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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FOR RELEASE February 17, 1961

FILMWAYS SHARES IN REGISTRATION. Filmways, Inc., 18 East 50th Street, New York, filed a registration statement (File 2-17600) with the SEC on February 15, 1961, seeking registration of (1) 20,000 shares of common stock to be offered by the company from time to time until March 1962 in connection with the acquisition of literary properties, including photoplays from the authors or owners thereof and to compensate or induce present or prospective key employees to remain with or join the company; (2) 17,500 outstanding shares of common stock, to be offered for public sale from time to time by the present holders thereof on the American Stock Exchange at prevailing market prices; and (3) 16,000 common shares to be offered by the company to holders of a like amount of warrants which were acquired at 1¢ each in December 1958 by S. D. Fuller & Co. in connection with a prior stock offering, of which part was resold to another firm. Each warrant entitles the holder thereof to purchase one share of common stock at $5.25 per share.

The company has engaged in producing television commercials since its formation and more recently has become engaged in producing filmed television programs. In addition to certain indebtedness, the company has outstanding 502,604 shares of common stock, of which Martin Ransohoff, board chairman, owns 22% and management officials as a group 29%. Rodney Erickson is listed as president. The prospectus lists nine sellers of the 17,500 shares, who propose to sell blocks ranging from 200 to 8,000 shares. Most of this stock was acquired in January 1960 for $4.50 per share cash.

WOLF CORP. FILES FINANCING PLAN. The Wolf Corporation, 10 East 40th Street, New York, filed a registration statement (File 2-17599) with the SEC on February 15, 1961, seeking registration of (1) $2,822,000 of Fifteen Year, 7.2%, Subordinated Debentures due March 1, 1976 and 746,350 shares of Class A common stock, which debentures and shares are to be offered by the company in exchange for outstanding interests in certain limited partnerships, (2) $775,000 of similar debentures which were issued to certain persons for their leasehold interests in two properties and fee to a third, and (3) 30,000 Class A shares to be offered for public sale at $10 per share by the company through its officers and directors.

The company was organized under Delaware law in January 1961 and proposes to engage in the construction, investment and operation and to engage generally in the real estate business. The company proposes to acquire all, but not less than 80%, of the capital interests in seven certain properties and 25% and 50% interests, respectively, in two others in exchange for the $2,822,000 of debentures and 746,350 Class A shares. The two properties in which the company will receive 25% and 50% interests respectively, are Korvette Bldg., East 44th and 45th Sts. in New York and 635 Madison Ave., New York. The seven properties are 10 East 40th Street, New York; Tidelands Motor Inn, Tuscon, Arizona; Caravan Motor Inn, Phoenix, Arizona; Glen Meadow Apartments, Cincinnati, Ohio; Gwynne Buildings, Cincinnati, Ohio; and the Mayflower Hotel and Mayflower Motel in Atlantic City, New Jersey. The leaseholds of the latter two properties, together with the fee of the Mayflower Hotel and Lake Trail Apartments in Palm Beach, Florida, were acquired by the company in exchange for the $775,000 of debentures. The net proceeds from the company's sale of the 30,000 Class A shares will be used for future investment and general and working funds.

In addition to certain indebtedness, the company has outstanding 100 shares of Class A and 305,000 shares of Class B stock, of which Joseph Wolf, president and board chairman, owns 60 Class A and 200,000 Class B shares, and Joseph Eckhaus and Leon Spilky, directors, own 20 Class A and 50,000 Class B shares, respectively. The Class B shares are convertible, share for share, into Class A shares.

MANTHOS MOSS & CO. REGISTRATION REVOKED. The SEC today announced the issuance of a decision (Release 34-6471) revoking the broker-dealer registration of Manthos, Moss & Co., Inc.("Respondent"), 1002 Esperson Bldg., Houston, Texas, for fraud and other violations of the Federal securities laws. George Michael Manthos, president, was found to be a cause of said revocation.

In a unanimous decision written by Commission Hastings, the Commission ruled that during the period January 7, 1958, to May 15, 1959, Respondent and Manthos sold securities to and purchased securities from customers at prices not reasonably related to the current market prices for such securities and without disclosing such prices. For example, in three transactions where Respondent sold to customers certain securities which it had purchased on the same day from other customers, its profit over its contemporaneous cost ranged from 12.8% to 60% of such cost and from $62.50 to $5,000. In eight other transactions where Responsent sold to customers certain securities which it had purchased from other broker-dealers on, or one or two days prior to the date of sale, Respondent's profit over its cost ranged from 9.7% to 300% and from $55 to $375. In other transactions in which it purchased securities from customers, Respondent failed to disclose to the customers that the prices Respondent paid them for such securities were below and had no reasonable relationship to the prevailing market prices for the securities. In at least 13 transactions, Respondent purchased securities from customers and on the same day resold such securities to other broker-dealers at prices ranging from 12.5% to 100% greater than the prices Respondent had paid its customers, Respondent's profit on an individual transaction ranging as high as $2,062.

In concluding that this practice violated the anti-fraud provisions of the securities laws, the Commission commented: "It is inherent in a dealer-customer relationship, and the dealer impliedly represents, that the customer will be dealt with fairly and honestly. This Commission has consistently held that it is a fraud and deceit upon customers to effect transactions at prices not reasonably related to current market prices without disclosing that fact and that a dealer's own contemporaneous costs are the best evidence of

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of current market prices, in the absence of countervailing evidence. And in this instance Respondent admits that the prices it charged were unreasonable."

The Commission also held that Respondent engaged in the conduct of a securities business in violation of its net capital rule and failed to make and keep current various books and records as required by its bookkeeping rules. According to the record, its net capital deficiency on several days during the period May 30 to June 30, 1959, ranged from $1,340 to $5,296.

Respondent and Manthos waived a hearing, stipulated to certain facts, and consented to the revocation order and the finding as to Manthos. (NOTE TO PRESS. Copies of foregoing available in SEC Houston Office.)

UNLISTED TRADING IN ARMOUR SOUGHT. The Pacific Coast Stock Exchange has applied to the SEC for unlisted trading privileges in the common stock of Armour & Company (Delaware); and the Commission has issued an order (Release 34-6477) giving interested persons until March 3, 1961, to request a hearing thereon.

BROAD STREET INVESTING PROPOSES ACQUISITION. Broad Street Investing Corporation, New York investment company, has applied to the SEC for an exemption order with respect to its proposed acquisition of The Jessel Corporation; and the Commission has issued an order (Release 40-3192) giving interested persons until March 3, 1961, to request a hearing thereon. Jessell is a Tennessee Corporation whose stock is owned by six persons with a seventh having a beneficial interest in its stock. The Investing Corporation has agreed to purchase substantially all of its cash and securities, having a total value of $3,625,771 as of December 31, 1960, in exchange for shares of Investing Corporation stock based upon their net asset value. The shares will be distributed immediately to Jessel shareholders.

AVIONICS INVESTING EXEMPTED. The SEC has issued an order under the Investment Company Act (Release 40-3193) declaring that Avionics Investing Corporation of Washington, D. C., has ceased to be an investment company as defined in that Act.

CLIFTON PRECISION PRODUCTS FILES FOR SECONDARY. Clifton Precision Products Co., Inc., Marple Avenue at Broadway, Clifton Heights, Pa., filed a registration statement (File 2-17604) with the SEC on February 16, 1961, seeking registration of 60,000 outstanding shares of its common stock, to be offered for public sale by the holder thereof, John P. Glass, company president, through W. C. Langley & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the design, development, production and sale of synchros, instrument servomotors and certain servo-mechanisms for use primarily in aircraft and missiles. In addition to certain indebtedness, it has outstanding 417,593 shares of common stock; and an additional 21,000 shares are reserved for issuance upon exercise of stock options under the company's stock option plan. Glass owns 283,500 shares (67.9%) of the outstanding stock, and the sale of the 60,000 shares will reduce his interest to 53.5%.

MARINE CAPITAL CORP. PROPOSES OFFERING. Marine Capital Corporation, 622 North Water St., Milwaukee, Wis., filed a registration statement (File 2-17601) with the SEC on February 16, 1961, seeking registration of 667,000 shares of common stock, to be offered for public sale at $15 per share. The offering is to be made by underwriters headed by Paine, Webber, Jackson & Curtis, which will receive a commission of $1.30 per share. The underwriters are committed to purchase 400,000 shares and have an option to purchase the remaining 267,000 shares.

The company was organized in December 1959 under Wisconsin law and under the name Marine Business Investment Corporation. It was organized by The Marine Corporation, a bank holding company, which owns all of its 13,525 outstanding common shares. The company is registered as a closed-end, non-diversified management investment company under the Investment Company Act of 1940 and is a Federal licensee under the Small Business Investment Act of 1958. Eliot G. Fitch, president of Marine National Exchange Bank of Milwaukee and The Marine Corporation, is listed as board chairman and Sheldon B. Lubar as president. Net proceeds of this stock offering by the company will be added to its general funds and will be used to finance the company's small business investment company activities of providing equity capital and long-term loans to small business concerns. Part of the proceeds will be used to retire a $150,000 subordinated debenture held by the Small Business Administration.

BROOKS INSTRUMENT CO. PROPOSES OFFERING. Brooks Instrument Company, Inc., 407 West Vine St., Hatfield, Pa., filed a registration statement (File 2-16702) with the SEC on February 16, 1961, seeking registration of 150,000 shares of common stock, to be offered for public sale on an all or none basis by Andresen & Co. The public offering price and underwriting terms are to be supplied by amendment. The company also has agreed to sell to the underwriter, for $1,750, five-year warrants to purchase an additional 17,500 common shares and to reimburse it for expenses in the amount of $12,000. Warrants for an additional 2,500 shares were issued to Hallgarten & Co. for $250 in consideration of financial advice. The registration statement also includes 110,000 common shares owned by certain shareholders of the company, including certain individuals associated with the underwriter, which may be sold from time to time by the holders thereof.

Formerly known as Brooks Rotameter Company, the company manufactures variable area flow meters, generally called "rotometers." Net proceeds of its sale of additional stock will be used as follows: $100,000 for European expansion, including the purchase of capital equipment for the company's plant in The Netherlands, and the opening of new sales offices in Germany, France and England; $100,000 for foreign operations to carry inventory and accounts receivable and for other working capital needs; and the balance for working capital purposes, research and development.

The company now has outstanding 505,003 shares of stock, of which about 25% each is held by Douglas N. Brooks, president, and Nelson S. Brooks, senior vice president. The prospectus includes a long list of holders of the 110,000 shares, including 11,300 share blocks held by John A. Andresen, David S. Gottesman and Oscar Kimelman.

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EMPLOYEES MUTUAL FUND PROPOSES OFFERING. The Employees Mutual Fund, Inc., 901 Washington Ave., St. Louis, filed a registration statement (File 2-17603) with the SEC on February 16, 1961, seeking registration of 200,000 shares of capital stock for public sale. The company was organized under Maryland law in August 1960. It is registered with the Commission under the Investment Company Act as an open-end diversified management investment company. Its shares will be sold directly by the Fund at net asset value without any sales commissions or other distribution charges. Preston Estep is listed as president; and he is also president of Investment Management Inc., the investment adviser. Transit Casualty Company purchased from the Fund at net asset value $200,000 of the Fund's stock; and it owned at December 31, 1960, 40,000 or 89% of of the 44,940,632 shares then outstanding. The Investment Securities Company and Estep, through their ownership of Transit Casualty, indirectly and beneficially own the 89% interest in the Fund.

WILSHIRE INSURANCE PROPOSES OFFERING. Wilshire Insurance Company, 5413 West Washington Blvd., Los Angeles, today filed a registration statement (File 2-17605) with the SEC seeking registration of 313,000 shares of common stock. The company proposes to offer 187,000 shares for subscription by stockholders on a share for share basis and at $5 per share, the record date for subscriptions to be supplied by amendment. Concurrently with such offering to shareholders, the company proposes to make a public offering, at $5.50 per share, of the remaining 126,000 shares and such of the 187,000 shares as are not purchased by shareholders. The public offering will be made by company officers and through salesmen and security dealers, who will receive a commission of $.4125 per share sold.

The company was organized in 1956, began operations in June 1959 and began the writing of insurance policies on August 1, 1959. It is engaged in writing liability, workmen's compensation, common carrier liability and automobile (physical damage) insurance, and in the investment of its assets. Net proceeds of the sale of its stock will provide the company with additional capital funds said to be necessary for increasing its capacity to write additional policies in all lines of its business and to expand its business into writing other classes of insurance (which will require permission of the California Insurance Commissioner).

The company now has outstanding 187,000 common shares. Lester R. Hill is listed as president. Management officials own 3.2% of the outstanding stock; and Parks & Company and its principal shareholders, Harry Parks, Jr., and William Wheeler Parks, and their immediate families and another corporation they own, held 16,747 common shares, or 8.5% of the outstanding stock, on December 31, 1960.

MORTON FOODS FILES FOR OFFERING AND SECONDARY. Morton Foods, Inc., 6333 Denton Drive, Dallas, today filed a registration statement (File 2-17606) with the SEC seeking registration of 190,000 shares of common stock, of which 178,000 shares are to be offered for public sale by the company and 12,000 shares, being outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Eppler, Guerin & Turner, Inc., is listed as the principal underwriter. The registration statement also includes an additional 30,000 shares reserved for issuance under the company's Restricted Stock Option Plan for officers and certain employees.

The company manufactures, processes, packages and sells many food items, its principal ones being potato chips, corn chips, salad dressing, pickles, waffle syrups, honey, tea and spices. It owns and operates manufacturing plants and warehouses in Dallas, Fort Worth, Lubbock and El Paso, Texas and sales warehouses in Amarillo and Houston, Texas. Its sales territory consists of most of Texas and Oklahoma, and portions of Arkansas, Louisiana, New Mexico, Kansas and Colorado. Of the net proceeds of its sale of additional stock, $1,250,000 will be used to build and equip two more manufacturing plants and warehouses and to enlarge and improve its Dallas and Fort Worth plants. One of the two net plants will be constructed in Texas and the other in Oklahoma. The remainder of the proceeds will be added to working capital.

According to the prospectus, the company now has outstanding 39,406 shares of common stock and 453,394 shares of Class B common stock (convertible into common shares on a share for share basis). Granville C. Morton, President, owns 22.6% and 50.2%, respectively, of the common and Class B stock; and Lou Morton Ellis, vice president, 22.5% and 44%, respectively. Each proposes to sell 6,000 shares each of their common stock holdings.

EFFECTIVE SECURITIES ACT REGISTRATIONS: February 17: Investors Capital Exchange Fund, Inc. (File 2-17261). Registration withdrawn: February 16: Hydromatics, Inc. (File 2-17329).

SABER BOATS HEARING POSTPONED. The SEC has authorized a postponement from February 20 to March 1, 1961, of the hearing to determine whether to vacate or make permanent an earlier order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act with respect to a public offering of stock of Saber Boats, Inc.

MAINLAND SECURITIES ENJOINED. The SEC New York Regional Office announced February 10th (LR-1913) the entry of a Federal court order (USDC SDNY) preliminarily enjoining Mainland Securities Corp. and its president, Benjamin Horowitz, of 50 Broad St., New York, from further violating the Commission's bookkeeping rules.

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