

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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THREE STOCK OFFERINGS SUSPENDED. The Securities and Exchange Commission has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of securities by the following:

- (1) Big Red Uranium Co., Oklahoma City, Oklahoma
In a notification filed December 6, 1954, "Big Red" proposed the public offering of 2,755,000 common shares at 10¢ per share.
- (2) United Canadian Uranium Corporation, Denver, Colorado
In its notification, filed February 7, 1955, "United" proposed the public offering of 1,188,000 common shares at 25¢ per share.
- (3) Wonder Mountain Uranium Inc., Denver, Colorado
Proposed offering of 2,380,000 shares of "Wonder" common at 10¢ per share pursuant to notification filed August 12, 1955.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In its suspension orders with respect to the foregoing, the Commission asserts that each of the companies failed to comply with certain terms and conditions of the Regulation, in that Big Red and United failed to file the required semi-annual reports of stock sales and Wonder failed to reflect in its filing certain sales and resales of its securities as required.

With respect to Big Red and Wonder, the Commission's orders also assert that their respective offering circulars are false or misleading in respect of certain material facts and that their respective stock offerings by means of such offering circulars would operate as a fraud and deceit upon purchasers of the stock. The alleged misrepresentations with respect to Big Red involve the company's failure to reflect the current status of performance of assessment work on its unpatented mining claims, the status of exercise of an option to purchase mining claims, and the current status of performance of contracts to purchase mining claims. Those with respect to Wonder relate to its failure to reflect the issuance of a substantial block of stock to the underwriter and the fact that the underwriter has withdrawn its registration as a broker-dealer with the Commission and is no longer in business at the address shown; the failure to disclose obligations to issue substantial amounts of stock, to set forth the current status of performance of assessment work on the company's unpatented mining claims, and to reflect the fact that the officers and directors of the company have changed; conflicting statements as to the amount of securities previously sold and the cash received therefor; and the fact that property acquisitions by the company set forth in the offering circular are substantially at variance with the actual purchases.

Each of the orders provide an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

ALBERT & CO. REGISTRATIONS REVOKED. The SEC today announced the issuance of a decision (Release 34-6267) revoking the broker-dealer registrations of Albert & Company, Inc. (NY), of 149 Broadway, New York, and Albert & Company, Inc. (NJ), of 1 Exchange Place, Jersey City, N. J.

The two companies and Eli D. Albert, president, treasurer, a director and principal stockholder of each, consented to the revocation order.

According to the Commission's decision, the New York company was permanently enjoined by a May 23, 1958, decree of the Supreme Court of the State of New York, County of New York, with its consent, from engaging in the securities business in New York. The complaint in that action alleged that between December 1956 and February 1958 the New York registrant sold 1,000,000 shares of common stock of Mohawk Business Machine Corp. ("Mohawk") for approximately \$1,000,000 by means of knowingly fraudulent representations concerning Mohawk's sales in 1956, its standing and activities in the electronic and business machine fields, its financial condition and future growth, and a contract assertedly signed by it to supply a certain machine to an outstanding electronics company.

In an action filed by the Commission with the U. S. District Court for the District of New Jersey, that Court on October 24, 1958, permanently enjoined the New Jersey company and Albert (with their consent) from making false and misleading representations in the offer and sale of Vari-Pac Corporation stock concerning Vari-Pac' assets, operations, profits, credit rating, growth and merger with other companies, the future price of and dividends to be paid on Vari-Pac stock, and the listing of the stock on the New York Stock Exchange. According to customers' statements, the New Jersey company engaged in high-pressure selling methods by mail and telephone,

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and told them, among other things, that Vari-Pac, which conducted a packaging and jobbing business, had large orders from department stores; that its sales had doubled and would increase further; that earnings would "more than double" within a year; that the prospect for the payment of dividends was "bright"; that the asserted current market price of the stock, varying from 1-5/8 to 2 1/2, was "expected to go to about 6 in a matter of weeks," could increase to 6 or 7 in 90 to 120 days, would "at least triple" in 3 months, and would "skyrocket" upon the release of certain information; that "very soon" the stock would be on the "big board," that the company had a "triple A rating;" that its credit rating had been doubled; and that it might be purchased by a "larger electronic" company. The New Jersey company also failed to file a report of financial condition for 1958, as required.

ALDRICH, SCOTT HEARING ORDERED. The Securities and Exchange Commission has scheduled for hearing on May 27, 1960, in its New York Regional Office, proceedings under the Securities Exchange Act of 1934 to determine whether it is in the public interest to revoke the broker-dealer registration of Aldrich, Scott & Co., Inc., 80 Wall Street, New York.

In its order of March 29, 1960, authorizing such proceedings, the Commission charged that the respondent company engaged in a course of business "which would and did operate as a fraud and deceit" upon its customers, in that it converted customers' securities to its own use and benefit and engaged in the conduct of a securities business without disclosing that its liabilities exceeded its assets and it was unable to meet its current liabilities in the ordinary course of business.

INDICTMENT NAMES 47 PERSONS, 3 COMPANIES. The SEC announced May 18, 1960, (Litigation Release 1684) the return of an indictment (USDC, Conn.) charging violations of the anti-fraud and registration provisions of Securities Act and conspiracy to violate said provisions of the law by James C. Graye, Stanley Ira Younger, Carmine Lombardozzi, Arthur Tortorello, George B. Mahler, Louis Michael DeFillippo and 41 other individuals, together with Atlas Gypsum Corporation Ltd., and two other companies, in the sale of Atlas Gypsum stock.

NAVIGATION COMPUTER PROPOSES OFFERING. Navigation Computer Corporation, 1621 Snyder Ave., Philadelphia, filed a registration statement (File 2-16601) with the SEC on May 18, 1960, seeking registration of 50,709 shares of common stock, to be offered for public sale by Drexel & Co. and DeHaven & Townsend, Crouter & Bodine. The public offering price and underwriting terms are to be supplied by amendment.

The company's business consists of the manufacture and sale of special purpose digital computers and a catalogued line of transistorized digital systems modules for use in various industrial, commercial and military applications. Net proceeds of this stock offering will be added to the general funds of the company and will be used for general corporate purposes. The company contemplates the expenditure of some \$120,000 of such funds for a new plant to be constructed near Valley Forge, Pa., at an estimated cost of \$275,000, the balance of such cost to be provided through mortgage financing. The balance of the funds will be used for the purchase of additional equipment (\$18,000) and for working capital purposes.

According to the prospectus, the company now has outstanding 401,776 common shares, of which J. Paul Jones, Jr., president, owns 158,400 shares and La France Precision Casting Co. 237,600 shares. Joseph A. Teti, Jr., board chairman and treasurer of the company, owns about 87% of the stock of La France, the balance being owned by his brother, William C. Teti.

POLYCAST CORP. FILES FINANCING PROPOSAL. The Polycast Corporation, 69 Southfield Ave., Stamford, Conn., today filed a registration statement (File 2-16602) with the SEC seeking registration of \$400,000 of 6 1/2% Convertible Subordinated Debentures and 71,364 shares of common stock. The debentures and 20,000 shares of the common stock are to be offered for public sale by the issuing company through M. L. Lee & Co., Inc., and Milton D. Blauner & Co., Inc. The debentures will be offered at 100% of principal amount with a 9% commission to the underwriters; and the offering price and underwriting terms for the common stock are to be supplied by amendment. Martin Levy, doing business as Lee Co., the predecessor of M. L. Lee & Co., Inc., previously acquired, for \$75, five-year warrants to purchase 7,500 common shares at \$3 per share. The registration statement also includes 15,000 shares issuable upon exercise of warrants, as well as 36,364 shares issuable upon conversion of the debentures.

The company produces cast plastic sheets, lenses, photographic filters, protective visors and other plastic products. In addition to certain indebtedness, it has outstanding 250,417 common shares. Net proceeds of the sale of additional stock will be used in part (\$325,000) to purchase additional equipment, including ovens and other equipment primarily to enlarge the company's capacity of cast Acrylic sheet. The balance of the proceeds will be used for working capital purposes.

The prospectus lists John O. Beattie as president and owner of 30.5% of the outstanding common stock of the company. Management officials own an aggregate of 42% of the outstanding stock.

WHEELER FIBRE GLASS BOAT FILES FOR OFFERING. Wheeler Fibre Glass Boat Corporation, 450 Zerega Ave., Bronx, N. Y., today filed a registration statement (File 2-16603) with the SEC seeking registration of 100,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made on a best efforts "all or none" basis by Morros Cohon & Company, of New York, which will receive a selling commission of 10% plus \$12,500 for expenses. The underwriter has acquired 12,500 shares from Wheeler Yacht Company, Inc., for \$125.

The company was organized under Delaware law on March 31, 1960, for the purpose of manufacturing and selling fibre glass, inboard motor boats. It has issued 150,000 shares to the organizer, Wheeler Yacht, for cash and property aggregating \$96,230, including the designs, drawings, molds and other special tools, facilities and

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equipment of Wheeler Yacht used in, or relating to, the manufacture and sale of pleasure boats constructed from fibre glass. Of the net proceeds of the cash sale of additional stock, the company plans to use \$35,000 for the purchase of machinery and equipment, a truck, and office furniture, \$18,000 to establish required deposits on the company's lease, insurance and utilities, \$185,000 for working capital necessary to cover moving and setting up costs and labor, material and overhead costs, and the balance to provide capital for expansion of production facilities.

The prospectus lists Eugene M. Wheeler as president, Wesley L. Wheeler as vice president and Robert C. Wheeler as secretary-treasurer. They each own a 28% stock interest in Wheeler Yacht, which in turn now owns 127,500 shares of the issuer's stock.

JAMES TALCOTT FILES FINANCING PROPOSAL. James Talcott, Inc., 225 Park Avenue South, New York, today filed a registration statement (File 2-16604) with the SEC seeking registration of \$20,000,000 of Senior Notes, due June 1, 1980, and 150,000 shares of common stock, to be offered for public sale through an underwriting group headed by F. Eberstadt & Co. and White, Weld & Co. The interest rate on the notes and the public offering price and underwriting terms for each issue are to be supplied by amendment.

The company is engaged in the business of commercial financing and accounts receivable factoring. Net proceeds of this financing will be added to its general funds and will be available for general corporate purposes. They may be used in part to discharge funded and current debt of First Acceptance Corporation of Minneapolis, the liabilities of which are being assumed in connection with the issuer's proposed acquisition of substantially all the assets of that Corporation. Part of the proceeds also may be used for temporary reduction of current bank borrowings. The prospectus states that an agreement has been entered into for the purchase of the assets of First Acceptance through the issuance of 111,904 shares of stock and the assumption of the seller's liabilities.

The prospectus lists James Talcott as board chairman, Herbert R. Silverman as president. Management officials own 15.5% of the outstanding stock.

COLUMBIA GAS SYSTEM FINANCING APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14230) authorizing The Columbia Gas System, Inc., New York holding company, to issue and sell unsecured notes to a group of commercial banks in an aggregate face amount not to exceed \$55,000,000. Proceeds of the sale of the notes are to be advanced on open account by Columbia Gas to five of its subsidiaries from time to time as needed during 1960, to enable them to purchase inventory gas for storage.

In addition, three of the subsidiaries together with six other subsidiaries propose to issue and sell an aggregate of \$31,725,000 in promissory notes to Columbia Gas, the funds to be used for construction purposes.

UNION ELECTRIC PROPOSES BANK BORROWINGS. Union Electric Company, St. Louis, has applied to the SEC for an order under the Holding Company Act authorizing it to make bank borrowings during the period ending January 29, 1961, in amounts not exceeding \$40,000,000 in the aggregate; and the Commission has issued an order (Release 35-14231) giving interested persons until June 6, 1960, to request a hearing thereon. Included in the \$40,000,000 are \$16,750,000 of promissory notes now held by the banks. Under existing rules of the Commission, Union may increase its borrowing capacity to \$40,000,000 without Commission approval; and it seeks authorization to increase its borrowing capacity to \$40,000,000. The funds will be used for temporary financing of construction expenditures.

SEC COMPLAINT NAMES AMERICAN BARIDES & REDUCTION CO. The SEC Chicago Regional Office announced May 19th (Litigation Release 1682(a)) the institution of court action (USDC ND Ill) seeking to enjoin American Barides & Reduction Co., Inc., Charles A. Sterling et al from further sales of American Barides stock in violation of Securities Act registration requirement.

BAUSCH & LOMB FILES FINANCING PROPOSAL. Bausch & Lomb Incorporated, 635 St. Paul St., Rochester, N. Y., today filed a registration statement (File 2-16605) with the SEC seeking registration of \$6,657,900 of Convertible Subordinated Debentures due 1980. It is proposed to offer the debentures for subscription by common stockholders at the rate of \$100 principal amount of debentures for each 13 common shares held. The record date, interest rate, subscription price and underwriting terms are to be supplied by amendment. Stone & Webster Securities Corporation is listed as the principal underwriter.

The company is a producer of ophthalmic products and scientific optical instruments. It produces most of its own glass requirements and the component parts of its many products. In the past three years it has acquired subsidiaries which manufacture a line of complex automated scientific instruments, ophthalmic and safety plastic lenses, and specialized prototype precision optical components for the missile and rocket industry. Of the net proceeds of the sale of the debentures, about \$5,000,000 will be used to construct new facilities in Rochester, including a building for manufacturing eyeglass frames and for centralized distribution of all products, and another for production facilities for optical gratings. The balance of the proceeds will be used for working capital and other corporate purposes.

In addition to various indebtedness and preferred stock, the company has outstanding 865,527 common shares. Carl S. Hallauer is listed as board chairman and William W. McQuilkin as president. Management officials own 7.98% of the outstanding common stock.