

# 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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**COLGATE-PALMOLIVE FILES STOCK PLAN.** Colgate-Palmolive Company, 300 Park Ave., New York, filed a registration statement (File 2-17775) with the SEC on March 23, 1961, seeking registration of \$9,000,000 of Participations in its Employees Savings and Investment Plan, together with 162,711 common shares which may be purchased under the plan.

**BURGMASER CORP. FILES FOR OFFERING AND SECONDARY.** Burgmaster Corporation, 15001 South Figueroa Street, Gardena, Calif., filed a registration statement (File 2-17776) with the SEC on March 23, 1961, seeking registration of 190,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 90,000 shares, being outstanding stock, by Fred G. Burg, president. The public offering price and underwriting terms are to be supplied by amendment. Shearson, Hammill & Co. heads the list of underwriters.

The company manufactures and distributes multiple spindle turret drilling machines and related equipment and accessories. It is engaged in an expansion program. Of the net proceeds of the stock sale, \$200,000 will be used to pay bank borrowings and other obligations incurred in connection with equipment already purchased; \$100,000 will be used to purchase additional equipment; \$100,000 will be used as a down payment on the purchase of certain real property and equipment presently under lease; \$215,000 will be used to retire all other short term bank borrowings; and the balance will be added to working capital to be used principally for carrying an increased volume of accounts receivable.

The company now has outstanding 328,500 common shares of which Fred G. Burg owns 164,250 shares, and Joseph L. Burg and Norman L. Ginsburg, 82,125 shares each, constituting 100% of the outstanding stock. Fred Burg proposes to sell 90,000 shares of his holdings.

**KAWECKI CHEMICAL FILES FINANCING PROPOSAL.** Kaweck Chemical Company, Boyertown, Pa., filed a registration statement (File 2-17779) with the SEC on March 23, 1961, seeking registration of \$3,500,000 of 4-7/8% Convertible Subordinated Debentures due 1976 and 17,282 shares of common stock issuable upon exercise of warrants. The debentures are to be offered for subscription by stockholders at 100% of principal amount, and at the rate of \$100 principal amount of debentures for each 15 shares held. The record date and underwriting terms are to be supplied by amendment. Carl M. Loeb, Rhoades & Co. heads the list of underwriters.

The company's business is in the inorganic field of chemistry, and more specifically in the field of the less familiar metals and their compounds, including tantalum, columbium, selenium, titanium, zirconium and boron, some of which are combined in Master Alloys produced by the company. It also has done research work on gallium, scandium, tellurium and other semi-conductor compounds and has set up pilot plant operations to produce some of these materials. Of the net proceeds of its sale of debentures, the company will apply \$1,500,000 to the retirement of bank indebtedness incurred in June 1960 to retire \$1,100,000 of short term debt and to provide \$400,000 for working capital purposes. An additional \$1,300,000 is to be used for expansion of existing facilities used for production of tantalum, columbium, Master Alloys and other products currently being produced. The remaining proceeds will be added to the general funds of the company to be available for general working capital.

According to the prospectus, the company had outstanding on December 31, 1960, 496,572 shares of common stock. On February 28, 1961, management officials owned 25% of the outstanding stock; and Carl M. Loeb, Rhoades & Co. (or partners) owned 61,959 shares, or 12%, on March 14, 1961. The prospectus lists sixteen selling stockholders, including members of the Loeb family and Empire Resources Corporation, which holds the largest block (10,436 shares) subject to warrants and plans to sell the warrants with a view to having the purchaser exercise the warrants and offer the shares acquired thereby. The prospectus lists Joseph C. Abeles as president.

**SPARTANS INDUSTRIES PROPOSES STOCK OFFERING.** Spartans Industries, Inc., 1 West 34th Street, New York, filed a registration statement (File 2-17782) with the SEC on March 23, 1961, seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Shearson, Hammill & Co. and J. C. Bradford & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is a producer and distributor of a diversified line of popular price, basic style apparel for men, women and children. Approximately \$3,650,000 of the net proceeds of the stock sale, together with the proceeds of the proposed \$5,000,000 15-year loan from an insurance company, will be used initially to repay all outstanding short term bank borrowings incurred for working capital purposes. The balance of the net proceeds will be added to working capital and used for general corporate purposes, including expansion of the company's retail operations.

In addition to indebtedness, the company now has outstanding 921,397 shares of common stock and 600,074 shares of Class B stock. The Kardell Corporation, Sparta, Tenn., owns 35.1% of the common and 55.6% of the Class B stock. Kardell is owned by Charles C. Bassine, board chairman, and members of his family. An additional 9.1% of the common and 27.8% of the Class B stock is owned by Murray Sussman, president, and 3.2% of the common and 11% of the Class B by Samuel Weissman, vice president, and 2% of the common and 5.6% of the Class B by Edward Katz, vice president.

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**UNION CARBIDE FILES SAVINGS PLAN.** Union Carbide Corporation, 270 Park Ave., New York, filed a registration statement (File 2-17777) with the SEC on March 23, 1961, seeking registration of \$31,000,000 of interests in its Savings Plan for Employees, together with 50,000 outstanding shares of capital stock which may be acquired pursuant thereto.

**UNION CARBIDE FILES INCENTIVE PLAN.** Union Carbide Corporation also filed a registration statement (File 2-17778) on March 23, 1961, seeking registration of 96,800 shares of capital stock, to be offered to certain officers and employees pursuant to its Incentive Plan.

**IOWA-ILLINOIS GAS AND ELECTRIC PROPOSES BOND OFFERING.** Iowa-Illinois Gas and Electric Company, 206 East Second St., Davenport, Iowa, today filed a registration statement (File 2-17786) with the SEC seeking registration of \$15,000,000 of First Mortgage Bonds, Series due 1991, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be used, to the extent required, to retire short-term bank loans (approximately \$7,145,000) incurred to finance construction costs; and the balance of the proceeds will be added to working capital and ultimately utilized to defray construction costs. Construction expenditures during 1961 are estimated at \$18,144,000.

**ARKANSAS POWER & LIGHT PROPOSES BOND OFFERING.** Arkansas Power & Light Company, Ninth and Louisiana Streets, Little Rock, filed a registration statement (File 2-17780) with the SEC on March 23, 1961, seeking registration of \$12,000,000 of First Mortgage Bonds, series due 1991, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be used for property additions and improvements, for repayment of bank loans and for other corporate purposes. Construction expenditures are estimated at \$20,200,000 for 1961.

**CABLE CARRIERS PROPOSES STOCK OFFERING.** Cable Carriers, Inc., Kirk Boulevard, Greenville, South Carolina, filed a registration statement (File 2-17787) with the SEC on March 23, 1961, seeking registration of 196,109 shares of capital stock for public offering and sale. The name of the underwriter, public offering price and underwriting terms are to be supplied by amendment.

The company began business in 1954 as a machine shop. In 1959 it purchased certain patents which are being used in the research and development of special material handling systems and devices for industrial and commercial uses. In addition, it has been developing plans for distribution and servicing its material handling systems and devices. Net proceeds of the stock sale will be added to working capital and used for general corporate purposes, including \$50,000 for development of a sales and warehousing system.

The company now has outstanding \$50,000 of 7% convertible debentures and 253,891 shares of common stock. The prospectus lists Stewart W. Maltby as president and board chairman and Donald D. Zebley as executive vice president.

**ARIZONA COLOR FILM PROCESSING FILES FOR OFFERING.** Arizona Color Film Processing Laboratories, Inc., 2 North 30th Street, Phoenix, filed a registration statement (File 2-17788) with the SEC on March 23, 1961, seeking registration of 2,100,500 shares of common stock. The company proposes to offer this stock for subscription at 22¢ per share by common stockholders at the rate of one new share for each share held. The record date is to be supplied by amendment. No underwriting is involved.

Organized in January 1958, the company is engaged in the business of processing black and white color film and print materials. According to the prospectus, its accumulated losses through January 1961 amounted to over \$822,000 and the company needs a substantial volume of additional profitable business in order to operate at a profit. Funds to be realized from this stock offering will be used to provide additional working capital and to repay notes. Certain stockholders, who subscribe to additional shares, may apply the indebtedness of the company to them, evidenced by notes, to the payment of the subscription price of such shares. To the extent such application is made the proceeds will be first used for the repayment of such indebtedness.

The company's capitalization includes a \$130,000 6½% first mortgage due in monthly installments of \$2,500, \$136,866 of notes payable to stockholders, and 2,100,500 common shares. Management officials own 1,237,250 shares (59%) of the outstanding stock, of which Colin L. Campbell owns 240,168 shares; and 320,781 shares are owned by Sealine Manufacturing Corp. of Chicago. The prospectus further indicates that during the period November 3, 1960, through February 13, 1961, Ralph W. Applegate, Colin L. Campbell, E. Cummings Parker, directors of the Company, and their associates, Nivel Products Company, Sealine Manufacturing Corp., Francis G. Friedlund, M. P. Hall, Justin Stanley, Edward J. Hutchens, and M. E. Jarvis & Co., made short-term loans to the Company in the total amount of \$148,018.90. The loans are evidenced by notes providing for interest at the rate of 6% per annum with due dates varying from January 1, 1961, through May 14, 1961. Certain of the notes are presently overdue, but no demands for payment have been made by the holders thereof.

**NEW YORK STATE ELECTRIC & GAS PROPOSES BOND OFFERING.** New York State Electric & Gas Corporation, 103 East Green Street, Ithaca, today filed a registration statement (File 2-17789) with the SEC seeking registration of \$25,000,000 of First Mortgage Bonds due 1991, to be offered for public sale at competitive bidding. Net proceeds of the sale of the bonds will be used to discharge \$14,000,000 of short term obligations incurred in connection with the company's construction program and the balance will be used for construction expenditures. The company estimates its construction expenditures at \$34,500,000 for 1961 and \$32,500,000 for 1962; and it anticipates that \$19,000,000 will be required therefor in addition to the proceeds of this financing and funds provided from operations.

**QUINN, NEU & CO. HEARING ORDERED.** The Securities and Exchange Commission has scheduled a hearing for April 17, 1961, in its New York Regional Office in proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Quinn, Neu & Co., Inc., 40 Exchange Place, New York, should be revoked.

In its order of October 17, 1960, authorizing these proceedings, the Commission charged that its record-keeping requirements were violated in various respects by the said respondent company.

**NEW YORK STOCK EXCHANGE PROPOSES TWO DELISTINGS.** The New York Stock Exchange has applied to the SEC to delist the 3% Cumulative Income Debentures of Consolidated Railroads of Cuba and the common stock of Monterey Oil Company, due to the fact that transfer facilities therefor are no longer available in New York and Monterey is in the process of liquidation; and the Commission has issued an order (Release 34-6510) giving interested persons until April 7, 1961, to request a hearing thereon.

**GIBCO DELISTING APPROVED.** The SEC has granted an application of the Midwest Stock Exchange (Release 34-6510) to delist the common stock of Gibco, Inc., effective at the close of the trading session on March 31, 1961, due to the limited holdings of public investors.

**UNLISTED TRADING IN ARMOUR GRANTED.** The SEC has granted applications for unlisted trading privileges in the common stock of Armour and Company (Del.) filed by the Detroit, Philadelphia-Baltimore, Boston, Cincinnati and Pittsburgh Stock Exchanges (Release 34-6510).

**UNLISTED TRADING IN TWO STOCKS GRANTED.** The SEC has granted an application of the Philadelphia-Baltimore Stock Exchange (Release 34-6510) for unlisted trading privileges in the common stocks of I-T-E Circuit Breaker Company and Standard Pressed Steel Company.

**TWO HOLDING COMPANY ACT RULES RESCINDED.** The SEC today announced the rescission of Rule 13 (Release 34-6504) and Rule 10-30-15 (Release 35-14195) under the Holding Company Act. Rule 13 provided an exemption for each subsidiary or affiliate of a registered holding company which itself is not a holding company, public-utility company, investment company or service company, provided the company so exempted became a subsidiary company or affiliate by reason of the acquisition of its voting securities after October 1953 and also provided that such acquisition was in accordance with an investment program permitted by order of the Commission in connection with the conversion of the holding company into an investment company. The rule was rescinded by reason of the fact that there are no holding companies which are now in the process of converting into investment companies.

Rule 10-30-15 provided that if, at the time of registration of any holding company, any subsidiary companies were substantially engaged in any branch of the petroleum business, real estate business, or production and transportation of natural gas, such subsidiary which is not a public-utility or holding company shall be exempt from certain provisions of the Act. Such rule is no longer applicable to any company which is a subsidiary of a registered holding company.

**TRADING BAN IN TELELECTRO INDUSTRIES STOCK CONTINUED.** The SEC has issued an order under the Securities Exchange Act (Release 34-6511) suspending trading for an additional ten-day period, March 25 to April 3, 1961, inclusive, in the common stock of Telectro Industries Corp. The ban applies to trading on the American Stock Exchange and in the over-the-counter market.

**TRADING BAN IN UNITED INDUSTRIAL STOCK CONTINUED.** The SEC has issued an order under the Securities Exchange Act (Release 34-6512) suspending trading for an additional ten-day period, March 27 to April 5, 1961, inclusive, in the common stock, Series A convertible preferred stock, and common stock purchase warrants of United Industrial Corporation (Del.). The ban applies to trading in these securities on the New York, Pacific Coast and Detroit Stock Exchanges (if listed or admitted to unlisted trading thereon) and in the over-the-counter market.

**PROXY RULE VIOLATIONS CHARGED TO SOL A. DANN.** The SEC today announced the filing of a complaint (United States District Court, Detroit) seeking to enjoin Sol A. Dann from further violations of the SEC proxy rules in connection with his solicitation of proxies to be voted at the annual meeting of Chrysler Corporation stockholders without compliance with the rules. (Litigation Release 1954).

**SECURITIES ACT REGISTRATIONS.** Effective March 24th: Tesco Stores (Holdings) Limited (American Depository Receipts for Ordinary Registered Shares) (File 2-17745); Jefferson Lake Asbestos Corporation (File 2-17454); Riviera Associates (File 2-17504); Rochester Telephone Corporation (File 2-17617); Minitone Electronics, Inc. (File 2-17461); Bicolor Automation Industries, Inc. (File 2-17508); Baltimore Associates (File 2-17492); and The Buckeye Pipe Line Company (O.) (File 2-17684).

**Withdrawn March 24th** Florida-Patsand Corp. (File 2-16093).

**SEC COMPLAINT NAMES AMERICAN EQUITIES CORP., OTHERS.** The SEC New York Regional Office announced March 22d (Litigation Release 1955) the filing of Federal court action (United States District Court, Southern District New York) seeking to enjoin American Equities Corporation, a Nevada corporation, together with Martin Benjamin of New York, Mitchell G. Kovaleski of Los Angeles, and Milton Mende of Beverly Hills, Calif., from further violations of the Securities Act registration and anti-fraud provisions in the offer and sale of American Equities stock.