

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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PYRAMID ELECTRIC STOCK IN REGISTRATION. Pyramid Electric Company, 52 Broadway, New York, filed a registration statement (File 2-16421) with the SEC on April 1, 1960, seeking registration of 89,675 shares of common stock to be issued to holders of its outstanding stock purchase warrants at the rate of one share for each warrant at a price of \$3.25 per share. The warrants were issued in and after May 1954 in connection with a previous public offering and included 46,000 to the underwriter, S. D. Fuller & Co., and 46,000 to the company's officers and employees. At present there are 89,675 warrants outstanding. The warrants are exercisable until June 25, 1960.

The company manufactures a variety of electronic components, all of which are basic parts of a wide variety of electrical and electronic equipment. Proceeds from the sale of the stock will be added to general funds.

The capitalization of the company includes 75,000 shares of preferred stock, 832,790 shares of common stock and 89,675 common stock purchase warrants. Officers and directors of the company own an aggregate 131,040 shares of common stock (15.6%) including 125,890 shares (15.1%) held by Ralph M. Scarano, president. Milton N. LaPidus owns 108,380 (13%).

ALLIED LENDING PROPOSES STOCK OFFERING. Allied Lending Corp., Colorado Insurance Group Building, Boulder, Colorado, filed a registration statement (File 2-16422) with the SEC on April 1, 1960, seeking registration of 28,865,000 shares of common stock. The stock will be offered initially (for a ninety day period) to holders of options to purchase stock in two other companies in which Allen J. Lefferdink, president, is a controlling person. 13,028,000 shares will be offered at 75¢ per share on a pro-rata basis to holders of options to purchase the same number of shares of common stock of Allied Colorado Enterprises and 15,837,000 shares will be similarly offered to option holders of Boulder Acceptance Corp. Any shares unsold at the end of the ninety day period will be offered to the public at \$1 per share and may be purchased in installments over a twelve month period. (The offering to option holders is on a cash basis.) No underwriting is involved.

The company was organized under the laws of Delaware on March 14, 1960. It proposes to engage in the mortgage lending business and to acquire as subsidiary corporations a commercial bank and a savings and loan association. The proceeds from the sale of stock will be used for these purposes. In the event that net proceeds from the sale of the stock do not exceed \$200,000 within one year the company may refund approximately 80% of subscriptions. If the proceeds do exceed \$200,000, that amount will be used as working capital for the mortgage loan business, pending the availability of sufficient funds for acquisition of the proposed bank and/or savings and loan association. The company expects that the ultimate amounts it will invest will not exceed \$10,000,000 in the commercial bank and \$5,000,000 in the savings and loan association.

The company presently has outstanding 25,000 shares of common stock, all of which is owned by Mr. Lefferdink.

LIBERTY RECORDS FILES FOR STOCK OFFERING. Liberty Records, Inc., 6920 Sunset Boulevard, Los Angeles, Calif., filed a registration statement (File 2-16423) with the SEC on April 1, 1960, seeking registration of 150,000 shares of common stock, to be offered for public sale through a group of underwriters headed by Crowell, Weedon & Co. The offering price and underwriting terms are to be supplied by amendment. In February, 1960 Crowell, Weedon & Co. purchased 4-46/101 outstanding shares from stockholders of the company for \$6,750 which upon recapitalization in April, 1960 were changed into 4,500 shares of Class B stock at a cost basis of \$1.50 per share.

The company records and distributes stereo and monaural albums, 45 R.P.M. extended play albums and single records. Net proceeds from the sale of the stock will be added to general corporate funds, substantially to meet increased demands on working capital. It is anticipated that approximately \$200,000 will be used to increase the number of master tapes which the company creates and produces and \$70,000 may be used in acquiring two companies, Music Concessions, Inc. and Cornerstone Song Publishing Co., both of Seattle, Washington.

In addition to some indebtedness the company has outstanding 454,500 shares of Class B common stock (convertible into common stock). Officers and directors own an aggregate 360,563 shares of the Class B common stock (79%) of which Simon Waronker, president, owns 214,600.

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

HAMPSHIRE GARDENS PROPOSES OFFERING. Hampshire Gardens Associates, 375 Park Ave., New York, filed a registration statement (File 2-16424) with the SEC on April 1, 1960, seeking registration of \$376,000 Limited Partnership Interests, to be offered for public sale in \$500 units through B. C. Morton and Company, Inc. The underwriting commission will be \$30 per unit.

Associates is a partnership organized under New York law in March 1960 for the purpose of purchasing the fee title to a garden type apartment community (Hampshire Gardens) consisting of fourteen buildings with a total of 134 apartments in Chillum, Maryland. In February 1960 the General Partners, Morton Goldberg, Bernard Carver, Samuel Nadelson and Jules Yablok, and three original Limited Partners were assigned a contract for the purchase of Hampshire Gardens for \$1,542,000. The group paid \$25,000 to Melvin Kaufman to reimburse him for his deposit toward the purchase price and agreed to pay an additional \$27,500 for assignment of the contract. Thus the total cost of the property is \$1,569,500 of which \$327,500 is payable in cash and the balance is to be subject to mortgages. To effect the purchase the partnership estimates it will need \$380,000 in cash. Of this sum, \$4,000 will be paid by the General Partners and the balance is to be contributed by additional Limited Partnerships. Associates will not manage Hampshire Gardens but will enter into a net lease with Hampshire Operating Corp., whose stock is owned by the general and original partners.

Messrs. Goldberg and Carver are the sole stockholders of the underwriter.

FUTTERMAN PROPOSES STOCK OFFERING. The Futterman Corporation, 580 Fifth Avenue, New York, filed a registration statement (File 2-16425) with the SEC on April 1, 1960, seeking registration of 660,000 shares of Class A stock, to be offered for public sale through a group of underwriters headed by Reynolds & Co. The public offering price and underwriting terms will be supplied by amendment.

The company is engaged in the real estate business, as investors, managers, brokers and agents in the construction, sale, purchase and lease of properties, and in mortgage financing and related activities. At present it owns 24 major real estate properties, including apartment buildings, hotels, office buildings, and industrial buildings located in seventeen cities. Of the proceeds from the sale of the stock, \$4,825,000 will be used in the acquisition of four additional properties, including the Grosvenor House, Seattle, Washington; Glassmanor Apartments, Glassmanor, Maryland; Marott Hotel (Leasehold), Indianapolis, Indiana; and Riverside Manor Motel, Lansing, Michigan.

In addition to certain indebtedness the company has outstanding 1,493,948 shares of Class A stock and 150,000 shares of Class B. Robert A. Futterman (president and board chairman) and his wife own 182,316 shares (12.22%) of the Class A stock and all of the Class B stock. Officers and directors as a group own 33.09% of the Class A stock.

MANASTOR ASSOCIATES PROPOSES OFFERING. Manastor Associates, 1359 Broadway, New York, filed a registration statement (File 2-16426) with the SEC on April 1, 1960, seeking registration of \$5,650,000 Limited Partnership Interests to be offered for public sale in units of \$25,000. No underwriting is involved.

Manastor Associates is a limited partnership organized in March, 1960, under New York law, for the purpose of purchasing for investment leasehold estates and purchase options in the Hotel Manhattan and Hotel Astor in New York. Both hotels are presently leased to and operated by Zeckendorf Hotels Corporation, a subsidiary of Webb & Knapp, Inc. A. Abner Rosen, Samuel A. Seaver and Jacob Simon are General Partners. Messrs. Rosen and Seaver and Mr. Stanley H. Levy will receive an aggregate of \$575,000 in limited partnership interests, subordinated as to income and returns of capital for a period of ten years, in consideration of the assignment to Associates of a contract to acquire the Manhattan and Astor Leases and purchase options. The General Partners will invest \$100,000 in cash in the partnership, and Mr. Levy has committed himself to contribute \$25,000 as a limited partner.

The proceeds of the sale of the limited partnership participations and the cash investments of the general partners will total \$5,750,000, all of which will be paid to Zeckendorf Hotels Corporation, or its assignee, to acquire the Manhattan and Astor Leases and options to purchase both hotels.

NORTHSHORE GOLDFIELDS STOCK IN REGISTRATION. Northshore Goldfields, Ltd., 366 Bay Street, Toronto, Canada, filed a registration statement (File 2-16427) with the SEC on April 1, 1960, seeking registration of 207,800 shares of common stock, to be offered for public sale at \$5 per share. The offering includes 200,000 shares to be offered for the account of the company and 7,800 shares for the account of a group of five individual stockholders. No underwriting is involved.

In addition, the company seeks registration of 131,961 shares of common stock to provide for exercise of options. The company granted options for 104,054 shares at \$1.85 per share to 12 individuals and one family corporation who loaned the company \$192,500 on 3 year 5% promissory notes, and options for 27,907 shares at \$2.15 per share to four persons who have agreed to guarantee and have deposited collateral for three years in an amount sufficient to secure payment of \$60,000 of the company's promissory notes.

The company was incorporated under Ontario law in March 1957. In March 1960, the company changed its name from North Shore Gold Fields & Mines, Ltd., to Northshore Goldfields, Ltd., and its authorized and outstanding shares were changed on a reverse one for five split from 4,000,000 shares of \$1 par value to 800,000 shares of no par value. Through its wholly-owned subsidiary Lawa Goudvelden, N.V., which was incorporated in June, 1958 under the laws of Surinam, South America (formerly Dutch Guiana), it will engage in gold dredging along the Lawa River, Surinam. Net proceeds from the sale of the stock will be used in connection with the

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dredging operation and for certain expenses related to the offering.

The selling stockholders received an aggregate 30,000 shares of stock in payment for their interests in a bucket-line dredge acquired by the company, and for services. They will continue to own an aggregate 22,200 shares. None of the shares offered by the stockholders will be sold until 125,000 shares are sold for the company's account. The company has outstanding 255,637 common shares, of which 68% is held by Tricon, of Phoenix, Arizona. Promoters of the company were Henry A. Smith, president, Arthur R. Hunter, M. L. Bramson and Morgens L. Bramson. Tricon is a joint venture. Smith and Darrow Thompson, treasurer and a director, are managers of Tricon; and Smith owns 63% of Tricon and Thompson 10%.

CALIFORNIA ELECTRIC POWER PROPOSES BOND OFFERING. California Electric Power Company, 2885 Foothill Blvd., San Bernardino, Calif., today filed a registration statement (File 2-16428) with the SEC seeking registration of \$12,000,000 of First Mortgage Bonds, Series due 1990, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be used to discharge short-term bank loans of some \$9,500,000 and for the company's construction program. Construction expenditures are estimated at \$20,215,000 for 1960 as compared with nearly \$11,000,000 in 1959.

FRIENDLY FROST PROPOSES STOCK OFFERING. Friendly Frost Inc., 123 Frost St., Westbury, L. I., New York, today filed a registration statement (File 2-16429) with the SEC seeking registration of 150,000 shares of common stock, to be offered for public sale at \$7.50 per share. No underwriting is involved. An additional 96,500 shares included in the registration statement are reserved for the company's Employees' Stock Option Plan.

The company and subsidiaries are engaged in the operation of 19 Friendly Frost Stores (appliance stores), the sale of commercial coin-operated laundry equipment and the construction, operation and sale of complete laundry facilities for use of the public by means of coin-operated washers and dryers, and the operation of radio stations WGLI (AM and FM), as well as activities related to and in support of these major lines of business. The company now has outstanding 784,620 common shares and sundry indebtedness. Of the net proceeds of the sale of additional stock, \$275,000 will be applied to the repayment of bank loans, \$500,000 for expansion of Friendly Frost appliance store chain and expansion and diversification of Laundercenter Corporation, a distributor of Philco-Bendix coin-operated commercial washers and coin-operated commercial dryers under franchises, and the balance for working capital and for further expansion and development of recently-organized subsidiaries.

The prospectus lists GERAL O. KAYE as board chairman and Frank Perloff as president. They own 137,560 and 158,020 common shares, respectively; and management officials own an aggregate of 709,820 shares.

COURT ORDER ENJOINS CAMDALE CORP. The SEC Fort Worth Regional Office announced March 25, 1960 (Lit. Release 1637) issuance of a Federal court order (USDC, Houston) permanently enjoining Camdale Corporation, M. A. S. Makris and three other individuals from further violations of the Securities Act registration and anti-fraud provisions in the sale of Camdale stock.

TRADING IN SKIATRON ELECTRONICS STOCK SUSPENDED. The SEC has issued an order suspending trading in the common stock of Skiatron Electronic & Television Corporation, New York, on the American Stock Exchange and the over-the-counter market, for a further ten-day period April 6 to 15, 1960, inclusive (Release 34-6228). The suspension order which was issued pursuant to Section 19 (a)(4) of the Securities Exchange Act of 1934, states that the suspension is necessary to prevent fraudulent, deceptive or manipulative acts or practices in Skiatron stock, thus prohibiting trading in the stock by brokers and dealers in the over-the-counter market during the period of the suspension by virtue of the Commission's Rule 15c2-2.

Administrative proceedings involving questions as to the accuracy and adequacy of factual disclosures contained in a registration statement filed by Skiatron under the Securities Act of 1933 and whether a stop order should be issued suspending the said statement (see Release 33-4174) are currently in progress. Suspension of trading is considered necessary by the Commission in view of the serious nature of the deficiencies in said registration statement and the inability of investors to make an informed analysis and evaluation of the worth of Skiatron stock upon the basis of published information.

FOUR INVESTMENT COMPANIES EXEMPTED. The SEC has issued orders declaring that the following have ceased to be investment companies within the meaning of the Investment Company Act: First Small Business Investment Corporation of New England (Release 40-3004); First Wisconsin Investment Company (Release 40-3005); Franklin Small Business Investment Corp. (Release 40-3006); and Thorp Small Business Investment Corporation (Release 40-3007).

NATIONAL FUEL GAS FINANCING APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14203) authorizing National Fuel Gas Company, New York, holding company, to issue and sell at competitive bidding \$13,000,000 of Sinking Fund Debentures due 1985. The proceeds of the debenture sale will be applied to the prepayment of \$10,800,000 of unsecured notes and the balance of \$7,200,000 loaned to subsidiaries, Iroquois Gas Corporation, Pennsylvania Gas Company, and United Natural Gas Company. The three subsidiaries will issue notes to National, as follows: Iroquois, \$13,300,000; Pennsylvania, \$2,500,000; and United,

\$2,200,000. The subsidiaries will use the funds for property additions and improvements and underground gas storage inventories, and to prepay short-term notes of \$10,800,000 of National maturing July 1, 1960.

WEST PENN ELECTRIC FINANCING APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14204) authorizing The West Penn Electric Company, New York holding company, to issue and sell at competitive bidding 300,000 additional shares of common stock. Net proceeds thereof, estimated at about \$10,000,000, will be used (a) to pay at maturity or acquire the West Penn Traction Company First Mortgage 5% Bonds assumed by West Penn and outstanding in the amount of \$3,155,000 at February 29, 1960; and (b) to purchase for \$5,005,000, 770,000 additional shares of the common stock of Monongahela Power Company, a subsidiary. The subsidiary will use the additional funds for the construction program of that company and its subsidiaries, or to reimburse company treasuries for construction expenditures.

AMENDMENT TO REGISTRATION FORM S-9 PROPOSED. The SEC has proposed a minor clarifying amendment of the rules governing the use of registration Form S-9 under the Securities Act of 1933; and it has invited the submission of views and comments thereon on or before April 29, 1960.

Form S-9 is prescribed for the registration of non-convertible, fixed-interest debt securities of an issuer which is required to file annual and other periodic reports with the Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. The term "fixed charges" as used in the instructions governing the use of Form S-9 is defined to include "an appropriate portion of rentals under long term leases." Differences of view have arisen as to the nature and length of leases to be included under the term "long term leases," and as to what constitutes an "appropriate portion of rentals" to be included in fixed charges.

Under the amendment proposal, a definite formula is provided which may be used in determining the amount of rentals to be used. It changes the test from "an appropriate portion of long term rentals" to "one-third of all rentals." This compares with clause (i) of the instruction which includes interest on "all indebtedness." It also permits an alternative method of calculation under exceptional circumstances.

OGDEN TO DIVEST TELEREGISTER. The News Digest of April 1, 1960, included a discussion of the proposal of Teleregister Corporation, Stamford, Conn., to issue and sell \$6,000,000 of debentures and 240,000 common shares. According to the prospectus, Ogden Corporation, which owns 99.9% of the outstanding Teleregister common stock, proposes (subject to a favorable tax ruling) to distribute its entire holdings of Teleregister stock to the holders of Ogden common stock at the rate of one-half share of Teleregister stock for each share of Ogden common on the record date of such distribution. The balance of the Teleregister stock held by Ogden will be contributed to the issuer as treasury stock. This will result in a maximum of 2,852,578 shares of Teleregister common being outstanding in the hands of the public after sale of the additional 240,000 shares and the distribution by Ogden. Ogden has advised that such distribution will not occur prior to the sale of the debentures and stock by Teleregister.

SEC COMPLAINT NAMES AMERICAN PROGRAMMING. The SEC San Francisco Regional Office announced March 28, 1960 (Litigation Release 1634) the filing of court action (USDC, Los Angeles) seeking to enjoin American Programming Corporation and Karl C. Vesper, its president, of Beverly Hills, from further violations of the SEC net capital rule.

INDICTMENT CHARGES FRAUD IN GULF COAST LEASEHOLDS STOCK SALES. The SEC New York Regional Office announced April 1, 1960 (Litigation Release 1635) the return of an indictment (USDC SDNY) charging 20 defendants with fraud in the sale of Gulf Coast Leaseholds, Inc. stock and violation of Securities Act registration requirement. Defendants include five broker-dealer firms, Paul Hagenbach and John Van Allen, president and agent for Brandel Trust, as well as the Trust, Cecil V. Hagen, former president, and Roy B. Kelly, former counsel of the issuer, Irving H. Hertzberg, Pierre DuVal, Charles R. Stahl, Adam Miles, Milton J. Shuck, Jules Bean, and the issuer.

COURT ORDER ENJOINS INVESTMENT BROKERS OF N. J. The SEC New York Regional Office announced April 1, 1960 (Litigation Release 1636) entry of a Federal court order (USDC, N.J.) preliminarily enjoining Investment Brokers of N. J., Inc., and Robert G. Dabler, secretary-treasurer, from further violating anti-fraud provisions of Securities Exchange Act and Securities and Exchange Commission net capital rule.

BIGELOW-SANFORD CARPET FILES STOCK PLAN. Bigelow-Sanford Carpet Company, Inc., 140 Madison Ave., New York, today filed a registration statement (File 2-16430) with the SEC seeking registration of 130,600 shares of common stock, which may be delivered on the exercise of options which have been or may be granted under the company's restricted stock option plan and an option granted to the president of the company in February 1957.