

SECURITIES AND EXCHANGE COMMISSION 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)



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BERKSHIRE DISTRIBUTORS FILES FOR OFFERING AND SECONDARY. Berkshire Distributors, Inc., 203 Ann Street, Hartford, Conn., filed a registration statement (File 2-18888) with the SEC on September 14th seeking registration of 100,000 shares of common stock, of which 60,000 shares are to be offered for public sale by the company and 40,000 shares, being outstanding stock, by the holders thereof. The offering will be made by May and Gannon, Inc. The public offering price and underwriting terms are to be supplied by amendment. The selling stockholders have sold to certain officer-stockholders of the underwriter three year options to purchase 9,000 shares at \$5 per share.

The company through its wholly-owned subsidiaries operates in eight discount type department stores located in four States, the leased ("hard goods") department for the retail sale of various hardware and other items. The net proceeds from the company's sale of additional stock will be used to repay short-term bank loans, to discharge other indebtedness, and for working capital to provide funds necessary to open additional new departments. In addition to certain indebtedness, the company has outstanding 120,000 shares of common stock, of which 97,908 shares were issued for the outstanding stock of the nine operating companies. The outstanding stock had a June 30th book value of \$1.47 per share. Henry Michelson, president, owns 50,404 of the outstanding stock and proposes to sell 23,737 shares; and Leo Michelson and Saul Leibow own 34,798 shares each and propose to sell 8,132 and 8,131 shares, respectively.

PIEDMONT NATURAL GAS PROPOSES RIGHTS OFFERING. Piedmont Natural Gas Company, Inc., 523 South Tryon St., Charlotte, N. C., filed a registration statement (File 2-18889) with the SEC on September 14th seeking registration of 126,832 shares of common stock. It is proposed to offer such stock for subscription by common stockholders at the rate of one new share for each ten shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. White, Weld & Co. heads the list of underwriters. Net proceeds from the stock sale will be applied to 1961 expenditures for additions and improvements to facilities, estimated at \$6,000,000. In addition to certain indebtedness and preferred stock, the company has outstanding 1,268,322 shares of common stock, of which management officials as a group own 3%. Buell G. Duncan is listed as president.

AMERICAN DISTILLING PROPOSES DEBENTURE RIGHTS OFFERING. The American Distilling Company, 150 East 42nd Street, New York, filed a registration statement (File 2-18891) with the SEC on September 14th seeking registration of \$9,551,900 of subordinated debentures due 1986 (convertible until 1971). It is proposed to offer such debentures for subscription by common stockholders at the rate of \$100 of debentures for each 10 shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. Blyth & Co., Inc. heads the list of underwriters.

The company's business consists principally of distilling, blending, rectifying, warehousing, bottling and marketing alcoholic beverages including straight bourbon and blended whiskies, vodkas and gins. Of the net proceeds from the debenture sale, \$7,000,000 will be used to prepay term notes payable to banks due 1963 and the balance will be used to provide additional working capital. In addition to certain indebtedness, the company has outstanding 955,194 shares of common stock, of which management officials as a group own 21.6%. Russell R. Brown is listed as president.

NUTRI-LABORATORIES FILES FOR STOCK OFFERING. Nutri-Laboratories, Inc., 1511 K Street, N. W., Washington, D. C., filed a registration statement (File 2-18892) with the SEC on September 14th seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. The offering will be made on an agency, best efforts basis by Hirschel & Company, which will receive a 75¢ per share selling commission and \$13,700 for expenses. The registration statement also includes 9,000 shares underlying warrants to be sold to the underwriter at 5¢ each, exercisable at from \$.50 to \$8 per share.

The company (formerly Special Diets for Pets, Inc.) was organized under District of Columbia law in March 1961 to manufacture and/or distribute animal food and dog products. The net proceeds from the stock sale, estimated at \$405,000, will be applied in part toward a marketing program for the company's Doctor's Choice products, and the balance will be used for general working capital and operating expenses. The company has outstanding 39,375 shares of common stock (after giving effect to a recent recapitalization whereby the 9,500 Class A and 500 Class B common shares then outstanding were exchanged for the 39,375 shares), of which A. Albert Alperstein owns 12.7%, Sol C. Snider, treasurer, 9.5%, and management officials as a group 28.5%. Harold Melman is listed as president. Said outstanding shares were acquired at a cost of \$78,750. After the sale of new shares, the public will own 71.75% of the company's outstanding stock at a cost of \$500,000.

SEC ORDER CITES NORMAN LEMMONS, INC. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Norman Lemmons, Inc., 5404 Hohman Avenue, Hammond, Ind., violated the net capital and financial reporting requirements under that Act, and, if so, whether its broker-dealer registration should be revoked.

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The respondent company has been registered as a broker-dealer since February 18, 1961. Norman Levinson is president and stockholder. The Commission's order schedules for hearing the question whether respondent engaged in the conduct of a securities business during the period February 18 to August 18, 1961, in violation of the Commission's net capital rule; whether it filed a report of financial condition as of July 14, 1961, which was false and misleading with respect to cash in bank; and whether it is permanently enjoined by Federal court order from engaging in or continuing certain conduct and practices in connection with the purchase and sale of securities.

The date of the hearing will be announced later.

CONSOLIDATED CHOLLAR INDUSTRIES DELISTED. The SEC has issued an order under the Securities Exchange Act (Release 34-6630) granting an application of the Pacific Coast Stock Exchange to delist the common stock of Consolidated Chollar Industries by reason of unsatisfactory financial statements, effective at close of the trading session on September 28, 1961.

APEX MINERALS TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Apex Minerals Corporation on the San Francisco Mining Exchange and over-the-counter market, for a further ten-day period September 18 to 27, 1961, inclusive.

EXTENSION GRANTED SECOND CENTENNIAL FUND. The SEC has issued an order under the Investment Company Act (Release IC-3325) granting a request of Second Centennial Fund, Inc., Denver, for a further extension to April 10, 1962, or the date of its first meeting of shareholders, for compliance with Sections 15(a) and 16(a) of the said Act.

TAX FREE INCOME FUND DEREGISTERED. The SEC has issued an order under the Investment Company Act (Release IC-3326) declaring that Tax Free Income Fund, Inc., of Chicago, has ceased to be an investment company.

LOMART PERFECTED DEVICES FILES FOR STOCK OFFERING. Lomart Perfected Devices, Inc., 199 Bleecker St., Brooklyn, N. Y., filed a registration statement (File 2-18893) with the SEC on September 14th seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. No underwriting is involved. Any brokers who sell shares upon their customers' unsolicited orders will be allowed a cash concession of 30¢ per share.

The company was organized under Delaware law in September 1961 for the purpose of acquiring the entire outstanding capital stock of Lomart Industries, Inc. and all the capital stock of Lomart Manufacturing Corp. and Perspex Corp. Through its wholly-owned subsidiaries, the company is presently engaged in the manufacture and sale of pool filters and accessories, replacement parts therefor, and tools, dies and metal stampings, and contemplates engaging in the manufacture, promotion and distribution of the "perspex," a new device not presently being marketed for which a patent application has been filed. This is a mechanical device for translating an engineering drawing into an optically correct prospective drawing. The net proceeds from the stock sale, estimated at about \$500,000, will be used to relocate operations and set up the plant and equipment, for purchase of machinery, equipment, tools, dies and molds, to organize a sales force for distribution, promotion and advertising in connection with the "perspex," and for addition to working capital to carry increased inventories.

The company has outstanding 300,000 shares of common stock (with a June 30th book value of 78¢ per share), of which Martin Hoffinger, president, owns 40.6% (and holds an additional 18.2% as custodian for his children), and C. Lorraine Hoffinger, secretary, also owns 40.6%. After the sale of new shares, book value of all outstanding shares will be increased to \$1.66 per share. Present stockholders will own 75% of the outstanding stock at a cost of \$26,115, and the public will own 25% at a cost of \$500,000.

MISSISSIPPI VALLEY GENERATING LIQUIDATING PAYMENTS CLEARED. The SEC has issued a decision under the Holding Company Act (Release 35-14517) authorizing Middle South Utilities, Inc., New York, and The Southern Company, Atlanta, holders of 79% and 21%, respectively, of the common stock of Mississippi Valley Generating Company ("MVG"), of Birmingham, Ala., to pay \$1,340,000 to the creditors of the latter company, now in the process of liquidation, to enable it to pay its debts.

The proposal arose out of the fact that a power contract entered into between MVG and the Atomic Energy Commission was cancelled by direction of the President in 1955. In ensuing litigation brought by MVG for damages from the Government for cancellation of the contract, the Supreme Court held that the Government was not liable on the ground that the power contract was vitiated by a conflict of interest by one of the Government participants in the negotiations.

Prior to cancellation of the contract, MVG incurred bills for some \$1,868,000. An additional \$572,000 of expenses was incurred in connection with the subsequent litigation in the courts. The total amount of indebtedness, for construction expenditures and claims for legal services, aggregate \$2,440,000; but MVG's total assets amount to only \$1,100,000. Accordingly, the two parent companies propose to pay the \$1,340,000 deficiency directly to the creditors of MVG. The latter will then be dissolved.

LIBERIAN IRON ORE LTD., LIBERIAN AMERICAN-SWEDISH MINERALS CO. FILE FOR RIGHTS OFFERING. Liberian Iron Ore Limited ("LIO"), Prince Edward Island, Canada, and The Liberian American-Swedish Minerals Company ("LAMCO"), Monrovia, Liberia, filed a registration statement (File 2-18890) with the SEC on September 14th seeking registration of 436,327 shares of capital stock of LIO and \$5,871,500 of 4.167% subordinated debentures due 1985 of LAMCO. Such securities are owned or will be owned by International African American Corporation ("IAAC") pursuant to the exercise of certain options granted to IAAC under an agreement in

February 1961 among IAAC, The Swedish Lamco Syndicate, Trafik AB Grangesberg-Oxelosund & Co. (the "Swedish Syndicate") and LIO. (The Swedish Syndicate, consisting of six companies, is LIO's controlling stockholder, and LIO is engaged solely in the business of holding capital stock of LAMCO). IAAC proposes to offer the securities of LIO and LAMCO to its capital stockholders (the record date to be supplied by amendment) as follows: (1) Class A rights to acquire 40,000 capital shares of LIO at \$10 per share at the rate of one share for each 22 shares held; (2) Class B rights to acquire 220,182 shares of LIO at \$15.85 per share at the rate of one share for each four shares held; and (3) Class C rights to acquire \$5,871,500 of debentures of LAMCO and 176,145 LIO shares in units, each consisting of \$100 of debentures and three LIO shares, at \$104 per unit. No underwriting is involved.

LAMCO has entered into a Joint Venture Agreement with Bethlehem Steel Corporation, establishing a Joint Venture for the development and commercial exploitation of iron ore deposits in Liberia. They hold a mining concession from the Government of Liberia, granted in 1960 and extending to 2023. LAMCO has a 75% interest therein and Bethlehem a 25% interest. They intend to develop and mine by open-pit methods iron ore deposits in the Nimba Mountains of Liberia. The total cash requirements of LAMCO in order to bring the Nimba project to a productive capacity of 6,000,000 tons are estimated to be about \$148,888,000. Of this amount, LAMCO has already obtained \$53,750,000, has entered into credit agreements covering \$87,812,000, and expects to obtain \$7,326,000 from its gross profits after the commencement of operations. The Swedish Syndicate has agreed to advance all additional funds LAMCO might need to complete the project after all such funds have been invested. The estimated total cost of the Joint Venture is \$186,610,000 (25% being contributed by Bethlehem). LAMCO has or will obtain the necessary funds as follows: (1) \$1,000,000 from the sale of 1,000,000 Class B shares now owned by LIO (an equal amount of Class A shares having been issued to the Liberian Government in consideration of the granting of the concession), (2) \$10,250,000 by advances from the Swedish Syndicate and IAAC, (3) \$4,500,000 from Bethlehem as an "entrance fee," (4) \$38,000,000 by a loan from the Swedish Syndicate, evidenced by a like amount of LAMCO's debentures, (5) \$30,000,000 by a loan from The Export-Import Bank of Washington, evidenced by a like amount of 5-3/4% secured notes, series A, (6) \$52,112,000 by loan from Kreditanstalt fur Wiederaufbau, Frankfurt, evidenced by a like amount of 6% notes, (7) \$5,700,000 by loan from The First National City Bank of New York, evidenced by a like amount of 6% notes, and (8) \$7,326,000 from cash generated from sales of LAMCO's share of the ore to be produced during the period between the commencement of commercial operations and completion of the project to 6,000,000 tons.

In addition to certain indebtedness, LAMCO has outstanding 1,000,000 Class A shares owned by the Liberian Government and 1,000,000 Class B shares owned by LIO. LIO has outstanding, in addition to certain indebtedness, 3,076,667 capital shares, of which the Swedish Syndicate owns 82.1% and IAAC 16.3%. Marc Wallenberg, Sr. is listed as president of LIO and board chairman of LAMCO, and Johnston Avery as president of LAMCO.

SECURITIES ACT REGISTRATIONS. Effective September 15: Commonwealth Fund for Growth, Inc. (File 2-17613); Douglas Microwave Co., Inc. (File 2-18425); Occidental Petroleum Corp. (File 2-18408); United Investors Corporation of Delaware (File 2-18204).

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