

# 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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FOR RELEASE October 2, 1961

Statistical Release No. 1782. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended September 29, 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	
	9/29/61	9/22/61		High	Low
Composite	134.9	134.8	+0.1	138.2	118.3
Manufacturing	127.0	127.3	-0.2	131.0	113.0
Durable Goods	130.7	130.4	+0.2	132.8	117.0
Non-Durable Goods	123.7	124.5	-0.6	130.5	109.2
Transportation	106.5	106.0	+0.5	109.4	97.8
Utility	169.5	167.8	+1.0	173.0	144.4
Trade, Finance & Service	166.6	165.7	+0.5	167.1	132.5
Mining	85.7	84.5	+1.4	99.5	83.3

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended September 29, 1961, 149 registration statements were filed, 36 became effective, 3 were withdrawn, and 711 were pending at the week end.

FERBER BECOMES ASSOCIATE GENERAL COUNSEL. SEC Chairman Cary today announced the promotion of David Ferber to the position of Associate General Counsel effective October 14, 1961. He succeeds Mitchell S. Rieger, who has resigned to engage in private law practice in Chicago. Mr. Ferber has served as Assistant General Counsel since June 1956. He received his appointment as an attorney on the staff of the General Counsel's Office in February 1942 and has since served in progressively more responsible positions. Over the years he has participated in the preparation of briefs and in the presentation of arguments in much of the court litigation in which the Commission has been involved under the Federal securities laws, including appeals from administrative decisions of the Commission as well as civil actions filed by the Commission to enjoin violations of the laws. He now serves as Chairman of the Committee on Internal Organization and Procedure, Administrative Conference of the United States.

Born in Hoosick Falls, N. Y., on February 20, 1912, Mr. Ferber is a graduate of the University of Pennsylvania (1933) and the Albany Law School of Union University (1936), where he was Editor-in-Chief of the Law Review. Prior to his appointment to the Commission's Staff, Mr. Ferber was engaged in the private practice of law in Albany. He is married and the father of two daughters.

COASTAL STATES GAS PRODUCING COMPANY SEEKS ORDER. Coastal States Gas Producing Company, Corpus Christi, has filed an application with the SEC under the Trust Indenture Act for an order permitting the Empire Trust Company to serve as trustee under an indenture securing \$10,000,000 of 5½% Sinking Fund Debentures due 1980 which were issued and sold on July 28, 1961, to thirteen institutional purchasers, and the Commission has issued an order (Release TI-158) giving interested persons until October 18, 1961, to request a hearing on the application. Empire Trust now serves as trustee under two other indentures securing debt securities of Coastal States.

PULSA-TRONICS FILES FOR STOCK OFFERING. Pulsa-Tronics, Inc., 5913 Carrier St. North, St. Petersburg, Fla., filed a registration statement (File 2-19034) with the SEC on September 28th seeking registration of 100,000 shares of common stock, to be offered for public sale at \$3.25 per share. The offering will be made on an all or none basis through underwriters (to be supplied by amendment), which will receive a share \$ .40625 per share commission and \$12,500 for expenses. The registration statement also includes 20,000 underlying warrants to be sold to the underwriter for \$20, exercisable at \$3.25 per share.

The company (formerly Pulse-A-Rhythm Manufacturing Company, Inc.) is principally engaged in the manufacture and distribution of a product known as the "Pulse-A-Rhythm" Massaging Mattress. The \$240,000 estimated net proceeds from the stock sale will be used to establish retail distributorships, for purchase of components and raw materials for new products, to reduce current indebtedness, for national advertising on new products and for working capital.

The company has outstanding 110,000 shares of common stock, of which David J. Scott, John L. Riley, president, and Capital Counsel Incorporated own 47.45%, 18.36% and 30.45%, respectively.

MACOID INDUSTRIES FILES FOR OFFERING AND SECONDARY. Macoid Industries, Inc., 12340 Cloverdale, Detroit, filed a registration statement (File 2-19035) with the SEC on September 28th seeking registration of 300,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 200,000 shares, being outstanding stock, by the present holders thereof. The offering will be made at \$5 per share through underwriters headed by Charles Plohn & Co. and Edwards & Hanly, which will receive a

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60¢ per share commission and \$15,000 for expenses. The registration statement also includes 45,000 shares underlying a three-year option granted to Charles Plohn & Co., exercisable at \$5 per share.

The principal business of the company (formerly Detroit Macoid Corporation) is the extrusion and injection molding of various plastic products for the automobile industry. It also produces plastic products for use by telephone and electrical utilities, and for miscellaneous other uses. The \$400,000 estimated net proceeds from the company's sale of additional stock will initially become working capital which may be applied to any corporate purpose including possible purchase of property, outstanding stock of a subsidiary, and machinery and equipment replacements and additions.

In addition to certain indebtedness, the company has outstanding 430,000 shares of common stock (after giving effect to a recent recapitalization whereby the 20,850 shares then outstanding were exchanged for the 430,000 shares), of which J. E. Gould, vice president, George S. Hendrie, president, and Stephen D. Bradley, secretary, own 42.9%, 42.9% and 9.8%, respectively, and they propose to sell amounts to be supplied by amendment.

U. S. CONTROLS FILES FOR STOCK OFFERING. U. S. Controls, Inc., 410 Fourth Avenue, Brooklyn, N. Y., filed a registration statement (File 2-19036) with the SEC on September 28th seeking registration of 120,000 shares of common stock, to be offered for public sale at \$2.25 per share. The offering will be made on an all or none basis by N. A. Hart & Co., which will receive a \$.225 per share commission and \$12,500 for expenses. A \$13,500 finder's fee is payable to Herbert Nathan. The company sold to the underwriter an aggregate of 12,000 shares of common stock at a price of \$.10 per share and an aggregate of 12,000 warrants to purchase 12,000 shares at a price of \$.01 per warrant. In August and September 1961, the company issued to I.T.C. Resources Inc. a 2% six-month convertible note in the principal amount of \$25,000.00 which note is to be converted on the effective date into 13,750 shares of common stock and 1,375 warrants to purchase 1,375 shares of common stock. At the same time, the company issued to C.F.C. Funding Inc. a 2% six-month convertible note in the principal amount of \$10,000 which note is to be converted on the effective date into 880 shares of common stock and 1,375 warrants to purchase 1,375 shares of common stock. C.F.C. Funding, Inc. simultaneously purchased from a former stockholder of the company an aggregate of 12,870 shares of common stock at an aggregate price of \$15,000. Each warrant is exercisable for a period of three years from issue at \$2.25 per share.

The company is engaged in the business of developing and manufacturing automatic control systems, and is about to undertake and engage in research and development and manufacture of induction and dielectric heating equipment. Net proceeds from the stock sale and from conversion of the notes, estimated at \$233,000, will be used for expansion of sales representation, advertising, research and development in the induction and dielectric heater field and control systems field, for acquiring induction and dielectric heater equipment and inventory, and for working capital.

In addition to certain indebtedness, the company has outstanding 200,000 shares of common stock (after giving effect to a recent recapitalization whereby 42.9 shares were issued in exchange for each of the 4,620 shares previously outstanding), of which Stanley Zinn, president, owns 51.85%

AMERICAN REALTY AND PETROLEUM PROPOSES DEBENTURE OFFERING. American Realty and Petroleum Corp., 16 West 61st Street, New York, filed a registration statement (File 2-19037) with the SEC on September 28th seeking registration of \$2,000,000 of 6½% convertible subordinated debentures due 1971, to be offered for public sale at 100% of principal amount. The offering will be made on an all or none basis through underwriters headed by Troster, Singer & Co., which will receive an 8% commission and \$30,000 for expenses. The registration statement also includes 75,000 shares of common stock to be sold to the principal underwriter at 10¢ per share.

The company (formerly Great Sweet Grass Oil Company) is engaged in the development and sale of real estate and the oil and gas business. In August 1961, fifteen Florida corporations were merged into the company, and the company acquired all of the outstanding stock of fifteen other Florida corporations which own the Rainbow Lakes Estates, and all of the stock of Rainbow Lakes Estates Homes, Inc. Prior to the acquisitions, the company was a wholly owned subsidiary of Great Sweet Grass Oils Limited, of Ontario. Upon completion of the merger-acquisition, Limited owned 500,000 shares and the former stockholders of the Rainbow Companies owned an aggregate of 2,000,000 shares of the company's common stock, par value 10¢ per share. After the merger-acquisition, Limited distributed its 500,000 shares of such stock to its shareholders. Of the net proceeds from the debenture sale, \$250,000 will be used for the partial prepayment of the Zilkha Loan, \$350,000 for the sales program and advertising of the unsold homesites at Rainbow Lakes Estates, \$650,000 for the initial development costs, including road work, and the initial sales program, and advertising of homesites at the Albuquerque, New Mexico property, \$200,000 for the improvement of its oil properties, including the cost of waterflooding the East Brady field, and \$250,000 for possible acquisition of new properties.

In addition to certain indebtedness, the company has outstanding 2,500,000 shares of common stock, of which Irving W. Blum, Herman B. Oberman, president, and Chester Carity and Henry L. Hoffman, vice presidents, own 15%, 13.8%, 15.2% and 18.6%, respectively. James H. R. Cromwell is listed as board chairman.

DIXIE DINETTES FILES FOR SECONDARY. Dixie Dinettes, Inc., Dabney Road, Richmond, Va., filed a registration statement (File 2-19038) with the SEC on September 28th seeking registration of 144,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof at \$5 per share. The offering will be made on an agency, best efforts "all or nothing" basis by Rubin, Rennert & Co., Inc., which will receive a 50¢ per share commission and \$24,998.40 for expenses. The registration statement also includes 6,000 outstanding shares to be sold to the underwriter by the selling stockholders at \$1 per share,

11,000 shares underlying five-year warrants to be sold to the underwriter by the company at 10¢ per warrant, exercisable at \$5 per share, 3,000 outstanding shares to be sold to Herbert A. Krumbein, vice president of the underwriter, by the holders thereof at \$1 per share, and 5,500 shares underlying like warrants to be sold to Krumbein by the company.

The company produces a variety of tables and chairs for use in kitchens and dinettes. The company has outstanding 369,170 shares of common stock (after giving effect to a recent recapitalization whereby the 2,546 shares then outstanding were changed into the 369,170 shares), of which Gate City Table Co., Inc. and Alfred J. Cohn, president, own 188,500 and 95,700 shares, respectively, and propose to sell 73,528 and 37,329 shares, respectively. The prospectus lists 12 other selling stockholders who propose to sell amounts ranging from 1,305 to 36,540 shares. Harry Harrison is listed as board chairman.

**REALTY EQUITIES OF N.Y. PROPOSES DEBENTURE RIGHTS OFFERING.** Realty Equities Corporation of New York, 666 Fifth Avenue, New York, filed a registration statement (File 2-19039) with the SEC on September 28th seeking registration of \$2,126,800 of subordinated debentures due 1971 (with attached 10 year warrants to purchase 265,850 common shares). It is proposed to offer a part of such securities for subscription by common stockholders in 16,758 units, each consisting of \$100 of debentures and a warrant to purchase 12.5 shares at the rate of one unit for each 20 shares held. The offering will be made at \$100 per unit. The registration statement also includes 4,510 like warrants to be offered in exchange for outstanding 10% debentures of the company at the rate of ten units for each \$1,000 of such debentures. Sutro Bros. & Co. heads the list of underwriters. The record date, interest rate, exercise price of the warrants, and underwriting terms are to be supplied by amendment.

The business of the company and its subsidiaries consists principally of the purchase and sale, the development (including building construction) and management of, and the making of investments in, real estate. The net proceeds from the sale of the units will be added to the general funds of the company and will be used for its general corporate purposes, including increased working capital, and will be available for the purchase or improvement of additional properties.

In addition to certain indebtedness, the company has outstanding 335,147 shares of common stock, of which Morris Karp, president, own 17.7% and management officials as a group 27%.

**ALLOYS UNLIMITED FILES EXCHANGE PLAN AND SECONDARY.** Alloys Unlimited, Inc., 21-01 43rd Avenue, Long Island City, N. Y., filed a registration statement (File 2-19040) with the SEC on September 28th seeking registration of 32,578 shares of common stock, of which 32,578 shares are issuable in connection with the company's proposed acquisition of CFI Corporation, and 7,000 in connection with the proposed acquisition of Bow Solder Products Co., Inc. The registration statement also includes 81,203 outstanding shares (including 3,853 of the shares issuable under said acquisitions) which may be offered for public sale from time to time by the holders thereof on the American Stock Exchange at current market prices. No underwriting is involved.

The principal activity of the company is the manufacture of certain components for such semiconductor devices as silicon and germanium transistors, diodes and rectifiers. It also produces and sells small research quantities of certain intermetallic compounds, among which are materials for tunnel diodes and transistors; materials for solar cell applications; and materials for infra-red, thermoelectric and electro luminescence devices. CIF manufactures ceramic hermetic seals and ceramic preforms for use in those semiconductor and other electronic devices for which the heat-resistant qualities of ceramic components are required. Bow Solder is presently engaged in the manufacture of conventional industrial solder. In addition to certain indebtedness, the company has outstanding 594,053 shares of common stock, of which Marshall D. Butler, president, Gregory S. Coleman, vice president, and Hamburg Tang, secretary-treasurer, own 96,680, 89,900 and 98,000 shares, respectively, and propose to sell 18,000, 12,900 and 18,000 shares, respectively. The prospectus lists 22 other selling stockholders who propose to sell amounts ranging from 100 to 4,000 shares.

**LYNCH CORP. FILES EXCHANGE PLAN.** Lynch Corporation, Anderson, Ind., filed a registration statement (File 2-19041) with the SEC on September 28th seeking registration of 373,961 shares of common stock (with attached five-year warrants to purchase 373,961 shares initially at \$12 per share). It is proposed to offer such stock to common stockholders of Peninsular Metal Products Corporation at the rate of one company share (and one warrant) for each Peninsular share. The company has agreed to sell to Sol M. Sweifach, a director of Peninsular, like warrants at \$1 per warrant, to purchase 20,000 common shares.

The company is engaged in the manufacture of machinery for glass forming, for packaging and for the processing of extruded plastics. A subsidiary produces stereo and high-fidelity phonographs, television receivers and defense electronic equipment. Peninsular is engaged in the design and manufacture of dynamic testing equipment and precision flow measuring equipment and in the design and installation of complete metal finishing systems for use in the jet engine, aircraft, missile and automotive industries, and it also produces drop forgings of brass, bronze, copper and aluminum for the aircraft, automotive, missile and building industries.

In addition to certain indebtedness, the company has outstanding 713,562 shares of common stock, of which Bernard H. Lippin, president, and Max J. Zimmer and Howard A. Jacobs, directors, own an aggregate of 25.8%.

**ARTLIN MILLS FILES FOR STOCK OFFERING.** Artlin Mills, Inc., 10-30 Pearl Street, Long Branch, N. J., filed a registration statement (File 2-19043) with the SEC on September 28th seeking registration of 135,000 shares of Class A common stock, to be offered for public sale at \$5 per share. The offering will be made on an agency "best effort- all-or nothing" basis by Mortimer B. Burnside & Co., Inc., which will receive a 90¢ per share commission and \$20,000 for expenses. The registration statement also includes 27,000 shares to be sold to the underwriter and 5,000 shares to George Kraus, for services, all at 10¢ per share. The underwriter

will resell 2,700 of such shares to Kraus.

The company is principally engaged in the business of purchasing, converting, decorating, gift packaging and distributing terrycloth towels and cotton pillowcases. The company has recently commenced purchasing, decorating and distributing laminated foam rubber-backed terrycloth bathroom mats. On August 7, 1961, the company acquired, by contribution, all the outstanding stock of Janell Embroidery, Inc., which prior thereto had been under common ownership and management with the company. The \$503,500 estimated net proceeds from the stock sale will be used for the purchase of additional terrycloth towel inventory, for production of pre-season gift packaged inventory, for elimination of bank loans, and for general working capital.

In addition to certain indebtedness, the company has outstanding 175,000 shares of Class B stock (after giving effect to a recent recapitalization whereby the 100 common shares then outstanding were exchanged for the 175,000 Class B shares), of which Stanley Sefchik, president, own 96%.

**JOYCE LESLIE FILES FOR STOCK OFFERING.** Joyce Leslie, Inc., 850 Flatbush Avenue, Brooklyn, N. Y., filed a registration statement (File 2-19044) with the SEC on September 28th seeking registration of 100,000 shares of common stock, to be offered for public sale at \$10 per share. The offering will be made on a best efforts all or nothing basis by Seymour, Bernard & DuBoff, Inc., which will receive a \$.6875 per share commission and \$15,000 for expenses. The registration statement also includes 12,500 shares to be sold to the underwriter, 2,500 shares to Vanden Broeck, Lieber & Company, for services of a representative, and 200 outstanding shares to be sold to Morris M. Marantz, a finder, by a stockholder, all at 10¢ per share. A \$5,000 finder's fee is payable to Marantz.

The company (formerly Joyce Leslie Shop Inc.) is engaged in the retailing of women's apparel, principally dresses and sportswear. The net proceeds from the stock sale, estimated at \$440,000, will be used to enlarge and remodel two stores, to open five new stores, and to finance increased inventories and for general working capital.

In addition to certain indebtedness, the company has outstanding 196,000 shares of common stock (after giving effect to a recent recapitalization whereby the 100 shares then outstanding were changed into the 196,000 shares), of which Julius H. Gerwitz, president, and Seymour Shapiro, vice president, own 85% and 15%, respectively. After the sale of the new shares, present book value of 41¢ per share will be increased to \$1.72 per share.

**SAEGERTOWN GLASSEALS FILES FOR OFFERING AND SECONDARY.** Saegertown Glasseals, Inc., South Main Street, Saegertown, Pa., filed a registration statement (File 2-19007) with the SEC on September 27th seeking registration of 210,500 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 110,500 shares, being outstanding stock, by the present holders thereof. The offering will be made on an all or none basis by Carl M. Loeb, Rhoades & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in February 1961, and shortly thereafter acquired the assets of three predecessor companies for an aggregate of \$2,804,375 in cash and a fourth for 276,250 common shares. The company manufactures and sells component parts of solid-state electronic devices, such as diodes and rectifiers, that involve the fusing of glass to metal, metal to metal, and ceramics to metal. The net proceeds from the company's sale of additional stock will be added to general funds and will be available for general corporate purposes including possible acquisitions.

The company has outstanding 850,000 shares of common stock, of which Acly Company (as nominee of the Escrow Agent under the plan pursuant to which the assets of the predecessors were acquired) holds the 128,344 shares, Henry F. Scheetz, Jr., board chairman and president, owns 124,688 shares, and management officials as a group 435,125 shares. The prospectus lists 40 selling stockholders including Scheetz, who proposes to sell 18,702 shares, and Robert J. Kennedy, who proposes to sell 10,000 shares of 51,687 shares owned. Others propose to sell amounts ranging from 69 to 8,840 shares.

**PLASTILINE FILES FOR STOCK OFFERING.** Plastiline, Inc., 1251 N.E. 48th Street, Pompano Beach, Fla., filed a registration statement (File 2-19011) with the SEC on September 27th 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 underwriters headed by Godfrey, Hamilton, Taylor & Co., Inc., which will receive a 36¢ per share commission and \$18,000 for expenses. The registration statement also includes 10,000 outstanding shares sold to the underwriter by the holders thereof for \$10,000.

The company designs and manufactures plastic pipe fittings, custom-made plastic products and disposable plastic thread protectors. The net proceeds from the stock sale will be used to design and construct new molds for the company's line of plastic pipe fittings and molds for the creation of a line of drain, waste and vent fittings, and to manufacture and carry inventory of both lines, to discharge the balance of a certain loan, and for working capital purposes. In addition to certain indebtedness, the company has outstanding 236,927 shares of common stock, of which Bryce N. Batzer, president, owns 54.4%, Milton A. Batzer, 37.8%, and management officials as a group 92.3%.

**RAINBOW PHOTO LABORATORIES PROPOSES OFFERING.** Rainbow Photo Laboratories Inc., 29-14 Northern Blvd., Long Island City, Queens, N. Y., filed a registration statement (File 2-19047) with the SEC on September 28th seeking registration of 150,000 shares of common stock to be offered for public sale through underwriters headed by Rodetsky, Walker & Co., Inc. The offering price and underwriting terms are to be supplied by amendment. Also included in the registration statement are 30,000 shares of common stock, of which 29,000 shares are proposed to be purchased from certain principal stockholders of the company by Rodetsky, Walker and/or its designees for \$58,000, and 1,000 shares are proposed to be purchased from them by Harold B. Saftler, the finder, for \$2,000. These 30,000 shares may be offered, after the sale of the 150,000 shares, from time to time, in whole or in part, at such price or prices as may prevail in the over-the-counter market at the time of sale.

The company which was organized on June 30, 1961, and acquired, by exchanges of stock, the businesses

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of a group of five corporations and a partnership, is a processor of color and black and white photographic film and a franchised distributor for cameras, film, flashbulbs and other photographic supplies and equipment. In recent years it has expanded into the direct servicing of customers via mail order. The net proceeds received by the company from the sale of the 150,000 shares will be used approximately as follows: \$50,000 to move the company's present color processing facilities to its main plant at Long Island City; \$85,000 for the expansion of its color processing facilities; \$50,000 for additional advertising and promotion of the company's direct mail business; \$85,000 to repay bank loans; \$126,000 to prepay loans heretofore made to the company by officers; and the balance to be added to working capital. In addition to indebtedness, the company has outstanding 350,000 shares of common stock, of which Jack M. Falk, president, owns 126,157 shares and Irving Falk, treasurer, and Alfred D. Marten, secretary, own 85,740 shares each. Of the 30,000 shares proposed to be purchased by Rodetsky, Walker & Co., Inc., and Harold B. Saftler for future sale, 12,000 shares will be purchased from Jack M. Falk and 9,000 shares each from Irwin Falk and Marten.

**PRUDENTIAL OIL PROPOSES UNIT OFFERING.** The Prudential Oil Corporation, 21 West Putnam Ave., Greenwich, Conn., filed a registration statement (File 2-19048) with the SEC on September 28th seeking registration of \$1,500,000 of Participations in its 1962 Drilling Fund, to be offered for sale in 150 units at \$10,000 per unit (with a possible \$1,000 assessment for completion of wells). No underwriting is involved, the Fund Units to be sold by officers, directors and employees of the company without the aid of salesmen or underwriters and without commissions. However, the company reserves the right to employ salesmen or underwriters. Commissions to salesmen or underwriters, if any, will be absorbed by the company.

The prospectus states that the company may initiate the 1962 Drilling Fund Program only if units totaling a minimum of \$200,000 are sold in that Program. The company expects to apply the proceeds of its 1962 Drilling Fund Program to the drilling of test wells or acquiring turnkey contracts or other participations in wells involving approximately ten or more wells in the aggregate in 1962.

The company has outstanding 10,000 shares of common stock, of which Nathan M. Shippee, board chairman, and Edward J. Willey, president, own 3,250 shares each and John W. Little, II, vice president, owns 1,500 shares.

**GIRLTOWN, INC., FILES FOR SECONDARY.** Girtown, Inc., 35 Morrissey Blvd., Boston, filed a registration statement (File 2-19049) with the SEC on September 28th seeking registration of 200,000 outstanding shares of Class A common stock to be offered for public sale by the holders thereof through underwriters headed by Hemphill, Noyes & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and distribution of coordinated fashion sportswear, designed for girls aged three to sixteen, and uses the brand names "Girldown" and "College Teens." It has outstanding 290,000 shares of Class A common stock and 355,000 shares of Class B common. Of the 290,000 outstanding shares of Class A common, Maurice A. Rosen, president, and Leo Marcus, executive vice president and treasurer, each own 101,246 shares and propose to sell 72,069 shares each. Benjamin T. Kaplan and George Sibley own 38,667 shares each and propose to sell 27,931 shares each. Of the outstanding Class B common, Rosen owns 123,939 shares, Marcus owns 133,248 shares, and Kaplan and Sibley own 47,333 shares each.

**TRI-POINT INDUSTRIES FILES FOR OFFERING AND SECONDARY.** Tri-Point Industries, Inc., 175 I. U. Willets Road, Albertson, L. I., N. Y., filed a registration statement (File 2-19050) with the SEC on September 28th seeking registration of 160,000 shares of common stock, of which 80,000 shares are to be offered for public sale by the company and 80,000 shares, being outstanding stock, are to be offered by the present holders thereof. Hill, Darlington and Grimm heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the development, manufacture and sale of precision manufactured components of "Teflon", a fluorocarbon plastic which has industrial, commercial and military applications. It has three subsidiaries, Tri-Point Manufacturing, Inc., Tri-Point Plastics of Florida, Inc., and Tri-Point New England, Inc. Of the net proceeds to be received by the company from its sale of the 80,000 shares, \$200,000 will be used for the repayment of bank loans. The proceeds of the bank loans were used for working capital and for certain of the expenses of establishing the company's New England and Florida subsidiaries. Other amounts not yet determined will be used for the purchase and installation of machinery and equipment and for advertising and promotion, and the balance will be added to the general funds of the company for working capital and general corporate expenses. In addition to indebtedness, the company has outstanding 600,000 shares of common stock, 450,000 shares of which are owned by the selling stockholders. Salvatore S. Mulay, president, and Hyman J. Kipne, vice president, own 122,500 shares each and propose to sell 17,500 shares each; Pat Ruggieri, vice president, and William Weiss, treasurer and secretary, own 90,000 shares each and propose to sell 10,000 shares each; and Frank J. Crisona, John L. Crisona, Martinelli & Co., Inc., and Earl J. Wofsey propose to sell all of their holdings (3,000, 3,000, 15,000, and 4,000 shares, respectively).

**JORN'S GREETING CARD PROPOSES OFFERING.** Jorn's Greeting Card Co., Inc., 106-11 157th Street, Jamaica, N. Y., filed a registration statement (File 2-19051) with the SEC on September 28th seeking registration of 110,000 shares of common stock to be offered for public sale through underwriters headed by Godfrey, Hamilton, Taylor & Co. Inc. The public offering price and underwriting terms are to be supplied by amendment. Also included in the registration statement are 11,000 shares which are to be purchased by the underwriter from Jorn Sann, president, founder and sole stockholder of the company. The company has agreed, for a period of five years, to use its best efforts to cause the election to its board of directors of one designee of Godfrey, Hamilton and has granted Godfrey, Hamilton a preferential right regarding any public offering of its securities on terms no less favorable than the company can obtain elsewhere.

The Company, which was incorporated in 1957, manufactures and sells greeting cards of all kinds. In addition to certain indebtedness, the company has outstanding 161,000 shares of common stock, all owned by Mr. Jorn. After giving effect to the proposed sale of the 110,000 new shares and Mr. Jorn's sale of 11,000 shares to the underwriter, Mr. Jorn will own 150,000 shares (or 55.3%) of the company's common stock. The net proceeds to the company from the stock sale will be used approximately as follows: \$144,000 to pay indebtedness to a finance company; \$50,000 to repay an interim bank loan, approximately one-half of which sum was used to furnish working capital for, and acquire an 80% interest in, Gardner-Thompson Co., Inc., a California greeting card distributor, and the remainder of which was used to enlarge the company's current line; and \$50,000 for other expansion purposes. The remainder of the net proceeds will be used as working capital.

**MACFADDEN PUBLICATIONS PROPOSES DEBENTURE OFFERING AND SECONDARY.** Macfadden Publications, Inc., 205 East 42nd Street, New York, filed a registration statement (File 2-19042) with the SEC on September 28th seeking registration of \$5,300,000 of convertible subordinated debentures due 1971, to be offered for public sale at 100% of principal amount. The offering will be made on an all or none basis through underwriters headed by First Broad Street Corp. and Lieberbaum & Co., which will receive a 10% commission. The registration statement also includes 50,000 shares underlying five-year warrants to be issued to the underwriters, exercisable at a price to be supplied by amendment. The interest rate on the debentures is also to be supplied by amendment. In addition, the registration statement includes 24,164 outstanding common shares to be sold from time to time by the holders thereof on the American Stock Exchange or otherwise at prices then prevailing on the said Exchange. The company is also registering 91,350 shares owned by the underwriters and others.

The company is engaged in the publication of popular magazines and in the publication of paperback books and distribution of certain publications published by others. On August 30, 1961 Macfadden entered into separate agreements of merger and consolidation with Process Lithographers, Inc. and with Bartell Broadcasting Corporation, which controls Macfadden. The merger and consolidation between Macfadden and Bartell Broadcasting Corporation is conditioned upon the obtaining of approval by the Federal Communications Commission to the transfer to Macfadden of radio broadcasting licenses owned by Bartell Broadcasting Corporation or its subsidiaries. The merger agreements provide that Macfadden is to be the surviving corporation. Of the \$4,400,000 estimated net proceeds from the debenture sale, \$1,200,000 will be used to repay all or part of certain bank loans incurred by Process-Manz (Process owns 91% of Manz Corp.) for working capital by Bartell Broadcasting for acquisition of assets, and by Macfadden for the down payment on the repurchase of 55,000 shares of its stock <sup>from</sup> Hillman Periodicals, Inc. It is contemplated that after such repayment, additional funds may be borrowed from banks from time to time as needed. Approximately \$700,000 of debenture proceeds is to be used to reduce the current portion of various indebtednesses incurred by Bartell principally in connection with the acquisition of assets (including Macfadden stock purchased from principal holders thereof). Approximately \$800,000 is intended to be applied on current obligations for new equipment incurred by Process-Manz. Approximately \$300,000 is intended to be allocated to moving and leasehold improvement expenses in connection with the leasing of a new plant for Process. Approximately \$350,000 is to be applied on the most current unpaid portions of the remaining obligation of Process to the former shareholders of Manz (or to repay indebtedness to be incurred by Process for this purpose). Approximately \$460,000 is to be used to pay the balance of Macfadden's indebtedness to Hillman Periodicals, Inc. for the stock repurchase. Approximately \$250,000 is to be used for the reduction of Process' accounts payable, and the balance of approximately \$340,000 is to be used as working capital for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 540,899 shares of common stock, of which Bartell Broadcasting owns 22.4% and Hillman Periodicals 10.2%. The shares of the company owned by Bartell will be cancelled upon the merger between the two companies. The prospectus lists six selling stockholders of the 24,164 shares including Pistell, Inc., which proposes to sell all of its holding of 20,000 shares. Upon completion of said merger, Gerald A. Bartell will become president and board chairman.

**BASIC PROPERTIES SHARES IN REGISTRATION.** Basic Properties, Inc., 521 Fifth Avenue, New York, filed a registration statement (File 2-19045) with the SEC on September 28th seeking registration of 789,615 shares of Class A stock and 78,962 common shares. It is proposed to offer such shares to certain persons for their interests in certain properties or groups of properties. The number of shares offered to each interest-holder will be related to the amount of his original capital ownership in the limited partnership or joint venture in which he holds his interest. This prospectus also relates to an aggregate of 485,000 shares of Basic's common stock and 120,000 shares of its Class A stock which have been or are to be issuable in connection with the following transactions: (1) Fourteen persons who are general and/or subordinated limited partners of 295 Madison Avenue Associates, a limited partnership, have agreed with Basic to transfer to Basis their interests as such general partners and/or subordinated limited partners in exchange for an aggregate of 275,000 shares of common stock. (2) Basic has agreed with certain persons (eleven of whom are officers or directors of Basic) to issue 110,000 shares of common stock at \$1 per share and 110,000 shares of Class A stock at \$10 per share for an aggregate cash consideration of \$1,210,000 which Basic intends to use (a) to acquire the fee ownership of Brentwood Gardens, Washington, D. C. pursuant to an existing contract to purchase and (b) for working capital. (3) Basic has agreed to issue 10,000 shares of Class A stock to four persons, all of whom are directors of Basic, in exchange for their assignment to Basic of such contract to purchase the Brentwood Gardens fee. (4) In December 1961, Basic will sell to five persons (all of whom are officers or directors of Basic) an aggregate of 100,000 shares of common stock for an aggregate cash consideration of \$100,000 in order to provide Basic with funds for organization and other expenses. No underwriting is involved.

In addition to certain indebtedness, the company will have outstanding (assuming that 100% of the interests are acquired by the company) 909,615 Class A and 563,963 common shares, of which Solomon Klausner, board chairman, Alvin M. Greenstein, president, and Shep Lieberman, vice president, will own 23.64%, 11.78%, and 10.40%, respectively, of the common shares, and management officials as a group 65.88% of the common and 15.21% of the Class A shares.



**BLACKSTONE VALLEY GAS PROPOSES BORROWINGS FROM EUA.** The SEC has issued an order (Release 35-14523) giving interested persons until October 20, 1961, to request a hearing on an application of Eastern Utilities Associates, Boston holding company, and its public utility subsidiary, Blackstone Valley Gas and Electric Company, Pawtucket, R. I., for an order under the Holding Company Act permitting Blackstone to borrow from EUA, prior to December 29, 1961, an amount not exceeding \$1,000,000. Proceeds will be used by Blackstone to reduce its outstanding short-term bank notes. Pursuant to orders heretofore issued by the Commission, Blackstone is at present authorized to borrow from certain banks an aggregate of up to \$6,500,000. The application states that, to the extent that borrowings are made from EUA, the authority heretofore granted to Blackstone to borrow from banks will be correspondingly reduced and that the aggregate amount of Blackstone's short-term indebtedness to EUA and to banks will not exceed the presently authorized \$6,500,000.

**VIOLATIONS CHARGED TO BANNER SECURITIES.** The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Banner Securities, Inc., 26 Broadway, New York City, violated the anti-fraud and other provisions of the Federal Securities Laws in the offer and sale of common stock of Diversified Colateral Corporation and, if so, whether its broker-dealer registration should be revoked and whether it should be suspended or expelled from membership in the National Association of Securities Dealers, Inc.

Banner Securities has been registered with the Commission as a broker-dealer since May 15, 1960. Frank Ebner is president, and Matthew Naphtali vice president, of the registrant, and each owns 10% or more of the common stock of the registrant. The Commission asserts in its order that in the offer and sale of Diversified stock during the period November 15, 1960, to February 13, 1961, the registrant and Ebner and Naphtali, together with Bernard Rotter, who was then sales manager of the registrant, and John La Femina, then a salesman for the registrant, "engaged in acts, practices and a course of business which operated as a fraud and deceit upon certain persons" in that they made false and misleading statements concerning an increase in the market price of Diversified stock, a quick profit to be realized on Diversified stock, the earnings and financial condition of Diversified, the dividends to be paid by Diversified, the length of time Diversified had been in business, and the length of time the stock had been in underwriting. The order further asserts that the registrant, Ebner, Naphtali, Rotter and La Femina violated the registration provisions of the Securities Act of 1933 in connection with the offer and sale of Diversified stock and that the registrant, aided and abetted by Ebner and Naphtali, failed to amend Banner's registration application to disclose that Banner, Ebner, and Naphtali had been permanently enjoined on or about October 25, 1960, by order of the United States District Court for the Southern District of New York from engaging in and continuing certain conduct and practices in connection with the sale of securities.

The date of the hearing will be announced later.

**VIOLATIONS CHARGED TO SMITH, HOLLY CO. AND MILTON D. SMITH.** The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registrations of Smith, Holly Co., Inc., 40 Exchange Place, New York City, and Milton D. Smith, 162-10 Powells Cove Boulevard, Beechhurst, L. I., N.Y., should be revoked; whether their registrations should be suspended pending final determination of the question of revocation; and whether the registrants should be suspended or expelled from membership in the National Association of Securities Dealers, Inc. The Commission's order asserts that the registrants violated the anti-fraud and other provisions of the Federal Securities Laws.

Milton D. Smith has been registered as a broker-dealer since September 15, 1958, and Smith, Holly Co., Inc., has been registered since February 25, 1959. Milton D. Smith is president, director, and owner of all of the common stock of Smith Holly. According to the Commission's order, during the period from approximately December 1, 1959, to January 20, 1960, the registrants, in the sale of the common stocks of Sip'n Snack Shoppes, Inc., and Electro-Sonic Laboratories, Inc., "employed devices, schemes and artifices to defraud, engaged in transactions, practices and a course of business which operated as a fraud and deceit upon purchasers and obtained money and property by means of false and misleading statements" concerning the financial condition of Sip'n Snack and Electro-Sonic, the availability of the stocks of those companies for delivery by the registrants, and the use of the purchase price paid by customers for the stocks of those companies. The order also asserts that Smith Holly, aided and abetted by Smith, violated the Commission's net capital and bookkeeping and record-keeping rules under the Securities Exchange Act of 1934 and failed to amend Smith Holly's registration application to disclose that Smith Holly and Smith are permanently enjoined by order of the United States District Court for the Southern District of New York entered on or about February 4, 1960, from engaging in certain conduct and practices in connection with the purchase and sale of securities.

The date of the hearing will be announced later.

**AMERICAN PROGRAMMING HEARING POSTPONED.** The SEC has postponed from October 9 to November 13, 1961, the hearing in the proceedings to determine whether the broker-dealer registration of American Programming Corporation, Beverly Hills, Calif., should be revoked and whether the company should be expelled or suspended from membership in the National Association of Securities Dealers, Inc.

**PERMA RESEARCH AND DEVELOPMENT OFFERING SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of stock by Perma Research and Development Company, North Attleboro, Mass.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed on September 1, 1961, Perma proposed the public offering of 125,000 shares of Class B no par common stock at \$2.40 per share, for an aggregate amount of \$300,000. The Commission asserts in its suspension order that it has "reasonable cause to believe" (a) that the exemption under Regulation A is unavailable to Perma in that sales have been made in violation of Section 5 (the registration requirement) of the Securities Act which will cause the aggregate offering price of securities to exceed the \$300,000 limitation of Regulation A and (b) that the company's Regulation A notification and exhibits contain untrue statements of material facts and omissions of material facts,

particularly with respect to statements contained in the notification that the company's stock was offered to a limited group of investors under circumstances considered to constitute a private offering, the failure to disclose the contingent liability of the company resulting from the sales of unregistered securities, the failure to disclose the existence of statutory underwriters, the price paid for their shares, and their selling price, the failure to disclose the actual cost to the officers and directors of their present security holdings, and the failure to include a clear and concise statement of the nature of the enterprise and the offering.

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

**GOULD PAPER FILES FOR STOCK OFFERING.** Gould Paper Company, Lyons Falls, New York, filed a registration statement (File 2-19046) with the SEC on September 28th seeking registration of 140,000 shares of common stock, to be offered for public sale at \$11 per share. The offering will be made through underwriters headed by Amos Treat & Co., Inc., which will receive a 90¢ per share commission and \$21,000 for expenses. The registration statement also includes 15,000 shares underlying five-year warrants to be sold to Amos S. Treat at 1 mil per warrant, exercisable at \$11 per share.

The company is engaged in the manufacture of paper primarily for use in the publishing, printing and business forms industries. Of the \$1,368,500 estimated net proceeds from the stock sale, \$325,000 will be used to pay for the stock of Gould Paper Sales Corporation, \$800,000 for certain plant improvements, and the balance for additional working capital. In addition to certain indebtedness, the company has outstanding 360,000 shares of common stock, of which Lyons Falls Paper Corporation (wholly owned by Ralph W. Luethi, president) owns 80% and management officials as a group 7%.

**RARITAN PLASTICS PROPOSES OFFERING.** Raritan Plastics Corporation, 1 Raritan Road, Oakland, N. J., filed a registration statement (File 2-19052) with the SEC on September 28th seeking registration of 100,000 shares of Class A common stock to be offered for public sale at a price of \$5 per share. The offering is to be made by underwriters headed by Gianis & Co., Inc., which will receive a commission of \$.625 per share. The registration statement also includes 15,000 shares underlying 5-year warrants to be sold to the underwriters at an aggregate price of \$150. Each warrant will authorize the holder to purchase from the company one share of Class A common at a price of \$5 per share during the first year and increasing prices annually thereafter, as follows: \$5.25, \$5.50, \$5.75, and \$6. The company has agreed to nominate annually for the next five years a designee of Gianis & Co. as a member of the board of directors of the company.

The company is primarily engaged in the business of extruding plastic sheet for conversion by its customers into articles for various end uses, and to a lesser extent is engaged in the business of thermo-forming containers for the packaging and container industries. Of the net proceeds from the stock sale, approximately \$175,000 will be used for the purchase of additional equipment, \$50,000 will be used to satisfy a loan commitment of the company to Airpak, Inc., and approximately \$175,000 will be added to the working capital of the company. Such proceeds as the company may receive upon the exercise of the warrants and certain stock options will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 185,000 shares of Class B common stock, of which William C. Leipold, president, and Maurice Brown, secretary-treasurer, each own 92,500 shares.

**GULF AMERICAN FIRE AND CASUALTY PROPOSES RIGHTS OFFERING.** Gulf American Fire and Casualty Company, 25 South Perry Street, Montgomery, Alabama, filed a registration statement (File 2-19054) with the SEC on September 28th seeking registration of 226,004 shares of common stock. It is proposed to offer such shares for subscription by common stockholders at \$2 per share on the basis of 3 shares for each 10 shares held. The record date is to be supplied by amendment. No underwriting is involved. Unsubscribed shares will be offered for public sale at \$2.25 per share.

The company writes fire and casualty business. Net proceeds from the stock sale will be added to general funds to increase the capital and surplus accounts. The company has outstanding 753,342 shares of common stock, of which management officials as a group own 32.6%. K. E. Albrecht is listed as president.

**SECURITIES ACT REGISTRATIONS.** Effective October 2: Carboline Co. (File 2-18638); Consumers Power Co. and Michigan Gas Storage Co. (File 2-18778); Creative Playthings, Inc. (File 2-18598); First Diversified Real Estate Association (File 2-18117); Glickman Corp. (File 2-18633); Hampton Sales Co., Inc. (File 2-18578); Holly Stores, Inc. (File 2-18601); Supervised Shares, Inc. (File 2-18736); ADR's of Tubos De Acero De Mexico, S. A. (Morgan Guaranty Trust Company of New York) (File 2-18958); ADR's of Tubos De Acero De Mexico, S. A. (Morgan Guaranty Trust Company of New York) (File 2-18959).

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