

NEWS DIGEST

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

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

FOR RELEASE July 3, 1961

Statistical Release No. 1764. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended June 30, 1961, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1961 is as follows:

	1957-59 = 100		Percent Change	1961	
	6/30/61	6/23/61		High	Low
Composite	130.7	131.9	-0.9	136.3	118.3
Manufacturing	123.7	125.0	-1.0	128.8	113.0
Durable Goods	125.2	126.4	-0.9	132.1	117.0
Non-Durable Goods	122.3	123.7	-1.1	125.9	109.2
Transportation	103.8	103.6	+0.2	109.4	97.8
Utility	161.8	163.0	-0.7	173.0	144.4
Trade, Finance & Service	156.4	157.0	-0.4	157.0	132.5
Mining	95.6	96.9	-1.3	99.5	83.3

SECURITIES ACT REGISTRATION STATEMENTS. During the month of June 1961 (according to preliminary computations), 246 registration statements were filed with the Commission, seeking registration of securities amounting to \$1.9 billion in the aggregate. This is 72% above the previous high for June filing recorded in 1959. For the 1961 fiscal year ending June 30th, 1830 statements were filed, seeking registration of \$20.7 billion of securities, also an all-time high. During the six business days ending June 30th, 103 statements were filed, 49 became effective, and 2 were withdrawn; and 515 statements were pending and under examination at the close of business June 30th. The following table shows the trend in filings during the past fifteen fiscal years:

Year	No. of Filings	Dollar Amount*	Year	No. of Filing	Dollar Amount*	Year	No. of Filings	Dollar Amount*
1947	567	\$ 6.9	1952	665	\$ 9.0	1957	943	\$14.7
1948	449	6.2	1953	621	7.4	1958	913	17.0
1949	455	5.1	1954	649	9.0	1959	1226	16.6
1950	496	5.2	1955	849	11.0	1960	1628	15.8
1951	544	6.4	1956	981	13.1	1961	1830	20.7

*In Billions

VIOLATIONS CHARGED TO RONALD MARK & CO. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Ronald Mark & Co., Inc., 40 Exchange Place, New York, made fraudulent misrepresentations in the offer and sale of stock of Trans Central Industries, Inc., and, if so, whether its broker-dealer registration should be revoked.

Mark & Co. has been registered with the Commission as a broker-dealer since July 18, 1960. Sidney Simon is president and sole stockholder. The order names David Winston, Leonard Geller and Max Tannenbaum as salesmen. The order asserts that, in connection with the offer and sale of stock of Trans Central (formerly Trans Central Petroleum Corp.) during the period November 9, 1960, to date, Mark & Co., Simon and the three salesmen made false and misleading representations which "operated as a fraud and deceit" upon the purchasers of the stock. The alleged misrepresentations related to the assets and expansion plans of Trans Central; its earnings and financial condition; dividends to be paid on and an increase in the price of Trans Central stock; the possibility of a stock split; sales of Trans Central stock to relatives of salesmen and individuals associated with Mark & Co.; and the length of time Mark & Co. has been in business.

A hearing will be held, at a time and place later to be announced, for the purpose of taking evidence on the foregoing.

THREE STOCK OFFERINGS SUSPENDED. The SEC has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to proposed public offerings of securities as follows:

(a) Broadcast International, Inc. ("Broadcast"), 3 West 57th St., New York. In a notification filed June 2, 1961, Broadcast proposed the public offering of 60,000 common shares at \$5 per share; (b) Great Divide Mining Corporation ("Great Divide"), 1333 E. 7th St., Los Angeles, Calif. Great Divide filed a notification in September 1958 proposing the public offering of 300,000 common shares at \$1 per share; and (c) J. I. Magaril Company ("Magaril"), 3605 E. 10th Court, Hialeah, Fla. In a notification filed in March 1961, Magaril proposed the public offering of 16,000 common shares of Spray-Bilt, Inc., at \$6.25 per share.

OVER

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. The suspension order with respect to Great Divide asserts that that company failed to cooperate with the Commission by reason of its refusal to respond to written and telephone inquiries concerning amendments of the notification and accompanying offering circular. The orders with respect to Broadcast and Magaril assert that their offerings violated or would violate the provisions of Section 17 (the anti-fraud provision) of the Securities Act because of false and misleading information in their respective offering circulars. The alleged misrepresentations in the Broadcast circular relate to the failure to provide financial statements prepared in accordance with proper accounting principles, failure to disclose that customers listed as current active accounts had ceased to deal with Broadcast, an overstatement of the number of programs which could be produced with the proceeds of the offering, and a statement that Broadcast represented 150 television stations. In the case of Magaril, the alleged misrepresentations involved the failure to provide financial statements of Spray-Bilt prepared in accordance with proper accounting principles, in that Spray-Bilt failed to include expenses incurred in January 1961 as operating expenses for that month, and changed its accounting practice to record sales at the time the order was received rather than at the time goods were shipped, which had a materially misleading effect on the financial statements for January 1961; failed to disclose the change in accounting procedures, which affected the net income for January and comparability of financial statements with those of previous periods; and failed to include in a footnote to the financial statements the effect upon its profits of changes in accounting, and included therein a misleading explanation of the effects of an advertising campaign and convention. The order with respect to Broadcast also asserts that its notification failed to disclose a material transaction with respect to the stock held by a controlling person and falsely named as an officer a person who was not an officer.

Each order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

YARBROUGH PETROLEUM HEARING SCHEDULED. At the request of Yarbrough Petroleum Corporation, Long Beach, Calif., the Commission has scheduled a hearing for July 18, 1961, in its Los Angeles Branch Office on the question whether to vacate, or make permanent, the Commission's order of May 31, 1961, temporarily suspending a Regulation A exemption with respect to a proposed public offering of stock by Yarbrough. The order asserted that the company's offering circular and geological reports filed in connection therewith were false and misleading.

TWO DELISTINGS APPROVED. The SEC has issued orders granting applications (1) of the American Stock Exchange to delist the common stock of Buffalo-Eclipse Corporation and (2) of the Midwest Stock Exchange to delist the capital stock of Great Lakes Chemical Company, effective at the close of the trading sessions on July 14, 1961. The Great Lakes Chemical stock remains listed on three other exchanges. (Release 34-6584).

UNLISTED TRADING GRANTED. The SEC has issued an order granting an application of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in common stock of Magnavox Company. (Release 34-6584).

CAMBRIDGE GROWTH FUND WITHDRAWS APPLICATION. The Cambridge Growth Fund, Inc., New York, has withdrawn its application for an exemption order under the Investment Company Act with respect to its proposed investment of not to exceed \$10,000 in Howard Johnson Company common stock. According to the application, a smaller purchase of such stock was made pursuant to the exemptive provisions of an SEC rule.

CENTENNIAL FUND ORDER. Centennial Fund, Inc., Denver investment company, has received an SEC exemption order under the Investment Company Act (Release 40-3282) with respect to the proposed issuance of its shares at net a set value for substantially all the cash and securities of The Gas Service Company.

FIF MANAGEMENT GRANTED EXEMPTION. The SEC has issued an order under the Investment Company Act (Release 40-3283) granting an application filed by FIF Management Corporation, Denver, for an exemption from Section 9(a) of the Act to the extent that the same may be applicable by reason of the consent by Townsend Management Company to a final injunction decree on May 31, 1961, until such time as the applicant ceases to be an affiliate of TMC.

UNITED INDUSTRIAL TRADING BAN CONTINUED. The SEC has issued an order suspending trading in securities of United Industrial Corporation (Del.) on national securities exchanges and the over-the-counter market for a further ten-day period July 5 to 14, 1961, inclusive.

DEVONSHIRE STREET FUND SEEKS ORDER. Devonshire Street Fund, Inc., Boston investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to certain transactions; and the Commission has issued an order (Release IC-3284) giving interested persons until July 14th to request a hearing thereon. Devonshire previously filed a registration statement proposing the offering of its shares in exchange for securities held by depositing investors. It seeks an order of exemption permitting it to accept the tender of securities by three of its directors, aggregating some \$326,000. Securities aggregating \$92,571,514 have been deposited by 810 depositors.

INTERNATIONAL BANK SEEKS EXEMPTION. International Bank, Washington, D. C., has applied to the SEC for exemption from the Investment Company Act; and the Commission has issued an order (Release IC-3285) scheduling the application for hearing on July 24, 1961. The Bank also seeks a temporary exemption from the registration requirement of the Act; and interested persons may request a hearing thereon not later than July 19th. The Bank asserts that it is not engaged in business as an investment company but in the following activities,

among others: personal small loan business (through Officers Finance Plan, Inc., a wholly-owned subsidiary); registration of ships, servicing of corporations, and commercial banking in the Republic of Liberia (through the International Trust Company of Liberia, a majority-owned subsidiary); life, fire, and casualty insurance (through working control of Financial General Corporation and Iowa Interests Corporation); banking (through working control of Financial General Corporation); real estate development (through International Land Corporation, a wholly-owned subsidiary); and manufacturing plywood and textiles (through working control of Financial General Corporation which, in turn, controls Atlas General Industries, Inc.), as well as automobile and insurance premium financing and other activities.

QUARTERLY DISTRIBUTION SHARES ACQUISITION CLEARED. The SEC has issued an exemption order under the Investment Company Act (Release IC-3286) authorizing Quarterly Distribution Shares, Inc., to issue its shares at their net asset value for substantially all the cash and securities of Bonds Incorporated, both of Kansas City, Mo.

MIDLAND ENTERPRISES SEEKS ORDER. Midland Enterprises Inc., of New York, has applied to the SEC for approval of certain transactions under the Holding Company Act; and the Commission has issued an order (Release 35-14470) giving interested persons until July 14th to request a hearing thereon. Certain stockholders of Midland have joined in the application. Midland is engaged principally in owning towboats and barges leased to and operated by its subsidiary, The Ohio River Company. It has contracted to sell all of its and the subsidiary's assets (subject to liabilities) to a new company to be organized by Eastern Gas and Fuel Associates, an exempt holding company which is engaged in various activities and owns a gas utility serving Boston. In exchange therefor, Midland is to receive 494,500 shares of Eastern stock having a value for the purpose of the exchange of about \$20,000,000. As a result, Midland will acquire some 15% of Eastern's stock to be outstanding, which will be promptly distributed to Midland shareholders. Thereupon, Midland is to be dissolved. Midland seeks approval of the acquisition of Eastern stock, and requests a temporary exemption from the Holding Company Act between the acquisition and distribution of Eastern stock. By virtue of such distribution, S. H. Scheuer and family interests will own about 9.78% of Eastern's stock; and they have requested approval of such acquisition.

CANADIAN RESTRICTED LIST. The SEC has added Devonshire Mining Syndicate of Whitehorse, Yukon Territory, to its Canadian Restricted List. The list is now comprised of 254 Canadian companies whose securities recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

REGISTRATION FEE PROCEDURE MODIFIED. The SEC has amended its Rule 458 under the Securities Act with respect to the payment of fees in connection with the registration of securities under the Act. Rule 458 prescribes the manner in which the required fees shall be paid. The amendment to the rule provides that payments of fees may be rounded to the nearest dollar and that the Commission will waive any deficiency in the fee amounting to less than \$1.00. However, in no case may the amount of the registration fee be less than \$25.00. The amendment also provides that refunds to issuers of excess payments amounting to less than \$1.00 will be made only upon the request of the issuer and that refunds of \$1.00 or more may be waived by the issuer. The purpose of the amendment is to reduce the time and clerical work involved in collecting or refunding insignificant amounts. However, as indicated above, the rule preserves the right of an issuer to receive a refund of any amount due it, if it so desires.

VIOLATIONS CHARGED TO POWELL SECURITIES. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether an application for broker-dealer registration filed by Powell Securities Corporation, 63 Wall Street, New York, should be denied, as well as whether the effective date of such application should be postponed pending decision on the question of denial.

The application, filed May 8, 1961, lists Irwin Vincent Powell ("Powell") as president and owner of 10% or more of the applicant's capital stock and Vida Powell as director. Previously, on February 15, 1961, Powell doing business as Powell Securities Company, applied for registration as a broker-dealer. The Commission on March 31, 1961, after hearing, ordered postponement of the effective date of Powell's application pending final determination of the question whether registration should be denied (Release 34-6493); and proceedings on the question of denial are still pending. Furthermore, in proceedings instituted in September 1960 to determine whether R. A. Holman & Co., Inc., violated certain provisions of the Exchange Act and the Securities Act of 1933, the Commission issued an amended order on November 15, 1960, to determine, among other things, whether Powell had wilfully violated said laws.

The Commission's order in the new proceedings gives Powell Securities Corporation until July 7, 1961, to request a hearing on the initial question whether its registration should be postponed pending decision on the ultimate question of denial.

FOTOCROME FILES FOR DEBENTURE OFFERING AND SECONDARY. Fotochrome Inc., 1874 Washington Ave., New York, filed a registration statement (File 2-18423) with the SEC on June 29th seeking registration of \$3,500,000 of convertible subordinated debentures due 1981 and 262,500 outstanding shares of common stock. The debentures are to be offered for public sale by the company and the stock, being outstanding shares, by the present holders thereof. The interest rate on the debentures, public offering price and underwriting terms are to be supplied by amendment. Shearson, Hammill & Co. and Emanuel, Deetjen & Co. are listed as the principal underwriters. The statement also includes an additional 10,000 shares purchased in equal amounts by the two underwriting firms in September 1960 at \$10 per share.

The principal business activity of the company is the processing of all types of color and black and white photographic film; and it also engages in the wholesale distribution of photographic film, cameras and photographic accessories and supplies produced by others as well as the design, development and sale of equipment for the automatic processing of Kodachrome type film. Of the net proceeds of the debenture sale, the company intends to use about \$2,000,000 for the construction of a new plant in Long Island City to house all its metropolitan New York processing and distribution facilities and its executive offices; \$400,000 to purchase additional production facilities for the new plant; \$100,000 for moving and relocation costs; and the balance for general corporate purposes.

The company now has outstanding 1,853,924 common shares in addition to certain indebtedness. Frank Nadaline, Jr., president and board chairman, owns 821,733 shares (44%) and his wife and son an aggregate of 187,076. Nadaline proposes to sell 225,000 shares; and two other shareholders propose to sell 18,750 shares each.

SWANEE PAPER FILES FOR OFFERING AND SECONDARY. Swanee Paper Corporation, 205 E. 42nd St., New York, filed a registration statement (File 2-18424) with the SEC on June 29th seeking registration of 150,000 shares of common stock, of which 35,000 shares will be offered for public sale by the company and 115,000, being outstanding stock, by the present holders thereof. The offering price and underwriting terms are to be supplied by amendment. Blair & Co. Inc., heads the list of underwriters.

The company is engaged in the production and sale of colored and white tissue paper products (primarily under the trade-marks "Swanee" and "Bonnie"). Net proceeds to the company from its sale of stock will be used for general corporate purposes, including \$90,000 for plant improvements and \$40,000 for an addition to its plant office. The company has outstanding 465,000 common shares in addition to certain indebtedness. Of the common stock, Harry Pearlman, president, owns 234,918 shares (50.52%) and proposes to sell 84,000 shares. Edmund Pearlman, president, and Arthur Pearlman, executive vice president, own 110,396 shares each and propose to sell 15,500 shares each.

SEABOARD WORLD AIRLINES FILES PLAN. Seaboard World Airlines, Inc., Jamaica, L. I., New York, filed a registration statement (File 2-18429) with the SEC on June 29th seeking registration of 247,904 shares of common stock. The company (formerly Seaboard & Western Airlines, Inc.) is engaged in the transportation of freight and mail over the North Atlantic; and it also engages in the transportation of passengers and freight on a charter basis. Its equipment consists principally of nine super-constellation aircraft; and it has contracted to purchase for delivery during 1961 five new Canadair CL-44 prop-jet swing tail aircraft. During 1960, the company entered into a refinancing program which involved the sale of securities, the purchase of three aircraft previously leased, the conversion of various current obligations into long term debt, the extension of payment terms of certain future commitments and the establishment of future credit lines. In connection with this refinancing Carl M. Loeb, Rhoades & Co. acted as underwriter of certain of the securities issued by the company. Among the securities issued in conjunction with this program were five-year warrants for the purchase of 685,460 common shares sold in conjunction with the company's 6% subordinated debentures due 1970; ten-year warrants for 350,000 common shares sold to Carl M. Loeb, Rhoades & Co. at 10¢ per warrant (of which 25,000 warrants were resold to Richard M. Jackson and 50,000 to certain other parties who have disposed of same); and 284,000 common shares issued as partial consideration for the purchase of three aircraft, 150,000 shares being issued to Air-World Leases, Inc. and 134,000 to security holders of International Aviation Corporation, and 200,000 issued to Canadair Limited in consideration of the amendment of agreements with respect to the purchase of aircraft by the company. All the foregoing securities are included in the registration statement. The 247,904 shares (including 1,534 shares of treasury stock) are to be offered to creditors in exchange for the cancellation of outstanding indebtedness. Such securities may be sold from time to time on the American Stock Exchange or over-the-counter market at prices then obtainable. In addition to various indebtedness and warrants, the company has outstanding 2,164,070 common shares of which management officials own 1.1%. Canadair Limited owns 143,000 common shares and \$1,020,000 of five-year income debentures which carry a combined voting power of 14.38%. The prospectus lists Richard M. Jackson as president and board chairman.

HYDROMETALS FILES FOR EXCHANGE OFFER. Hydrometals, Inc., Chrysler Bldg., New York, filed a registration statement (File 2-18430) with the SEC on June 29th, seeking registration of over 20,000 shares of capital stock. According to the prospectus, Hydrometals has entered into a contract with the principal shareholders and debenture-holders of Stranahan Foil Company, Inc., of South Hackensack, N. J., for the acquisition of all the outstanding securities of Stranahan in exchange for Hydrometals stock. Stranahan, a Delaware corporation organized in 1946 for the purpose of engaging in the business of manufacturing and selling aluminum and other types of foil and metal products, has outstanding 50,000 shares of common stock and 25,000 shares of Class B stock, plus \$89,000 of 6% convertible subordinated debentures due 1962. Hydrometals has entered into an agreement with the shareholders and debenture holders of Stranahan under which all the said stock and debentures of Stranahan are to be exchanged for Hydrometals capital stock having a market value on October 6, 1961, the date of exchange, of \$472,500. The exact number of shares to be issued in exchange will be based on the closing price of Hydrometals shares on the American Stock Exchange on October 5, 1961. Based on the closing price on June 26, 1961, about 20,064 shares would be issued in exchange. Since 1947, Stranahan has been engaged in rolling thin gauge metals, primarily in the manufacture and fabrication of aluminum foil, and while presently inactive, owns a plant, rolling equipment, machinery, facilities and other operating assets suitable for the resumption and continued operation of such business. Upon consummation of the exchange, Hydrometals proposes to resume and continue the metal foil business of Stranahan, operated as its subsidiary, and to use its rolling facilities in the production of Hydro-T-Metal and other zinc alloys.

TRI METAL WORKS FILES FOR SECONDARY. Tri Metal Works, Inc., Bennard and Warrington Streets, East Riverton, N. J., filed a registration statement (File 2-18431) with the SEC on June 29th seeking registration of 68,300 outstanding shares of common stock, to be offered for public sale by the holders thereof at prices prevailing in the over-the-counter market at the time of sale. The shares will be offered through R. L. Scheinman & Co. and Blaha & Co., Inc., which will receive a 10% selling commission.

The company is engaged principally in the business of designing, converting and equipping refreshment trucks for use by fleet owners and individual operators in the sale of soft ice cream, pizza pies and other refreshments. It is also engaged in the research, design and manufacture of vacuum furnaces, ovens and components, for use in electronics industries, and in the fabrication of metal equipment for the food, pharmaceutical, and chemical industries. In June 1961 the company entered into an agreement with Bukata Associates, Inc. for the merger of the latter into Tri Metal. Such merger is dependent upon approval of the stockholders of the company. The agreement will require the issuance by the company to Stephan Bukata, the sole stockholder of Bukata Associates, of a minimum of 26,100 common shares, and an additional 26,100 shares if the items produced under the sole contract possessed by Bukata Associates is found satisfactory by the customer.

In addition to certain indebtedness and preferred stock, the company has outstanding 398,116 shares of common stock, of which Rowen Stuffer, president, owns 57,600 shares. Irene Stuffer, treasurer, owns 163,200 shares and proposes to sell 15,000 shares. The prospectus lists 11 other selling stockholders who propose to sell amounts ranging from 500 to 16,800 shares.

FISCHBACH AND MOORE FILES FOR SECONDARY. Fischbach and Moore, Incorporated, 545 Madison Ave., New York, filed a registration statement (File 2-18432) with the SEC on June 29th seeking registration of 50,000 outstanding shares of common stock, to be offered for public sale by Allen D. Fischbach, executive vice president. Allen & Company heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in electrical contracting primarily on office buildings and industrial plants, and at missile and radar and power plant installations. In addition to certain indebtedness, it has outstanding 770,405 shares of common stock, of which H. F. Fischbach, board chairman and president, owns 115,878 shares, and Allen D. Fischbach owns 92,856 shares (of which he proposes to sell the 50,000 shares). Management officials as a group own 32.3% of the outstanding stock.

S.O.S. PHOTO-CINE-OPTICS FILES FINANCING PLAN. S.O.S. Photo-Cine-Optics, Inc., 602 West 52nd St., New York, filed a registration statement (File 2-18433) with the SEC on June 29th seeking registration of \$50,000 of 6% subordinated debentures due 1969 and 50,000 shares of common stock, to be offered in units consisting of \$10 of debentures and 10 common shares. The offering will be made at \$40 per unit on a best efforts all or nothing basis through William, David & Motti, Inc., which will receive a \$6 per unit selling commission and \$8,500 for expenses. The registration statement also includes 20,000 common shares which underlie 5-year warrants sold to the underwriter at \$.001 each, exercisable at \$2 per share, and 20,000 shares which underlie like warrants issued to the three principal officers of the company.

The company (formerly S.O.S. Cinema Supply Corp.) is in the business of manufacturing, renting and distributing motion picture and television production equipment. The estimated \$146,500 net proceeds from the sale of the units will be used for the purchase of equipment to develop the rental phase of the business, for purchase of new machinery for the plant, for new product diversification in such fields as high speed photo-instrumentation for aeronautics space and rocketry program, to expand advertising and sale promotion, for research and development, and for working capital and other corporate purposes.

The company has outstanding 52,000 shares of common stock, of which Joseph A. Tanney, president, owns 90%, and management officials as a group 100%.

JENNIE CO. PROPOSES OFFERING. The Jennie Company, a partnership, 1619 Broadway, New York, filed a registration statement (File 2-18434) with the SEC on June 29th seeking registration of \$400,000 of limited partnership interests, to be offered for public sale at \$8,000 per unit (with a possible \$1,600 per unit overcall). The offering is to be made by David A. Newburge and Kenneth J. Porter as an incident to their services as Producers of the dramatico-musical play tentatively entitled "Jennie." Upon formation of the partnership, Newburge will assign to it all his rights to and interests in the play and the production and exploitation thereof. As general partners, Newburge and Porter will each receive 25% of the net profits of the partnership (for which they will make no cash contribution). The play is an adaptation of a novel entitled "Portrait of Jennie" written by Robert Nathan. Newburge has entered into Dramatists Guild Dramatico-Musical Basic Production Contracts with William Marchant and Carmen Capalbo (bookwriters), Albert Hague (composer) and Arnold Horwitt (lyricist), engaging said persons to write the play, the music and the lyrics thereof. Proceeds of the sale of partnership interests will be used for various purposes related to the production.

ANIMAL INSURANCE CO. FILES FOR STOCK OFFERING. Animal Insurance Company of America, 92 Liberty St., New York, filed a registration statement (File 2-18435) with the SEC on June 29th seeking registration of 40,000 shares of common stock, to be offered for public sale at \$13.50 per share. The offering will be made on an all or none basis through underwriters headed by Bernard M. Kahn & Co., Inc., which will receive a \$1.395 per share commission and \$34,200 (the latter to be paid by the present stockholders). The registration statement also includes 3,300 outstanding common shares which the holders thereof will sell the underwriters at 10¢ per share.

The company is engaged in the animal insurance business in New York, principally the insuring of thoroughbred race horses and standardbred trotters and pacers. Since its organization in 1957, it has not paid any dividends and as of March 31, 1961, it had a deficit of \$190,142. The estimated \$558,000 net proceeds from the stock sale will be added to general funds and invested in securities as authorized by the

New York Insurance Law. The company intends to use such proceeds to expand its business, including becoming licensed in such other states of the United States and Provinces of Canada as determined by management.

In addition to preferred stock, the company has outstanding 50,015 shares of common stock, with a current book value of \$1.91 per share, of which Milton M. Weiss, president, owns 26.77% and management officials as a group 74.88%. R. Harold Bach is listed as board chairman.

DIAMOND ALKALI SHARES IN REGISTRATION. Diamond Alkali Company, 300 Union Commerce Bldg., Cleveland, filed a registration statement (File 2-18436) with the SEC on June 30th seeking registration of 362,806 shares of \$4 preferred stock. According to the prospectus, a meeting of Diamond stockholders is to be held on August 15th to vote upon separate proposals for the merger of The Bessemer Limestone and Cement Company and Chemical Process Company with and into Diamond. Under the proposals, one-third of a share of Diamond preferred will be issued in exchange for each share of Bessemer common; and 12/100 of one share of Diamond preferred will be issued in exchange for each share of Chemical Process capital stock. The merger with Bessemer will enable Diamond to better serve the western Pennsylvania, southwestern New York, northern West Virginia, Maryland Panhandle and eastern Ohio territories now served by Bessemer, of Bessemer, Pa; and the merger with Chemical Process, of Redwood City, Cal., will permit Diamond to add specialties to its present line of basic industrial chemicals and enter into the West Coast market. The Diamond preferred stock is being registered for possible future offering and sale in the over-the-counter market by persons who receive same upon the mergers.

KELLER CORPORATIONS PROPOSES DEBENTURE OFFERING. Keller Corporation, 101 Bradley Place, Palm Beach, Fla., filed a registration statement (File 2-18437) with the SEC on June 29th seeking registration of \$1,200,000 of 6½% convertible subordinated debentures due 1968. The debentures are to be offered for public sale at 100% of principal amount, on an all or none basis through underwriters headed by Casper Rogers & Co. Inc., for which a 10% commission is payable to the underwriters plus \$12,000 for expenses. The statement also includes certain common shares, as related below.

The company was organized in July 1960 for the purpose of acquiring from Lewis E. Keller, its president, all of the capital stock of a group of companies that he had theretofore formed at various times. All of such companies were then and now are engaged in Florida land development, residential construction and related activities. In exchange therefor, Keller received 300,000 common shares. The remaining 74,750 of outstanding shares were sold to the public in September 1960 at \$4 per share. The company's business is the construction and sale of moderately priced one-family homes. In March 1961 the company acquired options to purchase all the stock of Yetter Homes, Inc., a Georgia corporation engaged in the manufacture and sale of prefabricated parts for the erection of small homes, and of Hanover Mortgage Corporation, a Florida corporation engaged in the business of organizing and servicing mortgage loans for institutional investors. It intends to exercise both options; and, in connection therewith, it will issue 16,000 common shares in exchange for the outstanding shares of Yetter's capital stock, and pay the book value of Hanover as of the closing date and issue 5,000 common shares to present stockholders of Hanover. With the net proceeds of the debenture sale, the company will apply \$230,000 to the reduction of its mortgages and accounts payable, \$110,000 to the acquisition of Hanover, and use the balance for general corporate purposes, including expansion of the scope of Yetter's operations and acquisition and development of additional sites for residential home buildings.

The company now has outstanding 377,000 common shares and certain indebtedness, of which the president owns 235,000 shares. The registration statement includes 65,000 warrants (and underlying shares) issued to the principal underwriter and to two finders in connection with the prior public stock offering; 60,000 shares sold privately by the president to ten persons; 20,000 shares owned by the president; and the 21,000 shares to be issued upon acquisition of Yetter and Hanover.

CONSOLIDATED NATURAL GAS SEEKS ORDER. Consolidated Natural Gas Company, New York, has applied to the SEC for an order under the Holding Company Act with respect to its proposal to act as surety on a bond of its subsidiary; and the Commission has issued an order (Release 35-14472) giving interested persons until July 17th to request a hearing thereon. The subsidiary, Hope Natural Gas Company, filed new rate schedules with the Public Service Commission of West Virginia providing for rate increases approximating \$1,800,000 per year for furnishing natural gas service in the entire territory served by Hope in West Virginia. The State Commission suspended the effectiveness of the new rates until June 29, 1961. The new rates may now become effective upon the filing by Hope of a bond in the amount of \$500,000 with satisfactory surety, for the due and proper payment of any refunds which the State commission may order. Consolidated proposes to act as surety on the bond of Hope to save the cost of securing an outside corporate surety.

SECURITIES ACT REGISTRATIONS. Effective June 30: Erie Forge and Steel Corp. (File 2-18217).