

**NEWS DIGEST**

A brief summary of financial proposals filed with and actions by the S.E.C.

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FOR RELEASE June 20, 1961

**RUDD-MELIKIAN FILES FOR STOCK OFFERING.** Rudd-Melikian, Inc., 300 Jacksonville Road, Hatboro, Pa., filed a registration statement (File 2-18321) with the SEC on June 16th seeking registration of 130,000 shares of common stock, to be offered for public sale at \$10 per share. The underwriters will receive a \$1 per share commission and \$10,000 will be paid Stearns & Co., the principal underwriter, for expenses. The registration statement also includes (1) 10,000 common shares which underlie 2-year warrants sold to the principal underwriter for \$250, exercisable at \$10 per share, (2) 59,000 common shares reserved for issuance upon conversion at \$8.50 per share of the company's 5-3/4% debentures due 1962, and (3) 35,000 common shares reserved for issuance pursuant to exercise of employee stock options.

The company's business consists primarily of the manufacture and sale of automatic hot coffee dispensers, coffee tapes and coffee concentrate and, to a limited extent, other vending machines and related items. It has recently developed a counter model of its Brew-A-Cup vending machine for use in restaurants, cafeterias and institutions to replace the coffee urn presently in use. Of the estimated \$1,112,000 net proceeds from the stock sale, \$250,000 will be used to reduce short term obligations and \$500,000 for the promotion and manufacture of the Brew-A-Cup unit. The balance will be added to working capital and will be available for any proper corporate purpose including redemption of any outstanding debentures, investment in increased inventories, and research and sales promotion.

In addition to certain indebtedness, the company has outstanding 425,620 shares of common stock, of which K. Cyrus Melikian, board chairman, and Lloyd K. Rudd, president, own about 37% each.

**CAL-VAL RESEARCH PROPOSES STOCK OFFERING.** Cal-Val Research and Development Corp., 19907 Ventura Blvd., Woodland Hills, Calif., filed a registration statement (File 2-18322) with the SEC on June 16th seeking registration of 200,000 shares of capital stock, to be offered for public sale through underwriters headed by Auchincloss, Parker & Redpath. The public offering price and underwriting terms are to be supplied by amendment. Also included in the registration statement are an additional 10,000 shares underlying five-year warrants exercisable at \$8.50 per share, which warrants the company has agreed to sell the principal underwriter for \$1,000.

The company was organized under Delaware law in May 1960 and has acquired all the assets and assumed the liabilities of Cal-Val Research and Development Corp., which was organized under California law in January 1958. The company (including its predecessor) has been and is engaged in engineering research, preliminary design and development of new concepts in ground support equipment in the missile, rocket and space fields, with special emphasis on both water and land-based test and launch facilities for high thrust rocket vehicles. In 1960 the company received its first contract from the Navy Department in the amount of \$48,345; and in the same year it received \$80,000 from Lockheed Aircraft and two other companies for the right to join with the company in submitting proposals to U. S. government agencies. No awards have been received to date as a result of such proposals. Recently, the company entered into an agreement with Greater Washington Industrial Investments, Inc., whereby the latter agreed to loan the company up to \$500,000 in 5-year 8% debentures and agreed to provide it certain consultant services without compensation for three years. In consideration thereof, the company sold to that company 50,000 common shares for \$5,000. The company now has outstanding 300,000 common shares in addition to certain indebtedness. Net proceeds of its sale of additional stock will be used as follows: (1) to repay a \$90,000 bank note; (2) to prepay an unspecified amount of the said 8% debentures; and (3) to pay a \$30,000 demand note. The balance will be available for general corporate purposes, including defraying the company's current operating budget of about \$60,000 per month.

The company now has outstanding 300,000 common shares with a current book value of 24¢ per share. F. Kenneth McKnight is listed as president. Three other officials own an aggregate of 83-1/3% of the outstanding stock.

**RABIN-WINTERS FILES FOR OFFERING AND SECONDARY.** Rabin-Winters Corporation, 700 North Sepulveda Blvd., El Segundo, Calif., filed a registration statement (File 2-18323) with the SEC on June 19th seeking registration of 180,000 shares of common stock, of which 80,000 shares are to be offered for public sale by the issuing company and 100,000 shares, being outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. H. Hentz & Co. heads the list of underwriters.

The company is primarily engaged in the manufacture, distribution and sale of drugs, pharmaceuticals, cosmetics, toilet preparations, lighter fluid and related household specialty items. It now has outstanding 839,926 common shares. Net proceeds of its sale of additional stock will be used to repay outstanding bank loans incurred to purchase equipment to produce new ethical drug products and to increase inventories of raw materials and finished ethical drugs, with the balance to be added to working capital.

The prospectus lists Allen H. Rabin as president. Bruce W. Rabin and Ben Winters, vice presidents, own 301,550 and 278,344 shares, respectively, of the outstanding stock, and they propose to sell 50,000 shares each.

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**CENTRAL INVESTMENT OF DENVER PROPOSES STOCK OFFERING.** Central Investment Corporation of Denver, 611 Central Bank Bldg., Denver, Colo., filed a registration statement (File 2-18324) with the SEC on June 19th seeking registration of 600,000 shares of common stock, to be offered for public sale at \$3.75 per share. The offering is to be made by Boettcher and Company, Bosworth, Sullivan & Co. Inc., and Peters, Writer & Christensen, Inc., for which they will receive a commission of 35¢ per share.

Organized under Colorado law in February 1960, the company is a Federal licensee under the Small Business Investment Act of 1958 and a registered investment company. Its business is to provide capital for selected small business concerns by purchasing their equity securities, by making long-term loans to such concerns and by furnishing consulting and advisory services on a fee basis. Net proceeds of the sale of the additional stock will be used for these purposes, except that part of the proceeds will be used to retire a \$100,000 bank loan and the \$150,000 outstanding subordinated debentures held by Small Business Administration.

In addition to certain indebtedness, the company now has outstanding 43,668 common shares, of which 39% is owned by The Central Bank and Trust Company, 13% by Central Insurance Agency, Inc., 11% by Central Fund, Inc., and 9% by Will F. Nicholson, executive vice president. Elwood M. Brooks, president, owns 6% of the outstanding stock; and he and members of his family own about 12% of the outstanding stock of Central Bank and Mrs. Elwood M. Brooks and Mrs. Max G. Brooks own a majority of the stock of Central Insurance Agency (Max Brooks is a vice president). Central Fund is substantially owned by about 90 officers, directors and key employees of Central Bank.

**ST. CLAIR SPECIALTY FILES FOR OFFERING AND SECONDARY.** St. Clair Specialty Manufacturing Co., Inc., Bellwood, Ill., filed a registration statement (File 2-18325) with the SEC on June 19th seeking registration of 113,600 shares of common stock, of which 40,000 shares are to be offered for public sale by the company and 73,600, being outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Stifel, Nicolaus & Co. and Walston & Co. Inc., are listed as the principal underwriters.

The company prints and embosses decorative papers and foils and packages these with seals, tags and pre-tied ribbon bows for use in wrapping gifts and other items. Its sales are principally through wholesale jobbers, although some contract sales are made directly to private label buyers. The company has recently entered the field of manufacturing and selling fancy notion bags for use by stores. Net proceeds of the company's sale of additional stock will be used in part for new machinery for the production of fancy notion bags, pre-tied ribbon bows and other closely related items, and for additional machinery to expand present operations, the balance to be added to working capital.

The company now has outstanding 273,000 common shares. E. F. LaSarre is listed as board chairman and Neil Kosterling as president. The prospectus lists nine selling stockholders, whose aggregate holdings amount to 184,914 shares (67.734%). Management officials as a group own 72.84% of the outstanding stock. Holder of the largest block is Earl R. Cissell, of Chicago, vice president, who proposes to sell 13,600 of his holdings of 43,600 shares. Charles K. McNeil, a director, proposes to sell 12,000 of his holdings of 18,900 shares; and 10,000 shares each are to be sold by Kosterling, LaSarre, Virginia Kosterling and Betty M. LaSarre. The other three propose to sell 3,700, 3,100 and 1,200 shares, respectively.

**AQUA-LECTRIC PROPOSES STOCK OFFERING.** Aqua-Lectric, Inc., 1608 First National Bank Bldg., Minneapolis, filed a registration statement (File 2-18326) with the SEC on June 19th seeking registration of 1,000,000 shares of common stock, to be offered for public sale at \$1.15 per share. The offering is to be made by the company, although agents or brokers (including M. H. Bishop & Co.) may participate on a "best efforts" basis and receive a 15¢ per share selling commission.

The company was organized under Minnesota law in May 1961 and has acquired by assignment from Herald J. Williams, Jr., patent rights covering a heating device which is said to comprise in combination, liquid filled radiators, liquid expansion means, immersion type electrically heated elements, electrical energy control means, and liquid temperature limited means, as well as a "patent pending" on a master control panel said to permit setting up room temperature control to give uniform temperatures throughout the dwelling; and permits individuals to select individual temperatures to fit their particular needs and desires. In exchange therefor, the company issued 400,000 common shares (200,000 contingent on gross sales). It also has entered into a five-year contract for employment of Williams at \$12,000 per year. The company intends to apply all the proceeds of its stock sale to the marketing of the Williams' electric hot water heating system, including \$350,000 for inventory, \$150,000 for payroll, advertising and promotion costs, and the balance as a reserve for future needs and to provide working capital.

The company now has outstanding 482,000 common shares (and an additional 200,000 shares are reserved for issuance to Williams). 272,000 shares were sold to incorporators at \$1 per share, of which 16,000 shares are held by Wade S. Plummer, president, 20,000 by Francis T. Ryan, secretary-treasurer, 70,000 by Kenneth C. Zeigle, a director, and an aggregate of 70,000 by five other directors.

**PET MILK FILES EXCHANGE PLAN.** Pet Milk Company, 1401 Arcade Bldg., St. Louis, Mo., filed a registration statement (File 2-18327) with the SEC on June 19th seeking registration of 270,000 shares of common stock. It is proposed to offer such stock to holders of the 216,000 outstanding common shares of The C. H. Musselman Company at the rate of 1.25 Pet Milk shares for each Musselman share. The exchange is in connection with the proposed statutory merger of Musselman into Pet Milk on July 12, 1961. The merger agreement is subject to stockholder approval.

The company is engaged in the business of manufacturing and selling evaporated milk, non-fat dry milk, and other dairy products and frozen dessert pies and other frozen foods on a national scale. Musselman produces apple sauce, apple slices, apple juice, jellies, tomato juice, fruit pie fillings and other fruit products.

**TRINITY FUNDING FILES FOR STOCK OFFERING.** Trinity Funding Corporation, 1107 Broadway, New York, filed a registration statement (File 2-18328) with the SEC on June 19th seeking registration of 250,000 shares of common stock, to be offered for public sale at \$6 per share. The offering will be made on a best efforts basis through underwriters headed by Trinity Securities Corporation, which will receive a 66¢ per share selling commission and 10¢ per share for expenses. If all the shares are sold, the company will sell the underwriter 37,000 additional shares at 10¢ per share.

Organized under New York law in January 1961, the company proposes to engage primarily in the business of providing interim financing to growing enterprises in the manufacturing, wholesaling, jobbing and retail fields. Such financing aims at providing working capital to enterprises which contemplate future public sale of securities, but are not yet prepared to do so. In part, this interim financing will be carried out through conventional factoring arrangements and commercial financing based on the assignment or sale by the borrower to the company of accounts receivable. The entire net proceeds from the stock sale, estimated at \$1,277,000 if all shares are sold, will be utilized as working capital.

The company has outstanding 157,133 shares of common stock with a June 1st book value of 41¢ per share. Charles S. Kaufman, president, owns 19.1%, Warren Coleman, a director, 15.9%, and management officials as a group 66.8%.

**SECOND FINANCIAL FILES FOR STOCK OFFERING.** Second Financial, Inc., 2740 Apple Valley Road, N. E., Atlanta, Ga., today filed a registration statement (File 2-18329) with the SEC seeking registration of 100,000 shares of common stock, to be offered for public sale at \$3 per share. The offering will be made on an all or none basis through Globus, Inc., which will receive a 30¢ per share commission and \$10,000 for expenses. The registration statement also includes 24,000 common shares which the company sold the underwriter and 6,000 shares which the company sold to Corporate Growth Consultants, Inc., the finder, for an aggregate of \$9,750.

Organized under Georgia law in June 1961, the company proposes to engage in the business of the purchasing of notes, mortgages, contracts and other evidences of indebtedness from "Shell" home builders which are received from their customers, the purchasers of such homes. The company contemplates that its operations will be within a three mile radius of Atlanta. The net proceeds from the stock sale will be used for general commercial financing primarily in connection with "shell" homes.

The company has outstanding 200,000 shares of common stock, of which Ely Freedman, vice president, Harry S. Siegel, secretary-treasurer, and Jack Freedman, own 25% each. Frank Rappazzo is listed as president.

**WYOMING NUCLEAR HEARING SCHEDULED.** At the request of Wyoming Nuclear Corporation, of Lander, Wyoming, the SEC has scheduled a hearing for September 6, 1961, in its Denver Regional Office, to determine whether to vacate, or make permanent, the Commission's order of May 4, 1961, temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering by the said company of 10,000,000 common shares at 3¢ per share. According to the May 4th order, the company failed to comply with certain terms and conditions of Regulation A and its offering circular was false and misleading in respect of certain material facts by reason of its failure to make certain disclosures.

**NATIONAL INVESTOR PROGRAMS SEEKS ORDER.** National Investor Programs, Denver unit investment trust, has applied to the SEC for an exemption order under the Investment Company Act with respect to a transaction with National Western Life Insurance Company; and the Commission has issued an order giving interested persons until July 3d to request a hearing thereon. National Investor proposes to offer to the public Systematic Monthly Investment programs which will accumulate shares of National Western Insurance and Growth Fund, Inc. To provide it with the \$100,000 net worth required by the Act, National Western Life Insurance Company proposes to transfer to National Investor shares of the Fund approximating that amount. National Western will receive in exchange a Systematic Investment Plan equal in amount to the value of the shares transferred with no deduction for sales commission. National Western is an affiliate of National Investor.

**ARKLAHOMA CORP. WITHDRAWS APPLICATION.** Arklahoma Corporation, Southwestern Electric Company and Central and South West Corporation have withdrawn their joint application under the Holding Company Act requesting an order declaring that neither Southwestern nor Central is a holding company with respect to Arklahoma and that Arklahoma is not a subsidiary of either. Prior to the hearing on said application, Southwestern registered as a holding company with respect to Arklahoma, making the exemption application moot (Release 35-14468).

**WASHINGTON WATER POWER FILES FOR STOCK OFFERING.** The Washington Water Power Company, East 1411 Mission Ave., Spokane, Wash., today filed a registration statement (File 2-18330) with the SEC seeking registration of 160,000 shares of common stock, to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Blyth & Co., Inc., White, Weld & Co. and Dean Witter & Co. The public offering price and underwriting terms are to be supplied by amendment.

The net proceeds from the stock sale will be applied in part to the repayment of \$4,000,000 of notes due September 14, 1961, incurred to finance temporarily the construction, extension or improvement of facilities, and \$2,000,000 of notes due March 1, 1962, incurred to redeem a like amount of indebtedness of the former Spokane Natural Gas Company at the time of its acquisition in 1958. The remainder of the proceeds will be used in carrying forward the company's construction program, estimated at \$9,100,000 for 1961 and \$7,800,000 for 1962.

**INTERNATIONAL PARTS FILES FOR SECONDARY.** International Parts Corporation, 4101 West 42nd Place, Chicago, today filed a registration statement (File 2-18331) with the SEC seeking registration of 300,000 outstanding shares of Class A common stock, to be offered for public sale by the holders thereof through underwriters headed by H. M. Byllesby and Company. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes an additional 25,000 outstanding Class A shares which the holders thereof may sell from time to time in the open market at prices current at the time of sale.

The principal business of the company and its subsidiaries consists of the manufacture and sale through wholesale distributors, jobbers and franchised dealers of replacement mufflers, exhaust pipes, tail pipes and replacement parts for automobiles and trucks. Such exhaust system parts are sold under the trade names "International Parts Corporation," "Midas," and "Powell." The company was organized under Delaware law in 1959 as a wholly-owned subsidiary of International Parts Corporation, an Illinois corporation as a step toward consummation of a plan of reorganization. Pursuant to such plan, the company will acquire all the assets of the Illinois company, subject to its liabilities, and all of the outstanding stocks of 8 companies engaged in related businesses, in exchange for 400,000 Class A and 1,000,000 Class B common shares of the company.

In addition to various indebtedness, the company has outstanding (after giving effect to said reorganization) the 400,000 Class A and 1,000,000 Class B common shares, of which Nathan H. Sherman, president, owns 41.9% each and proposes to sell 167,618 Class A shares; Beatrice G. Sherman owns 14.9% each and proposes to sell 40,759 Class A shares; and Gordon B. Sherman, vice president, owns 10.9% each and proposes to sell 10,000 Class A shares. The prospectus lists 7 other selling stockholders who propose to sell amounts ranging from 236 to 20,595 Class A shares.

**INDICTMENT NAMES NORMAN GRADSKY, OTHERS.** The SEC Atlanta Regional Office announced June 16th (LR-2049) the return of an indictment (USDC, Miami, Fla.) charging fraud in the sale of securities of Credit Finance Corporation (Orlando) by Norman Gradsky, Mrs. B. J. Gradsky, Robert Grene, George Levine, Leonard L. Glaser, Howard W. Meadors, Robert B. Roberts (alias Robert B. Shoemaker), Alfred Schiff (alias Alford Schiff), E. E. Gibbons, Mrs. Gertrude Hogue, and Harry Kalb.

**INDICTMENT NAMES JOSEPH A. PEEL JR., OTHERS.** The SEC Atlanta Regional Office announced June 16th (LR-2050) the return of an indictment (USDC, Miami, Fla.) charging fraud in the sale of securities of Insured Capital Corporation (Orlando) by Joseph A. Peel, Jr., John Joseph Crane (alias James Donald Miles, alias J. M. Franklin), Robert Bernard Sills (alias J. J. Crane, alias James Donald Miles), Floyd Albert Holzappel (alias Floyd Albert), Robert Zane, and Herbert Gilmore. James Donald Miles named as co-conspirator.

**DELAWARE MANAGEMENT FILES FOR OFFERING.** Delaware Management Company, Inc., Three Penn Center Plaza, Philadelphia, today filed a registration statement (File 2-18332) with the SEC seeking registration of \$10,000,000 of Delaware Variable Investment Plans for the accumulation of shares of Delaware Fund, Inc.

**SECURITIES ACT REGISTRATIONS.** Effective June 20: Anelex Corp. (File 2-18075); Eurofund, Inc. (File 2-18134); Gulf Oil Corp. (File 2-18188); Harvey's Stores, Inc. (File 2-18027); North American Investors, Inc. (File 2-17810); Southwestern Capital Corp. (File 2-17935); Union Oil Co. of California (File 2-18137); Zurn Industries, Inc. (File 2-18179).

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