

NEWS DIGEST

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



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SEC ADOPTS ADVERTISING RULE FOR INVESTMENT ADVISERS. The SEC today announced the adoption of a rule under the Investment Advisers Act (Release IA-121) prohibiting certain advertisements by investment advisers. The new rule (Rule 206(4)-1) was promulgated pursuant to provisions of the Act, as amended in September 1960, which prohibit an investment adviser from engaging in fraudulent, deceptive or manipulative practices and empower the Commission to prescribe rules designed to prevent such practices; and the Commission expressed the belief that "this rule, foreclosing the use of advertisements which have a tendency to mislead or deceive clients or prospective clients," is necessary to implement the statutory mandate. The Commission also observed that "investment advisers are professionals and should adhere to a stricter standard of conduct than that applicable to merchants, securities are 'intricate merchandise', and clients or prospective clients of investment advisers are frequently unskilled and unsophisticated in investment matters."

The new rule contains a general provision which makes it unlawful for an investment adviser to use any advertisement if it contains any untrue statement of material fact or is otherwise false or misleading. It also prohibits advertisements containing testimonials of any kind concerning the investment adviser or any advice, analysis, report or other service rendered by the investment adviser, the Commission deeming such advertisements to be misleading. Furthermore, the new rule (a) prohibits an investment adviser from using an advertisement which refers to specific recommendations which the investment adviser has made in the past (unless all recommendations for at least the past year, good and bad, are listed); (b) prohibits an investment adviser from representing that any graph, chart, formula or other device being offered can in and of itself be used to make investment determinations (or that any such graph, chart, formula or other device being offered can or will assist any person in making his own investment decisions unless the difficulties and limitations on use thereof are prominently disclosed); and (c) prohibits an advertisement from representing that any report, analysis or other service will be obtained free or without charge unless it is in fact entirely free and subject to no conditions or obligations.

BURROS CORP. FILES FOR OFFERING AND SECONDARY. Burros Corporation, 111 West 19th Street, New York, filed a registration statement (File 2-19246) with the SEC on October 30th seeking registration of 70,000 shares of common stock, of which 40,000 shares are to be offered for public sale by the company and 30,000 shares, being outstanding stock, by the holders thereof. The offering will be made on an all or none basis through underwriters headed by Rodetsky, Walker & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes 8,000 outstanding shares to be sold to the underwriter by the holders thereof for \$25,000, and 10,000 shares underlying five-year warrants to be sold by the company to the underwriter for \$100, exercisable at the public offering price.

The company was organized under Delaware law in October 1961 for the purposes of acquiring all of the issued and outstanding shares of capital stock of Burros & Burros Inc., Old Importers, Inc., Famus Corporation and Mac Flower Supply Company, Inc. It is engaged in designing, manufacturing, importing and distributing artificial flowers and the component parts of artificial flowers used in corsages, floral arrangements, Christmas decorations, novelties and toys for sale to variety and department store chains, discount centers, mail order houses and packagers using floral designs. Net proceeds from the company's sale of additional stock will be applied to the retirement of short-term bank loans and the balance will be added to the general funds for working capital and to reduce the need for future short-term bank borrowings.

In addition to certain indebtedness, the company has outstanding 152,000 Class B capital shares and 38,000 common shares, of which Isidore Abrams, a director, and George Burros own 20,233 and 27,917, respectively, of the Class B shares and 15,000 common shares each; and they propose to sell all such common shares. Roy Burros, president, owns 28.2% of the outstanding Class B shares and management officials as a group 84.6%; and the underwriter owns (or will own) 21.1% of the outstanding common shares and management officials as a group 78.9%.

ATLANTA MOTOR LODGES FILES FOR STOCK OFFERING. Atlanta Motor Lodges, Inc., 120 North Avenue, N. W., Atlanta, Ga., filed a registration statement (File 2-19247) with the SEC on October 30th seeking registration of 150,000 shares of common stock, to be offered for public sale at \$10 per share. The offering will be made on an all or none basis through underwriters headed by The Robinson-Humphrey Company, Inc. and two other firms, which will receive a \$1 per share commission.

The principal business of the company has been the operation of the Howard Johnson Motor Lodge located near downtown Atlanta on the Northwest Freeway. According to the prospectus, the company will merge with an affiliated company, Northeast Expressway Motel, Inc. (which will receive 28,000 company shares) and thereby acquire another Howard Johnson Motor Lodge under construction on said Freeway. The company holds and intends to exercise an option to purchase additional property suitable for development as a Lodge and restaurant located on the South Freeway near Atlanta. In January 1962, the company will assume general management of two motels located in Atlanta owned by others. These motels, Tech Motel and Cotillion Motel, have been managed by Motel Development Company, a sole proprietorship owned by Kiliaen V. R. Townsend, company president. Of the net proceeds from the stock sale, \$450,000 will be used to purchase the property on South Freeway, \$400,000 to construct and furnish the Lodge and restaurant on the South Freeway, \$200,000 to construct and furnish the Lodge and restaurant on the Northeast Freeway, \$50,000 to construct additional

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facilities at the Northeast Freeway Lodge which the company has been operating, and the balance will be added to working capital.

In addition to certain indebtedness, the company has outstanding 110,000 shares of common stock, of which Townsend owns 16.01% and holds as voting trustee 49.63%. Management officials as a group own 35.18%.

CONSOLIDATED SUN RAY FILES FOR SECONDARY. Consolidated Sun Ray, Inc., 8000 Penrose Avenue, Philadelphia, filed a registration statement (File 2-19248) with the SEC on October 30th seeking registration of 607,000 outstanding shares of common stock, to be offered for public sale from time to time by the present holders thereof on the American Stock Exchange or in private transactions at the current market price.

The company is engaged in (1) the operation of retail drug stores and discount drug concessions and (2) selling at retail, either directly or through wholly-owned subsidiaries, women's, misses, juniors, and children's apparel, principally in the medium and better price ranges in women's specialty stores. The prospectus states that the company, on a consolidated basis, is currently operating at a net loss. For the six months ended July 31, 1961, all divisions of the corporation, other than the radio division, operated at a net loss. These same divisions also suffered losses for the six months ended July 31, 1960 and for the years ended January 31, 1961 and January 31, 1960. All surplus and retained earnings (deficit) are restricted as to the payment of cash dividends and certain stock payments, and no dividends have been paid by the corporation since 1954. Prior to the merger of Sun Ray Drug Co. into the corporation, Sun Ray had paid cash and stock dividends on its common stock for several years. The results of operations have made it necessary to get extensions on the due dates of certain indebtedness and to maintain arrearages in preferred stock dividends. There are defaults presently existing in connection with the loan agreement with Massachusetts Mutual Life Insurance Company, obligations under the agreement with A. M. Sonnabend respecting the 85% Debtor's Notes and in the obligation to deliver 50,000 shares to members of the Josefowitz family. Since January 1st, the price of the company's stock on the American Stock Exchange has ranged from a low of $1\frac{1}{2}$ to a high of $2\frac{7}{8}$.

In addition to various indebtedness and preferred stock, the company has outstanding 6,319,118 shares of common stock, of which Harry S. Sylk, board chairman, owns beneficially 576,160 shares, and his wife and children an aggregate of 818,352 shares; and William H. Sylk, president, owns beneficially 277,544 shares, and his wife and children 411,503 shares. Both Sylks, together with their families, own beneficially 34.3% of the outstanding voting securities (including preferred stock) of the company. The prospectus lists 13 selling stockholders including Maurice D. Chaiken and Martin A. Levitt who propose to sell 158,000 shares each, and others who propose to sell amounts ranging from 4,327 to 100,000 shares.

SHERATON CORP. PROPOSES DEBENTURE OFFERING. Sheraton Corporation of America, 470 Atlantic Avenue, Boston, filed a registration statement (File 2-19249) with the SEC on October 30th seeking registration of \$8,000,000 of $7\frac{1}{2}$ % capital income sinking fund debentures due 1989, to be offered for public sale on an all or none basis by Paine, Webber, Jackson & Curtis and S.D. Lunt & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company, through subsidiaries, owns or operates 61 hotels in various cities in the United States and Canada. It also operates other real estate properties, principally office buildings. The net proceeds from the debenture sale, together with funds received by the company from other sources, will be available for its general corporate purposes, such as the financing of the cost of acquisitions or new construction including acquisitions or new construction which the company is currently undertaking or which it may hereafter undertake.

In addition to various indebtedness and preferred stock, the company has outstanding 5,363,440 shares of common stock, of which Robert L. Moore, board chairman, and Ernest Henderson, president, and George B. Henderson, a director, own 3.4%, 3.7% and 5.9%, respectively.

FIRST HARTFORD REALTY FILES FOR STOCK OFFERING. First Hartford Realty Corporation, 380-390 West Middle Turnpike, Manchester, Conn., filed a registration statement (File 2-19250) with the SEC on October 30th seeking registration of 500,000 shares of common stock, to be offered for public sale through underwriters headed by Putnam & Co. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes 25,000 shares underlying five-year warrants to be sold to the underwriter for \$2,500, exercisable initially at the public offering price. 2,500 shares have been purchased by Putnam & Co. and a partner thereof for \$8 per share.

The company was organized under Delaware law in October 1961 and has since that date acquired or entered into contracts to acquire twenty-one real estate properties, including 5 parcels of undeveloped land. The company proposes initially to limit its activities to investing in commercial buildings, residential apartment buildings, shopping centers, post offices, improved properties and land for future development throughout the United States, and to the management and development of the properties now owned by the company or to be acquired by it. In November the company, in exchange for a total of 299,215 shares of its common stock proposes to acquire all of the outstanding stock of three corporations whose principal assets consist of real estate properties, one of which is under construction, and certain properties from Green Manor Construction Co., Inc. and two affiliated individuals. The company has contracted to exchange within thirty days after receipt by the company of the proceeds of this offering, for a total of 24,235 shares of its common stock, all of the outstanding stock of Green Manorville Shopping Parkade, Inc. (whose principal asset is a shopping center), a wholly owned subsidiary of Green Manor. The company has also contracted to purchase for cash from Green Manor eight properties, one completed and seven under construction or to be constructed, at specified prices presently estimated to aggregate \$6,125,000, of which about \$4,493,860 (as of December 31 1961) will be through assumption of mortgages. The completed property is to be conveyed to the company in January, 1962, at an aggregate purchase price of \$2,935,000, of which about \$1,938,860 will be through assumption of mortgages, and the others are to be conveyed to the company within thirty days after their

respective completion. Green Manor has agreed to complete construction of the uncompleted properties. The company's obligations to make these purchases is conditioned, among other things, upon satisfactory completion of construction. Of the net proceeds from the stock sale, the company intends to use \$1,631,140 and available cash to acquire the one completed property and seven properties under construction or to be constructed. The balance of the proceeds will be added to the general funds of the company and will be available together with any funds obtained from mortgage financing, to (a) pay in full on January 24, 1962 the mortgage in the amount of \$101,750 on the two parcels of undeveloped land in Bloomfield, (b) pay in full on March 1, 1962 a mortgage in the amount of \$45,250 on the Minterburn Industrial Building and (c) for acquisition and development of additional properties. The company plans to develop as Shopping Centers as soon as practicable the 38.7 acres of land in Bloomfield, Conn., and the 1.7 acres of land in Clinton, Conn. to be developed as a Garden Apartment Complex, the 10 acres in Bloomfield, Conn. It is not presently certain that these properties will be so developed. There are no other understandings, agreements or negotiations with respect to the use of the balance of the net proceeds.

In addition to certain indebtedness, the company will have outstanding 311,215 shares of common stock (giving effect to said acquisitions except the issuance of the 24,235 shares). In November 1961, Neil H. Ellis, board chairman (and president of Green Manor Construction Co.) Seymour B. Kaplan, a director of the company and other parties including Green Manor, by virtue of their ownership of all the issued and outstanding shares of Five City Plaza, Inc., Farmlands Exchange Corporation, Minterburn Realty Corporation, all Connecticut corporations, and their ownership of certain properties, will become owners of 299,215 shares of the common stock of the company. Green Manor, Ellis and Kaplan received, respectively, 92,687, 25,567 and 42,834 shares of the common stock of the company as a result of these exchanges. As part of this transaction Green Manor, the owner of a leasehold interest in Green Manor Garden Apartments, a leasehold interest in the United States Post Office Building in Manchester, Conn., and a post office building located in Groton, Conn., exchanged these properties for 92,687 shares of the common stock of the company.

BOWEY'S FILES FOR OFFERING AND SECONDARY. Bowey's, Inc., 679 North Orleans Street, Chicago, filed a registration statement (File 2-19251) with the SEC on October 30th seeking registration of 80,000 shares of common stock, of which 40,000 shares are to be offered for public sale by the company and 40,000 shares, being outstanding stock, by Capitol Enterprises, Inc., an investment company and the company's sole stockholder. The offering will be made on an all or none basis through underwriters headed by Cruttenden, Podesta & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in April 1961 to acquire the assets and business of a predecessor Illinois company of the same name. It is a manufacturer, processor and supplier of powders, syrups, toppings, flavorings, fruit juice bases and related commodities, some of which are marketed under the trade name "Dari-Rich", to the dairy, ice cream, "fast food", vending and other industries. An option to acquire substantially all of the assets of the predecessor company for \$2,500,000 cash plus the assumption of certain of its liabilities was obtained by Burton J. Vincent & Co., a Chicago investment banking firm, on July 27, 1960. The latter assigned the option on March 24, 1961 to Capitol Enterprises, Inc., the selling stockholder, which paid Burton J. Vincent & Co. \$50,000 to reimburse it for its expenses and to compensate it for its services in obtaining the option and financing and conducting the investigation. In turn, Capitol Enterprises, Inc. assigned the option, without consideration, to the company, its wholly owned subsidiary, which formally exercised the option on April 24, 1961. The company paid to the predecessor company, after certain adjustments, \$2,477,883.26 in cash. In addition, the company assumed certain liabilities of the predecessor company totalling \$338,519.46. The company financed the purchase through the issuance to Capitol Enterprises, Inc. of 2,500 shares of the company's \$100 par value, 6% convertible preferred stock for \$250,000 and 150,000 shares of the company's common stock for \$750,000, and by borrowing \$1,500,000, evidenced by its \$1,000,000 6% secured note and its \$500,000 6½% convertible subordinated debenture. Burton J. Vincent board chairman of the company, is the majority stockholder, president and a director of Burton J. Vincent & Co. He is also president, a director, and voting trustee of all of the capital stock of Capitol Enterprises, Inc. Of the net proceeds from the company's sale of additional stock, \$200,000 will be used to reduce the balance of the company's 6% secured note issued in April 1961 in connection with the said acquisition, and the balance will be added to working capital and will be available for general corporate purposes.

In addition to certain indebtedness, the company has outstanding (after giving effect to a recent 2-for-1 stock split) 150,000 shares of common stock, all of which are owned by Capitol Enterprises, Inc. After its sale of the 40,000 shares (and sale of the new shares by the company) Capitol Enterprises will own 58% of the outstanding common stock of the company. W. C. McNitt is president.

DIANA STORES FILES FOR SECONDARY. Diana Stores Corporation, 450 West 41st Street, New York, filed a registration statement (File 2-19252) with the SEC on October 31st seeking registration of 322,500 shares of common stock. Such stock includes (1) 221,000 shares of which (a) 174,328 shares are being issued in exchange for all the outstanding capital stock of Great Eastern Mills, Inc. and seven affiliated corporations and (b) 46,672 shares are being issued in exchange for 50% of the outstanding capital stock of two additional affiliated corporations and for \$853,500 principal amount of debentures issued by some of the aforesaid corporations; (2) 100,000 shares of which (a) 67,500 shares are being issued in exchange for all the outstanding capital stock of Tex-Mart Industries Corporation and (b) 32,500 shares are being issued in exchange for \$650,000 principal amount of debentures issued by that corporation; and (3) 1,500 shares are being issued to Federman, Stonehill & Co., members, New York Stock Exchange, as a finder's fee in connection with the Tex-Mart exchanges. A maximum of 60,000 additional shares which may be issuable in 1963, depending upon earnings for the calendar year 1962 of the Tex-Mart companies. Such shares may be sold by the recipients from time to time privately or on the New York Stock Exchange at prices not in excess of those prevailing at the time of sale.

The company operates through wholly-owned subsidiaries a chain of approximately 290 specialty stores selling various types of women's and misses' wearing apparel. Approximately 210 stores also carry children's wearing apparel and about 30 stores, including 20 discount stores retail an additional line of men's apparel. In addition to certain indebtedness, the company has outstanding 866,856 shares of common stock. The prospectus lists 49 selling stockholders who will receive the 322,500 new shares, in amounts ranging from 427 to 40,805 shares, pursuant to said acquisitions. The amounts proposed to be sold by each are to be supplied by amendment. Samuel D. May is listed as president.

FAIRBANKS WIRE FILES FOR STOCK OFFERING. Fairbanks Wire Co., Inc., Walnut Street M D 23, Newburgh, N. Y., filed a registration statement (File 2-19253) with the SEC on October 30th seeking registration of 54,000 shares of common stock, to be offered for public sale at \$3 per share. The offering will be made on a best efforts basis by First Madison Corp., which will receive a 45¢ per share selling commission and \$8,000 for expenses. The statement also includes 15,000 outstanding shares owned by Louis Golkin, of counsel for the company, and 11,000 shares to be sold by the company to the underwriter at 10¢ per share. Such shares may be sold from time to time in the over-the-counter market at such prices as may prevail at the time of sale. A finder's fee of \$8,100 is payable to Alexander Matathias.

The company's business is the manufacture of various types of copper wire, including tinsel conductors, magnet wire, loop wire and Litz (Litzendraht) Wire using machinery and equipment largely designed and built by Morton Blitzer, the president of the company. The \$111,800 estimated net proceeds from the stock sale will be used to retire certain current obligations and loans made for working capital purposes, and the balance will be added to general funds and will be available for general corporate purposes. The company has outstanding 120,000 shares of common stock, of which Blitzer owns 87½% and Golkin 12½%.

WALSTON AVIATION FILES FOR OFFERING AND SECONDARY. Walston Aviation, Inc., Civic Memorial Airport, East Alton, Ill., filed a registration statement (File 2-19254) with the SEC on October 30th seeking registration of 90,000 shares of common stock, of which 60,000 shares are to be offered for public sale by the company and 30,000 shares, being outstanding stock, by Milford D. Walston, president and controlling stockholder. The offering will be made at \$6.25 per share on an all or none basis through underwriters headed by White & Company, Incorporated, which will receive a \$0.625 per share commission. The statement also includes 5,000 outstanding shares to be sold to the underwriter by the selling stockholder at \$2 per share.

The company is engaged in the sale of Cessna Airplanes and aircraft supplies as a dealer and repairs and services these and other airplanes. It is also a wholesale distributor for Cessna and Continental airplane motors; Goodyear Tires and Batteries; Champion spark plugs; Stewart-Warner heaters; McCauley and Hertz propellers; Motorola and Sperry auto pilots; Collins and King radios and other airplane parts, accessories and supplies. The company recently acquired three subsidiaries one of which is a wholesale distributor for Cessna Airplanes and parts, another operates a flying school and provides a charter and airplane leasing service, and the third provides a financing and insurance service to purchasers of airplanes. Net proceeds from the company's sale of additional stock will be used for general corporate purposes and for the expansion of the distributorship territory of one of the subsidiaries, Walston Aviation Sales, Inc.

In addition to certain indebtedness, the company has outstanding 227,000 shares of common stock (after giving effect to a recent recapitalization whereby the stock of the four companies was exchanged for the 227,000 common shares of the company), of which Walston owns 156,000 shares and proposes to sell the 30,000 shares. His wife and children own the remaining outstanding shares of the company.

PENNSYLVANIA POWER & LIGHT PROPOSES BOND OFFERING. Pennsylvania Power & Light Company, Ninth and Hamilton Streets, Allentown, Pa., filed a registration statement (File 2-19255) with the SEC on October 31st seeking registration of \$30,000,000 of first mortgage bonds due 1991, to be offered for public sale at competitive bidding. The net proceeds from the bond sale will be added to general funds and will be applied toward the retirement of \$30,000,000 of the \$35,000,000 short term bank loans expected to be outstanding at the date of sale. Such loans were incurred to meet construction expenditures and to retire, during 1960, \$13,200,000 of maturing long term promissory notes. The 1961-65 construction program is estimated to require \$140,000,000 of which \$23,000,000 is scheduled for 1961 (\$18,000,000 expended to September 30).

LINCOLN INCOME LIFE INSURANCE FILES FOR SECONDARY. Lincoln Income Life Insurance Company, Louisville, Ky., filed a registration statement (File 2-19256) with the SEC on October 31st seeking registration of 45,000 outstanding shares of common stock, to be offered for public sale by William F. Birk, administrator of the will of Emma Birk Smith. The prospectus lists six underwriters headed by J. C. Bradford & Co. and W. L. Lyons & Co. The public offering price and underwriting terms are to be supplied by amendment. The proceeds from the sale of the shares will be received by the estate for the purpose of paying part of federal estate taxes, Kentucky inheritance taxes and costs of administration of said estate. The company has outstanding 802,946 shares of common stock, of which said estate owns 125,143 shares and proposes to sell the 45,000 shares. John T. Acree, Jr., president, owns 122,692 shares and management officials as a group 282,182 shares.

LIFETIME POOLS 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 public offering of stock by Lifetime Pools Equipment Corporation, of Renova, Pa. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

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 June 1, 1959, Lifetime Pools proposed the public offering of 150,000 common shares at \$2 per share. The notification and accompanying offering circular listed First Washington Corporation of Pittsburgh as the underwriter, but in an amended offering circular the said underwriter was dropped and the issuing company represented therein that the stock would be offered directly by the issuer without the services of an underwriter.

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The Commission asserts in its suspension order that it has "reasonable cause to believe" (a) that certain terms and conditions of Regulation A were not complied with by reason of the fact that First Washington actually served as an underwriter for the stock offering by Lifetime Pools despite representations to the contrary, and there was a failure to disclose that fact and to furnish certain related documents; (b) that under Regulation A First Washington was disqualified from serving as such underwriter by reason of the Commission's prior suspension of a Regulation A exemption for a stock offering by another company being underwritten by First Washington; (c) that Lifetime Pools' offering circular was false and misleading by reason of its failure to disclose that the stock was being distributed to the public through an underwriter and that First Washington was serving as underwriter despite the disqualification; and (d) that the offering was made in violation of Section 17(a) (the anti-fraud provision) of the Securities Act.

HOLIDAY MINES SUSPENSION PERMANENT. The Commission's order of June 30, 1960, temporarily suspending a Regulation A exemption from registration with respect to a public offering of stock by Holiday Mines, Inc., of Bremerton, Wash., has become permanent following advice from the company on September 11, 1961, that it would be unable to comply with an opportunity provided in the Commission's order of July 19, 1961, to amend its offering circular.

AMERICAN ORBITRONICS HEARING CANCELLED. The Commission also has issued an order cancelling a hearing scheduled for November 15, 1961, to determine whether the Commission's order of August 16th temporarily suspending a Regulation A exemption from registration under the Securities Act with respect to a proposed public offering of stock by American Orbitronics Corporation, Washington, D. C., should be vacated or made permanent. The company withdrew its request for a hearing, and the suspension order has become permanent.

PERMA RESEARCH & DEVELOPMENT ENJOINED. The SEC Boston Regional Office announced October 30th (Lit-2134) the entry of a Federal court order (USDC, Boston) permanently enjoining Perma Research and Development Company of North Attleboro and its president, Frank A. Perrino, of Lincoln, R. I., from further offer and sale of Perma Research stock in violation of the Securities Act registration and anti-fraud provisions.

RUSSELL STOVER CANDIES FILES FOR SECONDARY. Russell Stover Candies, Inc., 1206 Main Street, Kansas City, Mo., filed a registration statement (File 2-19257) with the SEC on November 1st seeking registration of 130,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering will be made on an all or none basis through underwriters headed by Harriman Ripley & Co. and Stern Brothers & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company's business is the manufacture and distribution of a line of chocolates and other candies which are sold throughout the United States under the Russell Stover Candies brand name. The 130,000 shares were obtained by State Mutual Life Assurance Company of America (73,000 shares), Central Life Assurance Company (12,000 shares) and The Value Line Income Fund, Inc. (45,000 shares) as a result of the conversion of \$1,300,000 aggregate principal amount of the subordinated convertible notes of the company held by them. State Mutual now holds \$1,020,000 and Central Life \$180,000 of said notes, which are convertible at their option at \$10 per share.

In addition to certain indebtedness, the company has outstanding 330,000 shares of common stock and 400,000 shares of restricted common stock (convertible into common on a share for share basis serially after 1965), of which latter stock over 99% is owned by Ward Paper Box Company (87.4% owned by Louis L. Ward, board chairman and president of the company, and members of his family).

SEC TO PARTICIPATE IN CAL-WEST AVIATION PROCEEDING. The SEC today announced that the U. S. District Court in San Francisco had granted its motion to transfer proceedings under Chapter XI of the Bankruptcy Act involving Cal-West Aviation, Inc., in San Mateo County, to proceedings under Chapter X for the reorganization of said Debtor. The Commission will participate in the reorganization proceedings. Sam Kagel was appointed independent trustee and Armand Cohn as an additional trustee. (Release CR-157).

SECURITIES ACT REGISTRATIONS. Effective November 2: Atlantic City Electric Company (File 2-18937); General Telephone Company of Florida (File 2-19123).

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