and president.

CITY FINANCE FILES FOR STOCK OFFERING. City Finance Company, Inc., 307 North Eutaw Street, Baltimore, Md., filed a registration statement (File 2-19497) with the SEC on December 21st seeking registration of 110,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Stein Bros. & Boyce. The public offering price and underwriting terms are to be supplied by amendment. The company and its wholly-owned subsidiaries are engaged in the consumer loan and finance business in Maryland, and, to a limited extent, it also purchases sales finance contracts from furniture and appliance dealers. The net proceeds from the stock sale will be added to general funds and will be available for general corporate purposes. Initially, such proceeds will be used to reduce short-term indebtedness to banks incurred for general corporate purposes. In addition to various indebtedness and preferred stock, the company has outstanding 380,000 shares of common stock, of which Jacob I. Hamburger, board chairman, and Irving J. Applefeld, president, own 23.7% and 24.7% respectively, and management officials as a group 100%.

INDICTMENT NAMES THOS. FORSYTHE & PAUL PREHN. The SEC Chicago Regional Office announced December 15th (Lit. Release 2161) the return of an indictment (USDC East St. Louis) charging Thomas G. Forsythe and Paul Prehn with violations of the anti-fraud provisions of the Securities Act in the sale of oil interests.

SECURITIES ACT REGISTRATIONS. Effective December 22: Allied Research Associates, Inc. (File 2-18861); 30 Broad Company (File 2-19305); First Federated Life Insurance Company (File 2-18925); Jefferson Lake Petrochemicals of Canada, Ltd. (File 2-18620); The Prudential Oil Corporation (File 2-19048); Texas Gas Producing Company (File 2-18843); Withdrawn December 22: Creative Electronics, Inc. (File 2-18797); Litho-Tone Inc. (File 2-19312).