

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 May 15, 1959**LINK-BELT PROPOSES EMPLOYEE OFFERING**

Link-Belt Company, Prudential Plaza, Chicago, filed a registration statement (File 2-15112) with the SEC on May 14, 1959, seeking registration of 24,659 shares of common stock, to be offered for sale at \$47 per share to a selected group of officers and employees of the company and its subsidiaries.

INTERNATIONAL RECREATION FILES FOR OFFERING

International Recreation Corporation, 60 State St., Boston, filed a registration statement (File 2-15113) with the SEC on May 14, 1959, seeking registration of 2,750,000 shares of common stock. The company proposes to offer 2,250,000 shares for public sale at \$11 per share through an underwriting group headed by Paine, Webber, Jackson & Curtis, which will receive a \$1 per share commission. The additional 250,000 shares are under option to Webb & Knapp, Inc., exercisable at \$10 per share, the shares to be offered for public sale through the underwriters if the option is not exercised.

The company was organized April 14, 1959, to construct and operate directly or through subsidiaries open-air recreation and entertainment parks; and this stock offering is primarily for the purpose of obtaining funds to enable the company through subsidiaries to construct parks in New York City and Miami, Fla. The proposed financing will provide funds sufficient to pay the estimated cost of constructing both the Miami and the New York City parks and for operating capital requirements for the first year of operations. The company is negotiating for the acquisition of a suitable site in Miami. It has leased from Webb & Knapp approximately 212 acres of land in the Borough of the Bronx, New York City, which is part of the unimproved land known as Baychester Center, on which it plans to construct a recreational open-air park at a cost estimated at between \$14 and \$19 million, to be completed by July 1, 1960.

Net proceeds of the sale of the 2,500,000 common shares, plus the \$500,000 proceeds of the sale of deferred stock, will be applied in the amount of \$19 million for construction of the New York City park and \$6,000,000 for acquisition and construction of the Miami park.

Upon completion of the public offering the issued and outstanding capitalization of the company will consist of 1,000,000 shares of deferred stock and 2,500,000 common shares. 850,000 shares of deferred stock have been issued to promoters (including 100,000 to the underwriters), and the company has granted an option for 100,000 shares to Webb & Knapp. 50,000 shares of deferred stock have been reserved for issuance in connection with the acquisition of the Miami site or to company officials. Webb & Knapp has agreed to subscribe for any portion of said 50,000 shares not so issued. The company will receive 50¢ per share for each share of deferred stock issued. The deferred stock is convertible share for share into common stock after May 1, 1962 on certain conditions. If and when converted, the subscribers to the deferred stock will have approximately a 30% interest in the company, for which the company will have received \$500,000, as against \$25,000,000 to be paid for the common stock.

An engineering and management agreement has been entered into with Marco Engineering of the East, Inc., the sole stockholder of which is C. V. Wood, Jr., who is a director and promoter of the issuing company. The latter also has entered into a contract for engineering services with Cabot, Corbett & Forbes Co., and a construction contract with the latter's subsidiary, Aberthaw Construction Co. Gerald W. Blakely, Jr. and Robert C. Linnell are the principal shareholders and officers of Cabot and are also directors and promoters of the issuing company.

OVER

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

The prospectus lists Gerald W. Blakeley, Jr. and Robert C. Linnell of Boston as holders of 187,500 shares of deferred stock; Peter DeMet of Coral Gables, president, 187,500; Herbert C. Lee, treasurer, of Boston, 187,500; Thomas B. Slick, of San Antonio, a director, 93,750; and C. V. Wood Jr., a director, 93,750.

BANK BORROWINGS PROPOSED BY PENNSYLVANIA ELECTRIC

Pennsylvania Electric Company, Johnstown, subsidiary of General Public Utilities Corporation, has applied to the SEC for an order under the Holding Company Act authorizing it to make bank borrowings during the next two years in the aggregate amount of \$15,000,000; and the Commission has issued an order (Release 35-14004) giving interested persons until May 28, 1959, to request a hearing thereon. The funds will be utilized for the company's construction program and to repay short-term notes, the proceeds of which have been used for such purpose and to reimburse its treasury for expenditures therefrom for such purpose. From the treasury funds resulting from such reimbursement the company will repay \$4,000,000 of short-term bank loans.

DISCLOSURES IN ADVANCED RESEARCH FILING QUESTIONED

The Securities and Exchange Commission has ordered proceedings under the Securities Act of 1933 challenging the accuracy and adequacy of various informational disclosures contained in a registration filed by Advanced Research Associates, Inc., ("Registrant"), 4130 Howard Avenue, Kensington, Md., and scheduling a hearing for May 29, 1959, to determine whether a "stop order" should be issued suspending effectiveness of the statement.

Organized under Maryland law in May 1957, Registrant is said to be engaged in the "advanced electronics industry." Its principal promoters and controlling stockholders are Norman K. Walker, president, and Williams, Widmayer and Company, a so-called "limited partnership" controlled by Don F. Widmayer and Richard N. Williams which has a "management contract" with Registrant. Widmayer and Williams are officers of Registrant.

The registration statement, filed December 1, 1958, proposed the public offering of 400,000 shares of common stock at \$6 per share (its effectiveness was delayed due to the inquiry which culminated in these proceedings). The offering was to be made through Williams, Widmayer, Incorporated (whose stock is owned by the partnership) and Wesley Zaugg and Company, on a "best efforts" basis, for which a selling commission of 85¢ per share was to be paid. According to the prospectus, of the anticipated \$2,010,000 net cash proceeds, \$835,000 was to be reserved for working capital, \$450,000 was to be used to finance initial commercial production of transistors and other products, \$250,000 to finance an accelerated research and development program, \$150,000 to purchase "additional" electro-mechanical and other testing equipment, \$125,000 to finance the initial efforts of the company's newly formed English subsidiary, Walker, Widmayer Ltd., \$100,000 to finance the expansion of laboratory facilities, and \$100,000 for advertising.

According to the Commission's order, the registration statement and prospectus are seriously deficient in the disclosures made with respect to Registrant's financial condition, promotional and operational history, production, sales, earnings, contracts, management, personnel, and relationship to companies controlled by or affiliated with Williams, Widmayer and Company. The Commission questions the accuracy and adequacy of the disclosures with respect particularly to the risks pertaining to the purchase of the securities, including the basis for the \$6 offering price in relation to the Registrant's financial condition, operational history, productive facilities, proprietary rights, sales, orders, contracts, and other related data.

The Commission's order also questions various other items of disclosure, including the facts with respect to 307,800 shares which have been sold to promoters and their friends at about 46¢ per share (average); the fact that neither Widmayer nor Williams has invested any of his personal funds in Registrant or in Williams, Widmayer and Company; the fact that during 1958 Registrant paid to Williams, Widmayer and Company, \$39,270, which is equal to 55% of the gross amount of all orders and contracts received during 1958; and the fact that during the past four years Williams, Widmayer and Company and/or its partners have controlled three corporations which have sold or proposed the sale of their securities to the public, that the securities of such companies were sold in violation of the Securities Act, and that the operations of these companies have been unsuccessful.

LAZARD FUND PROPOSES PURCHASE OF GENERAL AMERICAN OIL DEBENTURES

The Lazard Fund, Inc., New York City, investment company, has applied to the SEC for an exemption under the Investment Company Act permitting its purchase of up to \$1,000,000 of Subordinated Convertible Debentures of General American Oil Company of Texas and the Commission has issued an order (Release 40-2880) giving interested persons until May 25, 1959, to request a hearing thereon.

General American Oil has filed a Securities Act registration statement proposing the public offering of \$15,000,000 of its debentures, due May 1, 1984. Lazard Freres & Co., the Fund's investment advisers, plans to be an underwriter of the offering. Because of such inter-company affiliation, the Fund's purchase of the debentures is prohibited by the Investment Company Act unless the Commission grants an exemption as consistent with the interests of investors.

COLORADO AND SOUTHERN STOCKS DELISTED

The SEC has granted an application of the New York Stock Exchange to strike from listing and registration the common and 4% second preferred stocks of The Colorado and Southern Railway Co., effective at the close of the trading session on May 28, 1959 (Release 34-5967). All but 30,235 shares of the common and 23,579 of the preferred are owned by Chicago, Burlington and Quincy Railroads.

UNLISTED TRADING IN COLUMBIA BROADCASTING COMMON GRANTED

The SEC has granted an application of the Philadelphia-Baltimore Stock Exchange for unlisted trading in the common stock of Columbia Broadcasting System, Inc., which is listed and registered on the New York and Pacific Coast Stock Exchanges (Release 34-5967).

SUPERIOR WINDOW FILES FINANCING PROPOSAL

Superior Window Company, 625 E. 10th Ave., Hialeah, Fla., today filed a registration statement (File 2-15114) with the SEC seeking registration of 50,000 shares of 70¢ Cumulative Convertible Preferred Stock (\$8 par) and 125,000 shares of Class A Common Stock (10¢ par). The stock is to be offered for public sale at \$10 per share of preferred and \$4 per share of common. The prospectus lists Cruttenden, Podesta & Co., as the principal underwriter; and the underwriting commission is to be \$1.20 per share of preferred and \$.52 per share of common. The company also has agreed to pay Floyd D. Cerf, Jr. Company, Incorporated, of Chicago, a \$20,000 fee for advice and financial services. Al Brenner, company president, has sold the underwriter and Cerf Jr. Company 12,500 Class B common shares each at a price of 10¢ per share.

The company manufactures and sells a complete line of residential and commercial aluminum windows, jalousies and curtain walls. Net proceeds of this financing, estimated at \$825,000 are to be used as follows: \$50,000 to purchase the assets of Superior Trucking Company, a partnership owned by Brenner and two other officers and stockholders of the company; \$83,349 to prepay 6% notes held by said individuals; \$246,270 to purchase 300,000 shares of Class B common from the other two individuals, Edward Udelson, secretary, and Harvey Brenner, treasurer; \$272,671 to pay off unsecured notes, including a \$225,000 bank loan; and the balance for general corporate purposes.

Superior now has outstanding 450,000 Class B common shares, which will be reduced to 150,000 shares upon reacquisition of the 300,000 (of which 125,000 is held by Al Brenner and 12,500 each by the underwriter and Cerf Jr. Company.)

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