

NEWS DIGEST

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



Washington 25, D.C.

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

FOR RELEASE December 19, 1961

MILLER BROS. HAT CO. FILES FOR OFFERING AND SECONDARY. Miller Bros. Hat Co., Inc., 2700 Canton Street, Dallas, Texas, filed a registration statement (File 2-19474) with the SEC December 18th seeking registration of 126,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 26,000 shares, being outstanding stock, by the holders thereof. Eppler, Guerin & Turner, Inc. heads the lists of underwriters. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes 30,000 shares reserved for issuance pursuant to the company's Restricted Stock Option Plan.

The business activities of the company consist primarily of the manufacture and sale of men's and boys' hats. It owns four subsidiaries, Adam Hats, Inc., Adam Hat Stores, Inc., Miller Bros. Hat Sales Corp. and Texas-Miller Hat Corporation (which owns Texas Miller Products, Incorporated), and sells hats under the Adam Hat trademark and other trademarks to departments stores and retailers. Of the net proceeds from the company's sale of additional stock, \$82,000 will be used to purchase a building in Dallas now occupied by the company under lease, \$400,000 to equip a new fur felt body plant as a location to be determined (probably in Texas), and for working capital.

In addition to certain indebtedness and preferred stock, the company has outstanding 207,170 shares of common stock (after giving effect to a recent recapitalization whereby the common stock then outstanding was exchanged for 183,086 new shares, and the issuance of 24,084 common shares for the outstanding stock of Miller Bros. Hat Sales Corp., which was previously affiliated through substantially common ownership and related business activity). Of such outstanding common stock, Isaac A. Miller, board chairman, David Miller, treasurer, and Sol Bernstein, secretary, own 51,376, 47,781 and 30,601 shares, respectively, and propose to sell 8,000, 8,000 and 10,000 shares, respectively. I. Benjamin Parrill, president, owns 38,399 shares and management officials as a group 178,044 shares (85.94%).

WESTERN CALIF. TELEPHONE PROPOSES RIGHTS OFFERING. Western California Telephone Company, 15900 San Jose-Los Gatos Road, Los Gatos, Calif., filed a registration statement (File 2-19475) with the SEC on December 18th seeking registration of 84,000 shares of common stock. It is proposed to offer such stock for subscription by common and preferred stockholders, at the rate of one right for each common share held and two-fifths of a right for each preferred share held of record February 15, 1962, two rights being required to purchase one new share. Dean Witter & Co. heads the list of underwriters. The subscription price and underwriting terms are to be supplied by amendment. The statement also includes 3,000 shares to be offered to company employees (without underwriting) at the subscription price.

The company is an operating public utility engaged principally in furnishing local and long distance telephone service through four exchanges located around the San Francisco Bay Area and one exchange in two counties in northern California. Net proceeds from the stock sale will be used to finance a portion of the company's construction program, including a construction program in the McCloud exchange (northern California) which aggregates about \$440,000. The company estimates that its aggregate expenditures for construction during the last three months of 1961 and the year 1962 will total about \$1,800,000.

In addition to certain indebtedness and preferred stock, the company has outstanding 132,430 shares of common stock, of which management officials as a group own 3.34%. Donald L. Case is board chairman and Edward W. Vodden is president.

PRESTON MOSS FUND FILES FOR STOCK OFFERING. Preston Moss Fund, Inc., 24 Federal Street, Boston, filed a registration statement (File 2-19476) with the SEC on December 18th seeking registration of 20,000 shares of capital stock, to be offered for public sale at net asset value.

SHAVER FOOD MARTS FILES FOR OFFERING AND SECONDARY. Shaver Food Marts, Inc., 139 South 40th Street, Omaha, Nebr., today filed a registration statement (File 2-19477) with the SEC seeking registration of 170,000 shares of Class A common stock, of which 30,000 shares are to be offered for public sale by the company and 140,000 shares, being outstanding stock, by the holders thereof. The offering will be made on an all or none basis by J. Cliff Rahel & Co. and Storz-Wachob-Bender Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is the successor by consolidation in September 1961 of 8 operating corporations and a management corporation (affiliated through stock ownership). It is engaged in the operation of 7 super-markets in Omaha, and one in Council Bluffs, Iowa under the name of "Shavers." The net proceeds from the company's sale of additional stock will be used to assist it in making possible future capital improvements or additions. The company contemplates the opening of a food market in 1962 to be constructed in Omaha by Shaver's Investment Company (one of four real estate corporations owned by certain officers and stockholders of the company from which it leases four of its eight present store properties). Expenditures for furnishings, equipment and inventory for such store, if constructed, will be about \$150,000.

The company has outstanding 160,000 Class A and 480,000 Class B shares, of which Joe Shaver, president, owns 25,242 and 75,725 shares, respectively, and Shaver's Food Mart (a partnership consisting of Joe Shaver, Neil Shaver, executive vice president, and Myrn Livingston, vice president) owns of record 94,464 and 283,392 shares, respectively; and they propose to sell all such Class A shares. The prospectus lists 12 other selling

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stockholders who propose to sell amounts ranging from 55 to 6,859 Class A shares each. Under certain conditions, Class B shares are convertible into Class A shares on a 2-for-1 basis.

TRADING IN BLACK BEAR INDUSTRIES SUSPENDED. The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Black Bear Industries, Inc., on the San Francisco Mining Exchange and over-the-counter market for a further ten-day period December 20 to 29, 1961, inclusive.

FIRST MAINE, OTHERS ENJOINED. The SEC Boston Regional Office announced December 14th (Lit-2160) the entry of a Federal court order (USDC, Me.) permanently enjoining, with their consent, First Maine Corporation, Burton M. Cross and Herbert L. Rackliff from further violations of certain provisions of the Securities Act of 1933.

INCORPORATED INVESTORS SEEKS ORDER. Incorporated Investors, Boston investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposal to acquire substantially all the cash and securities of Christjane Corporation; and the Commission has issued an order (Release IC-3387) giving interested persons until January 2, 1962, to request a hearing thereon. Christjane Corp., a Delaware corporation, is a personal holding company with 34 shareholders and with securities and other assets aggregating \$8,586,275 as of September 29th. Incorporated Investors proposes to purchase such securities and other assets through an exchange of its shares at their net asset value.

STUDY QUESTIONNAIRE ANNOUNCED. Milton H. Cohen, Director of the SEC Special Study of Securities Markets, announced today that a questionnaire has been mailed to a limited number of corporations whose securities were the subject of public offerings within the past few years, and a related questionnaire has been mailed to broker-dealers who were active either in the distribution or in the "after market" trading of the same issues.

The corporations to which the questionnaires have been sent were chosen as representing a broad spectrum of companies in various industries, of various sizes, and with offerings ranging from less than \$300,000 to in excess of \$12,000,000. In each case the offering represented the first public issue of securities of the particular issuer.

The questionnaires are designed to obtain information concerning the entire process by which corporations whose securities were not previously in public hands have become publicly-held companies, and also concerning the over-the-counter trading in such securities after distribution. Among the specific topics covered are the negotiations between issuers and underwriters; the investigations made by underwriters as to the issuer's affairs and the contents of the registration statement; the form and amount of underwriting compensation; the methods of allotting issues to broker-dealers and retail customers; the use of "red herring" and final prospectuses; the use of other written material and publicity in connection with or after the offerings; representation of underwriters on the issuers' boards of directors; and the issuers' subsequent relations with stockholders.

A letter accompanying each questionnaire contained the following further explanation of the objective of this particular study: " * * *The purpose of the questionnaire is to obtain relevant data as to policies and practices, and possible problems, in connection with the distribution and trading of new issues. The fact that you have received this questionnaire is not to be construed as a reflection upon your company or anyone connected with it; indeed the questionnaire is intended to cover a broad spectrum of companies and types of issues. Nor should any question about a particular action or course of conduct on your part be construed to mean that it either is or is not deemed by the Commission to have been a lawful, proper or otherwise desirable one. Certain questions are factual in nature; others ask for your comments and opinions. If the conclusions reached by this Study are to be sound ones, it is essential that all questions be answered fully and carefully. We must also ask you to cooperate by submitting your reply not later than January 20, 1962."

SECURITIES ACT REGISTRATIONS. Effective December 19: Consolidated Chemical & Paint Corp. (File 2-18804); Cramer Electronics, Inc. (File 2-18587); Electronic Communications, Inc. (File 2-18942); Kulicke and Soffa Manufacturing Co. (File 2-18689); Russell Stover Candies, Inc. (File 2-18935); James Talcott, Inc. (File 2-19309).

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