

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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PULP PROCESSES PROPOSES OFFERING. Pulp Processes Corporation, Hoge Bldg., Seattle, Wash., filed a registration statement (File 2-18923) with the SEC on September 20th seeking registration of 140,000 shares of common stock, to be offered for public sale at \$5 per share. The offering will be made by underwriters headed by Wilson, Johnson & Higgins, which will receive a commission of 50¢ per share plus \$14,000 for expenses. Also included in the statement are an additional 10,000 common shares underlying five-year options which are exercisable initially at 110% of the offering price.

The company was organized under Washington law in July 1961 and proposes to devote the major part of its activities initially to the development for commercial use of certain pulping and bleaching devices and techniques. If such development is successful the company will promote the sales and use thereof and will provide related engineering and technical consultant services. The devices have not been developed beyond the laboratory and testing stage. The \$590,000 estimated net proceeds of the stock sale will be used largely for general corporate purposes.

One of the licenses acquired by the company was transferred to it by Edward H. Heller, board chairman, who received 100,000 common shares therefor, constituting all the outstanding stock. Donald D. Smith is listed as chairman of the executive committee and J. W. Rankin as president.

FIRST FEDERATED LIFE INS. PROPOSES RIGHTS OFFERING. First Federated Life Insurance Company, Munsey Bldg., Baltimore, filed a registration statement (File 2-18925) with the SEC on September 20th seeking registration of 10,000 shares of capital stock, to be offered for subscription at \$35 per share by stockholders at the rate of one new share for each two shares held. The record date is to be supplied by amendment. Eliasberg Bros., Inc. and Abraham Krieger have agreed to purchase unsubscribed shares at \$35 per share (two-thirds by the former and one-third by the latter). All the outstanding voting stock of Eliasberg Bros. is owned by Louis Eliasberg, Jr. and Richard A. Eliasberg (president), who are principal holders of the Insurance Company's outstanding stock; and Krieger is board chairman.

Net proceeds of the stock sale will be used to provide additional capital and surplus for the company to support an increase of insurance to be written by it. The company has outstanding 20,000 shares, of which 2,181 are owned by Louis Eliasberg, 2,072 by Louis Eliasberg, Jr., and 2,194 by Richard A. Eliasberg. Management officials as a group (including family members) own 55.3% of the outstanding stock.

ROCKET POWER PROPOSES OFFERING. Rocket Power, Inc., Falcon Field, Mesa, Ariz., filed a registration statement (File 2-18926) with the SEC on September 20th seeking registration of 200,000 common shares, to be offered for public sale on an all or none basis through underwriters headed by Paine, Webber, Jackson & Curtis and Prescott & Co. The public offering price and underwriting terms are to be supplied by amendment.

Organized in 1959, the company conducts research on, designs, develops, manufactures and sells, solid propellant actuated devices for missiles and military aircraft, solid propellants, rocket motors, rocket catapults and other related products, most of which are for military or national defense purposes. It was inactive until June 1961 when it took over the assets and business and assumed the obligations and liabilities of Rocket Power/Talco-Bohanan Division of The Gabriel Company, and assumed \$1,500,000 of Gabriel's indebtedness to Society National Bank of Cleveland. Gabriel is an Ohio corporation with offices in Cleveland and at present owns all the outstanding stock of Rocket Power. On June 1st, Gabriel borrowed \$5,000,000 from Society Bank for which it gave a 6% note due May 31, 1962. The proceeds of the loan were used to pay off short term bank indebtedness of Gabriel. At the same time, Gabriel transferred to Rocket Power the assets of the said Division, with a book value of \$4,750,000, in exchange, in part, for 799,990 Rocket Power common shares; and Rocket Power then assumed some \$750,000 of the said Division's liabilities. In addition, Rocket Power agreed to pay \$1,500,000 of Gabriel's obligation on the \$5,000,000 note to Society Bank. Net proceeds of the sale of additional stock by Gabriel Power, to the extent they do not exceed \$1,500,000, will (subject to certain limitations) be used to pay off the \$1,500,000 obligation. Any balance will be used for general corporate purposes. The company's prospectus lists John H. Briggs as board chairman and Charles E. Bartley as president. Gabriel owns all the 800,000 outstanding common shares.

HYGIENE INDUSTRIES FILES FOR SECONDARY. Hygiene Industries Inc., 261 Fifth Ave., New York, filed a registration statement (File 2-18927) with the SEC on September 20th seeking registration of 200,000 outstanding shares of common stock, to be offered for public sale by the holders thereof at \$5 per share. The offering is to be made by underwriters headed by Milton D. Blauner & Co., Inc., which will receive a commission of 50¢ per share plus \$24,000 for expenses payable by the selling stockholders. Also included in the statement are an additional 15,000 outstanding shares purchased from present stockholders by Milton D. Blauner at \$1.85 per share.

The company is engaged principally in the manufacture of shower curtains and matching window curtains, and to a lesser degree, in the manufacture of plastic draperies and table covers and related miscellaneous items. It has outstanding 600,000 common shares, of which 585,000 shares are owned by seven selling stockholders. The largest blocks are held by Abraham Hershson, president (196,443 shares) and Noel Levine,

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executive vice president (158,134); and they propose to sell 67,160 and 54,063 shares, respectively. The selling stockholders, comprising the two principal officers and members of their respective families and one other, prior to the offering own 97.5% of the outstanding stock and will own, after the offering, 64.24%.

SEC DENVER ADMINISTRATOR RESIGNED. SEC Chairman Cary today announced that Milton J. Blake has resigned as Denver Regional Administrator, effective October 31, 1961, to return to the private practice of law in Denver. Commencing October 2d, Donald J. Stocking of Seattle will become Acting Regional Administrator, Mr. Blake agreeing to serve in an advisory capacity during the transitional period. A career employee, Mr. Stocking was appointed as an attorney in the Seattle Regional Office in April 1938. During the intervening years he has participated actively in all phases of the work of that Office, particularly with respect to investigation and enforcement actions under the Federal securities laws. Since 1957 he has served as Assistant Regional Administrator. A native of Billings, Mont., Mr. Stocking received his law degree from Montana University in 1931, practiced law in Great Falls for three years, then became an Assistant U. S. Attorney for Montana (Butte), which position he held until his appointment to the SEC staff in 1938.

ASSOCIATED UNDERWRITERS HEARING SCHEDULED. The SEC has scheduled a hearing for October 23, 1961, in Little Rock, Ark., in proceedings under the Securities Exchange Act of 1934 to determine whether Associated Underwriters, Inc., 3625 Lee Avenue, Little Rock, falsified reports to the Commission or otherwise violated provisions of that Act and Commission rules thereunder and, if so, whether its broker-dealer registration should be revoked. The hearing will be held in Room 212, United States Post Office and Courthouse Building in Little Rock. (For details, see Release 34-6628).

RONALD MARK & CO. HEARING POSTPONED. The SEC, on request of counsel for Ronald Mark & Co., Inc., of New York, has postponed from September 25 to October 9, 1961, the hearing scheduled for the Commission's San Francisco Regional Office in proceedings under the Securities Exchange Act of 1934 to determine whether that company violated the anti-fraud provisions of the Securities Act of 1933 in the offer and sale of stock of Trans Central Industries, Inc., and, if so, whether its broker-dealer registration should be revoked.

STATE SECURITIES CORP. HEARING POSTPONED. The Commission also has authorized a postponement from September 25 to October 23, 1961, on request of respondent's counsel, of the hearing scheduled for its New York Regional Office in proceedings to determine whether State Securities Corporation of Newark, N. J., violated the anti-fraud provisions of the Securities Act in the offer and sale of Commercial Currency Corporation stock and, if so, whether its broker-dealer registration should be revoked.

AL-CRETE CORP. PROPOSES OFFERING. Al-Crete Corporation, 4800 Baltimore Ave., Hyattsville, Md., filed a registration statement (File 2-18924) with the SEC on September 20th seeking registration of 127,000 shares of Class A common stock, to be offered for public sale at \$3 per share. The offering is to be made on an all or none basis by Whitehall Securities Corporation, for which it will receive a 30¢ per share commission plus \$12,500 for expenses. Also included in the statement are an additional 19,050 Class A shares underlying three year warrants issued to the underwriter and 2,000 shares underlying similar warrants issued to Alfred C. LeCocq, an officer and director, the warrants being exercisable at \$4 per share.

The company was organized under Delaware law in August 1961 and then acquired Alcrymat Corporation of America, which engaged in the roofing construction and building products manufacturing business. The company proposes to embark upon a program of developing, manufacturing and selling a new variety of building products, said to combine aluminum and concrete and which will be marketed initially in the roofing construction industry. The \$312,900 estimated net proceeds of the stock sale will be used primarily to purchase a new plant site at Landover, Md., and to construct thereon and equip a plant and corporate offices.

The company now has outstanding 108,452 Class A and 67,796 Class B shares. Management officials own 31.5% of the Class A and 70.5% of the Class B stock. The prospectus lists Lyle E. Wright as president.

BUSINESS GROWTH FUNDING CORP. PROPOSES OFFERING. Business Growth Funding Corp., 527 Lexington Ave., New York, filed a registration statement (File 2-18928) with the SEC on September 20th seeking registration of 100,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made on a best efforts basis by Morton Klein & Co., Inc., which will receive a 48¢ per share selling commission and \$12,000 for expenses (at the rate of 12¢ per share sold). Also included in the statement are an additional 20,000 common shares purchased by the underwriter from promoters of the company at 50¢ per share. Morton Klein, sole stockholder of the underwriter, is a controlling person of the issuing company.

The company was organized in June 1961. It intends to make loans to small business concerns, acquire machinery and/or equipment for lease to qualified concerns, and provide advisory and management counseling services and financial advice to such concerns. The \$327,472 estimated net proceeds of the stock sale will be used for such purposes. The company now has outstanding 200,000 shares of common stock, acquired by the promoters at 50¢ per share. David A. Dank and Morton Klein, president and vice president, respectively, own 45% each and the underwriter 10%.

UNIVERSAL LIGHTING PROPOSES OFFERING. Universal Lighting Products, Inc., 55 Bergenline Ave., Westwood, N. J., today filed a registration statement (File 2-18929) with the SEC seeking registration of 175,000 shares of common stock, to be offered for sale at \$1 per share. The offering is to be made on a firm commitment, all or none basis by an underwriting group headed by Globus, Inc., which will receive a 15¢ per share commission plus \$9,000 for expenses. The company sold \$50,000 of convertible notes to Globus and 50,000 five-year warrants for an aggregate of \$50,500. The notes are to be converted into 50,000 common shares; and the warrants are exercisable at \$1 per share. These shares also are included in the statement.

The company was organized under Delaware law in June 1961 and is the successor in interest to two New Jersey companies, Kanarek Lighting Co., Inc. (formerly known as Universal Lighting Products, Inc.) and

Universal Metal Manufacturing, Inc., which were organized in 1956 and 1953, respectively. The new company acquired all the assets and assumed all the liabilities of the two predecessors in exchange for 225,000 shares of its common stock, and is engaged in the design, manufacture and sale of lighting fixtures and display and merchandising equipment for use in gasoline service stations. Net proceeds of the stock sale will be used largely for reduction of accounts payable and retirement of certain short-term loans and for working capital. Of the 225,000 outstanding common shares, 75% is owned by Elliott Kanarek, president, and 10% by Ann Schwartz. The June 30th book value thereof was \$0.23 per share. Upon sale of the additional 175,000 shares, but before exercise of the warrants, each share will have a pro forma book value of 55¢.

PUBLIC SERVICE ELECTRIC & GAS (N.J.) PROPOSES FINANCING. Public Service Electric and Gas Company, 80 Park Place, Newark, N. J., today filed a registration statement (File 2-18930) with the SEC seeking registration of \$50,000,000 of Debenture Bonds due 1981, to be offered for public sale at competitive bidding. Net proceeds of this financing will be added to the company's general funds of the company and will be used for its general corporate purposes, including the payment of a portion of the cost of its current construction program and the payment of short-term bank loans amounting to some \$15,000,000. The company estimates its construction program at \$237,000,000 as of June 30, 1961.

GENERAL AMERICAN TRANSPORTATION PROPOSES OFFERING. General American Transportation Corporation, 135 South LaSalle St., Chicago, today filed a registration statement (File 2-18931) with the SEC seeking registration of \$25,000,000 of Equipment Trust Certificates due 1981, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Net proceeds of the sale of the certificates will be used toward reimbursing the company's treasury for the cost (not less than \$27,777,778 after adjustment for depreciation) of the cars to be subject to the agreement under which the certificates will be issued. All of such cost had been expended as of December 31, 1960. The company contemplates for the remainder of 1961 and 1962 expenditure of a minimum of about \$30,000,000 for additions to its fleet of specialized railroad freight cars. Its principal activity is the supplying of its railroad freight cars to railroads and shippers for their use.

INDICTMENT NAMES TWO. The SEC Chicago Regional Office announced September 19th (Lit-2106) the return of an indictment (USDC, Chicago) charging Harry L. Grant and Emil Traficante with violations of the Securities Act registration and anti-fraud provisions in the sale of oil interests.

UNITED INDUSTRIAL TRADING BAN TO BE LIFTED. The SEC today announced that it did not intend to renew the suspension of trading in securities of United Industrial Corporation, of Los Angeles, beyond the close of business on Friday, September 22, 1961, when the current ten-day suspension expires.

Accordingly, after that date, over-the-counter trading in the common and preferred stocks of United and in its common stock purchase warrants may be resumed. The common and preferred stocks are listed on the New York and Pacific Coast Stock Exchanges; and the common stock also is traded on the Detroit Stock Exchange and the warrants on the Pacific Coast and American Stock Exchanges. Trading in the common and preferred stocks on the New York and Pacific Coast Stock Exchanges remains suspended by action of those Exchanges. Resumption of trading on the other exchanges would be permissible on Monday, September 25, 1961, subject to any action the exchanges might take.

SECURITIES ACT REGISTRATIONS. Effective September 20: Strouse, Inc. (File 2-18386).

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