

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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SEC TO PARTICIPATE IN FOUR REORGANIZATION CASES. The SEC today announced that it had entered an appearance in Chapter X proceedings for the reorganization of the following: (1) Bevis Shell Homes, Inc., Tampa, Fla. (Rel CR-177); (2) Equitable Enterprises, Inc., St. Petersburg (CR-178); (3) Leeds Homes, Inc., of Knoxville (CR-179); and (4) Admiral Oils, Inc., of Oklahoma City (CR-180). Bevis Shell Homes and subsidiaries are engaged in building shell-type homes. It lists assets of \$12,136,000 and liabilities of \$10,231,000, as well as 1,526,777 common shares held by 2,600 investors. Equitable Enterprises is engaged in the business of constructing homes and selling notes secured by mortgages to finance such construction. It lists assets of \$921,752 and liabilities of \$408,760, as well as 839,000 common and 337,000 preferred shares. Leeds Homes also builds and sells shell-type homes; and it lists assets of \$6,949,000 and liabilities of \$5,036,000 (not including a contingent liability of \$17,000,000 representing unpaid balance of mortgage notes sold to finance companies), as well as 900,000 common shares held by 900 investors. Admiral Oils lists assets of \$1,500,000, liabilities of \$800,000 and 100 common shares. It has sold oil interests to some 1,600 persons for about \$4,000,000.

TRADING BAN IN TWO STOCKS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending trading in the common stocks of Black Bear Industries, Inc., and Apex Minerals Corporation on the San Francisco Mining Exchange and over-the-counter market, for the additional ten-day period August 6-15 as to Black Bear Industries and August 4-13, 1962, as to Apex Minerals.

JAY MORTON CO. ENJOINED. The SEC Atlanta Regional Office announced July 30th (Lit-2331) the entry of a Federal court order (USDC, Tampa, Fla.) enjoining the Jay Morton & Company, Inc., and Jerome M. Schechtman of Sarasota, Fla., from further violations of the SEC net capital rule.

MAJESTIC UTILITIES FILES FOR SECONDARY. Majestic Utilities Corporation, 1514 Arapahoe Street, Denver, filed a registration statement (File 2-20628) with the SEC on July 31st seeking registration of 29,000 outstanding shares of common stock, to be offered for public sale by Philip D. Winn, president, at prevailing prices (maximum \$4 per share*).

The general operations of the company involve a credit type business in which the sale of merchandise is made door-to-door by canvassers who are independent contractors or by collector-salesmen who are employed by the company and who sell merchandise and collect the outstanding accounts receivable. In addition to certain indebtedness, the company has outstanding 67,187 shares of common stock, of which Winn owns 59.86% and management officials as a group 60.76%. Book value of stock now outstanding is \$3.14 per share.

CORN PRODUCTS FILES STOCK PLAN. Corn Products Company, 717 Fifth Avenue, New York, filed a registration statement (File 2-20631) with the SEC on August 2nd seeking registration of 1,000,000 shares of common stock, to be offered pursuant to its Restricted Stock Option Plan for Key Executive Employees.

STERLING COPPER FILES FOR STOCK OFFERING. Sterling Copper Corporation, 300 Horn Road, Pinconning, Mich., filed a registration statement (File 2-20632) with the SEC on August 2nd seeking registration of 850,000 shares of common stock, to be offered for public sale (without underwriting) at \$1 per share.

The company was organized under Michigan law in April 1962 and proposes to operate a non-ferrous rod and tube mill at Pinconning, Mich. The company has purchased a 40 acre plat of land and undertaken construction of a mill on this site and has appointed Sterling Industries, Inc. as exclusive distributor for its entire production. Of the \$850,000 estimated net proceeds from the stock sale, \$200,000 will be applied to payment on purchase of the building, \$211,200 to payment on leased factory equipment, and the balance to purchase 49% of an affiliated company, for general and administrative expenses during construction and for working capital and other expenses. The company will purchase 49% of Sterling Industries, Inc. (now wholly-owned by the company's president) for \$4,900.

The company has outstanding 22,040 shares of common stock, of which Walter L. Howland owns 4,040 shares and nine others, including certain management officials, 2,000 shares each. Sterling S. Bartlowe is president.

URBAN AMERICA REAL ESTATE TRUST FILES FOR OFFERING. Urban America Real Estate Trust, 510 Fleming Bldg. Des Moines, Iowa, filed a registration statement (File 2-20633) with the SEC on August 2nd seeking registration of 400,000 shares of beneficial interest in the Trust, to be offered for public sale at \$6 per share. The offering will be made on a best efforts basis through Conway Brothers, Inc., 904 Walnut Street, Des Moines, and three other Des Moines firms, which will receive a 60¢ per share selling commission and \$25,000 for expenses.

The Trust was organized as a business trust in January 1962 as a medium by which investors may, through ownership of transferable shares, participate in large and diversified real estate investments which ordinarily would not be available to them individually. Initial emphasis will be placed upon investments in Iowa; and the Trust intends to qualify as a real estate investment trust under the Internal Revenue Code. In March, 1962, the Trust acquired a 90% interest in a corporation which owns Wakonda Village Apartments, a unit residential garden apartment project in Des Moines. The Trust intends to redeem the remaining 10% interest

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at the seller's cost, liquidate the corporate owner thereby acquiring fee title to Wakonda Village, and re-arrange the mortgage financing on the property. The \$350,000 estimated net proceeds from the sale of shares, together with a \$1,000,000 mortgage loan will be used to prepay the existing mortgage indebtedness on Wakonda Village. A prepayment penalty of approximately \$29,000 will be discharged and the remaining \$30,000 interest in the property will be redeemed from the liquid assets of the corporate owner of Wakonda Village. Any additional proceeds will be used to make further real estate investments.

The Trust has outstanding 46,666 shares (recently issued in recapitalization for 28,000 shares then outstanding), of which General Management Corporation (which initiated formation of the Trust and will provide it with management and related services) owns 12,500 shares. The remaining shares were issued (together with a \$5,000 cash payment) to Weitz Co., Inc. for the 90% interest in the corporate owner of Wakonda Village. Rudolph W. Weitz is chairman of the Trustees, board chairman and in control of Weitz Co., and a director of General Management. Other trustees are also affiliated with General Management.

TWO DELISTINGS APPROVED. The SEC has granted an application of the Midwest Stock Exchange to delist the common stock of Cenco Instruments Corporation, and a similar application of the American Stock Exchange to delist the capital stock of Anacon Lead Mines Limited, both effective close of business August 17, 1962. (Release 34-6869)

UNLISTED TRADING SOUGHT. The SEC has issued an order (Release 34-6869) giving interested persons until August 17th to request a hearing upon an application of the Detroit Stock Exchange for unlisted trading privileges in the common stock of Hooker Chemical Corporation.

CERTIFIED CAPITAL PROPOSES DEBENTURE OFFERING. Certified Capital Corp., 165 Broadway, New York, filed a registration statement (File 2-20634) with the SEC on August 2nd seeking registration of \$200,000 of 8% registered subordinated debentures due 1965 and \$400,000 of like debentures due 1967 (each with attached 5-year warrants to purchase an aggregate of 10,000 shares at from \$12 to \$20 per share), to be offered for public sale at 100% of principal amount (without underwriting). The debentures will be offered to present stockholders for a 60 day period at a 5% discount on the 1965 debentures and a 10% discount on the 1967 debentures.

The company is in the business of furnishing commercial and industrial financing, primarily making secured loans for three-year terms. The net proceeds from the debenture sale will be added to general funds and working capital and used for general corporate purposes. In addition to certain indebtedness, the company has outstanding 19,365 shares of common stock. Gilbert J. Fortgang is board chairman and president.

INDICTMENT NAMES ELLIO D. BLACK. The SEC Seattle Regional Office announced July 31st (Lit-2332) the return of a Federal indictment (USDC, Billings, Mont.) charging Ellio Dorothy Black with violating the anti-fraud provisions of the Federal securities laws in dealings with investors as managing partner of E. D. Black & Co. of Havre, Mont.

SEC COMPLAINT NAMES KAY & COMPANY, OTHERS. The SEC Fort Worth Regional Office announced August 1st (Lit-2333) the filing of a complaint in Federal court (USDC Houston) seeking to enjoin violations of the anti-fraud provisions and bookkeeping requirements of the Securities Exchange Act by Kay & Company, Maurice R. Karkowski, Edith S. Karkowski and Joseph L. Karkowski, all of Houston. The complaint also seeks appointment of a receiver for Kay & Co.

SENTENCES IMPOSED IN ESTATES INC. CASE. The SEC Seattle Regional Office announced August 1st (Lit-2334) the imposition of sentences as follows in the fraud action involving sale of stock of Estates, Inc. and Estates Life of Washington: Herman W. McCune, 18 months (with 4 months to be served and the balance suspended); John H. Edwards, Gerald G. Dedmore and Lyle R. Dedmore, one year and a day each; and James E. Caine, 18 months.

SECURITIES ACT REGISTRATIONS. Effective August 2: New England Gas & Electric Association (File 2-20533). Effective August 3: Diamond Crystal Salt (File 2-20565); Jiffy Steak Co. (File 2-19748); Southern Land, Timber and Pulp Corp. (File 2-20366); Transcontinental Gas Pipe Line Corp. (File 2-20562). Withdrawn August 2: Delta Venture Capital Corp. (File 2-18493); Industrial Growth Fund of North America, Inc. (File 2-20271).

*As estimated for purposes of computing the registration fee.

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