SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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

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

Washington 25, D.C

FOR RELEASE January 2, 1962

Statistical Release No. 1800. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended December 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	1961	
	12/29/61	12/22/61	Change	High	Low
Composite	145.7	144.3	+1.0	146.5	118.3
Manufacturing	135.9	134.6	+1.0	136.0	113.0
Durable Goods	138.7	136.8	+1.4	138.9	117.0
Non-Durable Goods	133.2	132.7	+0.4	133.7	109.2
Transportation	108.0	105.9	+2.0	111.0	97.8
Utility	186.7	184.9	+1.0	190.8	144.4
Trade, Finance & Service	187.3	186.2	+0.6	193.0	132.5
Mining	100.6	100.3	+0.3	102.0	83.3

SECURITIES ACT REGISTRATION STATEMENTS. During the period December 22 to 29, inclusive, 97 statements were filed, 23 became effective, 3 were withdrawn, and 754 were pending at the year-end. For six-month figures on registrations, see page 6.

SEC ORDER CITES ROBINETTE & CO. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Robinette & Co., Inc., Old Town Bank Bldg., Baltimore, engaged in practices which operated as a "fraud and deceit" upon certain purchases of debentures of Dorothy Lamour, Incorporated, and, if so, whether its broker-dealer registration should be revoked.

Robinette & Co. has been registered with the Commission as a broker-dealer since May 1960; and it also is a member of the National Association of Securities Dealers, Inc. John H. Robinette III is president and Wanda C. Robinette, secretary-treasurer; and James O. Robinette was a vice president until about March 20, 1961, and Josef Wilkie has been a vice president since that date. During the period March 15 to June 15, 1961, Edward A. Klein, Robert J. Zimmer and Fred E. Scheible were salesmen. The Commission's staff charges that information developed in its investigation tends, if true, to show that during such latter period Robinette & Co. and the seven individuals offered and sold 6% convertible debentures of the said "Lamour" company in violation of the Securities Act registration requirement; that in connection therewith they made false and misleading statements with respect to the market for and value of Lamour stock and concerning that company's earnings and financial condition, its management and growth potential; and that such misrepresentations operated as a "fraud and deceit" upon the purchasers of the Lamour debentures. The staff also charges that Robinette & Co. failed to send written confirmation at or before the completion of each such transaction and failed to make and keep current its books and records, as required.

A hearing will be held to take evidence on the foregoing at a time and place to be announced.

LLOYD, MILLER & CO. CITED IN SEC ORDER. The Commission also has ordered similar proceedings with respect to Lloyd, Miller and Company, 1411 Pennsylvania Avenue, N. W.,*and involving the question whether said "Respondent" engaged in practices which operated as a "fraud and deceit" upon purchasers of the Class A common stock of American International Savings and Loan Association and, if so, whether its broker-dealer registration should be revoked. *(Washington, D. C.)

Respondent has been registered with the Commission as a broker-dealer since November 1959; and it also is a member of the National Association of Securities Dealers, Inc. Howard Mallek is president and secretary-treasurer; and during the period October 1, 1960, to September 1, 1961, Norman Brown (former secretary-treasurer), Thomas B. Allen (former director), Robert Ela and Joseph St. Peter were Respondent's salesmen. The Commission's staff charges that information developed in its investigation tends, if true, to show that during such period Respondent and the five named individuals offered and sold the said Class A common stock of American International in violation of the Securities Act registration requirements; that in the offering and sale of such stock they made various false and misleading representations which operated as a "fraud and deceit" upon the purchasers; and that they also induced investors to purchase such stock at prices far in excess of the prevailing market prices therefor (which were not disclosed) and having no reasonable relationship to Respondent's contemporaneous costs for such securities, which also operated as a "fraud and deceit" upon the purchasers. The alleged misrepresentations related, among other things to the business operations of American International, the source of and price paid for stock being sold and the expected use of the proceeds, the investment quality and increase in price of and dividends to be paid on the stock, its listing on an exchange, and the purchase of other companies by American International and its merger with other savings and loan associations. Respondent was enjoined by an October 31, 1961, decree of the U. S. District Court (Baltimore) from engaging in and continuing certain conduct and practices in connection with the sale of securities.

A hearing will be held to take evidence on the foregoing at a time and place to be announced.

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SEC ORDER CITES J. A. WINSTON & CO. INC. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether J. A. Winston & Co., Inc., of 11 Broadway, New York City, engaged in practices which operated as a "fraud and deceit" upon certain of its customers and, if so, whether its broker-dealer registration should be revoked.

Winston & Co. has been registered with the Commission as a broker-dealer since 1955; and it also is a member of the National Association of Securities Dealers, Inc. Joel Alfred Winston is president and a stockholder and Irving Bernstein, Morrison Gilbert and Albert Bernstein are officers and stockholders. The Commission's staff charges that information developed in its investigation tends, if true, to show that Winston & Co. and the four named individuals, during late 1956 and early 1957, made false and misleading statements in the offer and sale of stock of Gob Shops of America, Inc.; that during the period May thru July 1960 they induced certain persons to purchase securities at prices far in excess of the prevailing market prices therefor (which were not disclosed) and having no reasonable relationship to the firm's contemporaneous costs for such securities, "thereby obtaining unreasonable and excessive profits;" and that these practices operated as a "fraud and deceit" upon the purchasers. The alleged misrepresentations with respect to the Gob Shops stock related to the earnings and financial condition of Gob Shops, dividends to be paid by and the soundness of an investment in Gob Shops, rise in price of Gob Shops stock and its listing on an exchange, and profits to be made on the resale of Gob Shops stock.

A hearing will be held to take evidence on the foregoing at a time and place to be announced.

HARWYN SECURITIES HEARING SCHEDULED. The Commission has scheduled a hearing for January 17, 1962, in its New York Regional Office in proceedings to determine whether the broker-dealer registration of Harwyn Securities, Inc., 580 Fifth Ave., New York City, should be revoked. The proceedings concern the question whether Harwyn Securities and three individuals made fraudulent misrepresentations in the sale of Class A stock of Chase Savings & Loan Association, Inc., in January and February 1961.

BARRETT, HERRICK & CO. REGISTRATION CANCELLED. The Commission has cancelled the broker-dealer registration of Barrett, Herrick & Co., Inc., 35 Wall Street, New York City. In an order issued September 14, 1956, by the U.S. District Court (SDNY) said company was enjoined from violations of Section 15(c)(1) and (3) of the Securities Exchange Act of 1934 and rules thereunder; and on the same date the New York County Supreme Court issued a permanent injunction restraining the company from engaging in securities transactions within the State of New York. The company's assets have been liquidated by a court-appointed receiver.

SEC ORDER CITES GENERAL SECURITIES CORP. The Commission has instituted proceedings with respect to General Securities Corporation, 1012 14th Street, N. W., Washington, D. C., involving the question whether General engaged in the conduct of a securities business during the period October 2 to 4, 1961, inclusive, in violation of the Commission's net capital rule, as alleged by the Commission's Staff, and, if so, whether its broker-dealer registration should be revoked. General became registered as a broker-dealer on July 24, 1961 and is also a member of the National Association of Securities Dealers, Inc. Thomas James O'Connor is president and Kanoelani A. O'Connor is secretary and beneficial owner of all the outstanding common stock of the company. General on December 4 applied for withdrawal of its registration as a broker-dealer, but registration will remain effective pending resolution of the question of revocation.

SILTRONICS ET AL HEARING SCHEDULED. The SEC has scheduled a hearing for February 5, 1962, in its Washington Office to determine whether to vacate, or make permanent, its order of November 24, 1961, temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Siltronics, Inc., of Pittsburgh, Pa.

The Commission also has ordered the consolidation with the proceeding in such matter, for purpose of hearing at the same time and place, of the proceedings with respect to the question whether the following firms violated the registration and/or anti-fraud provisions of the Securities Act in the sale of Siltronics stock and, if so, whether their broker-dealer registrations should be revoked: Atlantic Equities Company, John Randolph Wilson, Jr., doing business as John R. Wilson, Jr. Co., Shawe & Co., Inc., of Washington, D.C.; Blair F. Claybaugh & Company of Harrisburgh and First Pennington Company, Lenchner, Covato & Co., Inc., and Strathmore Securities, Inc., of Pittsburgh, Pa.; and two officers of Klein, Runner and Company, Inc., of Washington, D. C.

CARLSON SECURITIES REGISTRATION POSTPONED. The SEC has issued an order under the Securities Exchange Act (Release 34-6693) postponing the effective date of an application for broker-dealer registration filed by Carlson Securities, Inc., 56 Beaver St., New York City, until final determination of pending proceedings on the question whether said application should be denied. Such proceedings are consolidated with proceedings on the question whether the broker-dealer registration of John G. Cravin Co., Inc., of the same address should be revoked. Carl Monaco is president and a 50% stockholder of Carlson Securities. According to the Commission's order, the hearing record thus far made indicates that between August 1960 and July 1961, salesmen in the employ of Cravin Co., who were under Monaco's supervision, made false and misleading representations in the offer and sale of stock of Long Island Arena, Inc., with respect to business, earnings, dividends, etc.; and that Cravin Co., while Monaco was the sole supervisor of its activities, engaged in business on two days in July 1961 when it had net capital deficiencies in the amounts of $4,114 and $6,959, respectively. Upon the basis thereof, the Commission concluded that it was in the public interest to postpone the effective date of Carlson Securities' registration application pending resolution of the question of denial.

SEC COMPLAINT NAMES CUSTER CHANNEL WING, OTHERS. The SEC Washington Regional Office announced December 27th (Lit-2166) the filing of a complaint (USDC, Baltimore) seeking to enjoin Custer Channel Wing Corporation, Willard R. Custer, and John D. Lawson, Trustee, from further offering and sale of Custer Channel Wing stock in violation of the Securities Act registration and anti-fraud provisions. The defendants have agreed to

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entry of a court order prohibiting them from selling or offering the stock until the matter has been heard and finally determined by the Court.

J. MORRIS ANDERSON ASSOCIATES ENJOINED. The SEC Washington Regional Office announced December 27th (Lit-2167) the entry of a Federal court order (USDC DC) permanently enjoining J. Morris Anderson & Associates, Inc., of Washington, D. C., John Morris Anderson, and Paul Obie Dowtin, from further violations of the bookkeeping and net capital rules under the Securities Exchange Act.

FINANCIAL EQUITY CORP. ENJOINED. The SEC San Francisco Regional Office announced December 18th (Lit-2168) the entry of a Federal court order (USDC, Los Angeles) preliminarily enjoining Financial Equity Corporation, of Los Angeles, and Jack J. Mahakian, from the further conduct of a securities business in violation of the SEC net capital rule.

POSTPONEMENT OF SUTRO HEARING DENIED. The SEC has denied a request of counsel for postponement of the hearing scheduled for January 9th in the SEC New York Regional Office in proceedings involving alleged violations of the margin regulations by Sutro Bros. & Co., of New York City, and the question whether its broker-dealer registration should be revoked and whether it should be suspended or expelled from Exchange or NASD membership.

Similar proceedings with respect to Schweickart & Co. have been severed from the proceedings involving Sutro Bros. and that hearing with respect to that firm will be held at a time and place later to be announced.

B.V.D. FILES FOR OFFERING AND SECONDARY. The B.V.D. Company, Inc., 404 Fifth Avenue, New York, filed a registration statement (File 2-19550) with the SEC on December 28th seeking registration of 600,000 shares of common stock, of which 400,000 shares are to be offered for public sale by the company and 200,000 shares, being outstanding stock, by the holders thereof. The offering will be made on an all or none basis through underwriters headed by Drexel & Co. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes (1) 25,000 shares underlying 2-year options sold to certain persons at 10¢ each, exercisable at the public offering price, and (2) 15,000 shares underlying like options granted to David Berdon, in consideration of services rendered in connection with the company's acquisition of Beau Brummell Ties, Inc. On the effective date of this registration statement, Beau Brummel Ties will be merged into the company, which will issue 291,920 shares of common stock to the stockholders of Beau Brummell Ties, share for share, including 135,180 shares issued in exchange for a like number of shares of stock of Beau Brummel Ties acquired by the company in July 1961 for $1,263,262.

The company is principally engaged in the manufacture and sale of men's and boys' underwear under the trade mark "B.V.D.", in the manufacture and sale of men's and boys' neckwear under the "Beau Brummell" and other trademarks, in the sale of accessories, and in the licensing of manufacturers in the United States and elsewhere to use the trade name "B.V.D." in connection with the manufacture and sale of men's and boys' shirts, socks, ties, pants and other accessories. Of the net proceeds from the company's sale of additional stock $3,990,000 will be applied to the retirement of current bank loans and long-term debt of the company, $1,250,000 will be used for expansion of production facilities, including about $100,000 for new trailer trucks, and the balance will be added to working capital of the company.

In addition to certain indebtedness and preferred stock, the company has outstanding 2,360,042 shares of common stock, of which Sol Kittay, president and board chairman, and Frieda Kittay, secretary, own 1,076,949 and 949,431 shares, respectively; and they propose to sell 78,642 and 69,330 shares, respectively. In addition, Sol Goldenthal, executive vice president, and Selma Goldenthal, own 82,653 shares each and propose to sell 6,035 shares each; and Bada Manufacturing Corp. (wholly owned by the four selling stockholders) owns all of the 6,720 outstanding preferred shares of the company and, upon conversion thereof into 39,958 common shares, proposes to sell all such shares.

LAMB INDUSTRIES PROPOSES DEBENTURE OFFERING. Lamb Industries, Inc., 500 Edward Lamb Bldg., Toledo, Ohio, filed a registration statement (File 2-19552) with the SEC on December 28th seeking registration of $2,200,000 of sinking fund (subordinated) debentures due 1977 (with attached warrants to purchase 220,000 shares of common stock), 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 Blair & Co. The interest rate and underwriting terms are to be supplied by amendment.

The company through its White Products Division, is engaged principally in the manufacture and sale of gas and electric water heaters at its plants in Middleville, Michigan and Windsor, Ontario, and the company also manufactures plumbing fixtures and water softeners. Through its Thomson Machinery Division, the company manufactures, sells and services specialized sugar cane agricultural equipment in domestic and export markets, and through its Alumatic Division, fabricates and sells aluminum doors, storm windows and related aluminum products. Of the net proceeds from the debenture sale (together with certain other funds), $932,838 will be used to retire funded indebtedness of the company; $350,000 to retire current indebtedness previously incurred to prepay funded indebtedness in that amount; $270,000 for capital expenditures in expanding the plant of the White Products Division; and the balance will be used to retire short term obligations to a commercial finance company now secured by trade accounts receivable, and, in effect, will be added to working capital.

In addition to certain indebtedness, the company has outstanding 1,108,558 shares of common stock (after giving effect to a recent 4% stock dividend), of which Edward Lamb, board chairman, and his associates own an aggregate of 68.7%. Everett A. Sisson is president.

SILICON TRANSISTOR CORP. SHARES IN REGISTRATION. Silicon Transistor Corporation, 150 Glen Cove Road, Carle Place, New York, filed a registration statement (File 2-19554) with the SEC on December 28th seeking

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registration of (1) 66,000 shares of common stock issued or to be issued pursuant to its employees' restricted stock option plans, (2) 182,200 outstanding shares, owned by Arnold Malkan, board chairman and principal stockholder, which are being registered solely in connection with their being pledged as collateral for a loan, and (3) 15,000 outstanding shares sold to American Research and Development Corporation for $150,000.

AUTOMATIC CONTROLS FILES FOR STOCK OFFERING. Automatic Controls, Inc., 3601 Merrick Road, Seaford, New York, filed a registration statement (File 2-19555) with the SEC on December 28th seeking registration of 50,000 shares of common stock, to be offered for public sale at $4 per share. The offering will be made on an all or none basis by S. Schramm & Co., Inc., which will receive a 40¢ per share commission and $15,000 for expenses. The statement also includes 10,000 shares sold to the underwriter at $1 per share and 500 shares to Joseph Goldsmith, as a finder's fee, at 10¢ per share.

The company (formerly Allco Automatics, Inc.) is engaged in the design, manufacture and installation of electrical, pneumatic, hydraulic and mechanical systems, controls and devices to control and automatically operate industrial machinery and processes. The $143,000 estimated net proceeds from the stock sale will be used for purchase of additional machinery and equipment, for research and development of new products, for the hiring and training of additional personnel principally technical sales employees, for increased advertising and sale promotion, and for working capital to finance an increased inventory of proprietary items and to enable the company to retain additional notes receivable of its customers arising out of sales.

In addition to certain indebtedness, the company has outstanding 130,000 shares of common stock, of which Max Soltzer, president, and Calvin Silverman, executive vice president, own 46% each. The sale of new stock to the public at $4 per share will result in an increase in the book value of stock now outstanding from 30¢ to $1.12 per share and a corresponding dilution of $2.88 per share in the book value of shares purchased by the public.

PEARCE-SIMPSON FILES FOR SECONDARY. Pearce-Simpson, Inc., 2295 N.W. 14th Street, Miami, Fla., filed a registration statement (File 2-19556) with the SEC on December 28th seeking registration of outstanding securities which are to be offered for public sale by the holders thereof from time to time in the over-the-counter market, or otherwise by public or private sale at such price or prices as may be obtained as follows: 93,938 shares of common stock; $570,000 of 10-year 6% subordinated convertible debentures due 1970; 266,000 shares of Class A stock; and warrants to purchase 60,000 common shares. The statement also includes an aggregate of 392,667 shares reserved for issuance upon conversion of the debentures, convertible Class A stock and the warrants.

The company designs, manufactures and services marine radiotelephones and associated equipment, manufactures custom injection molded plastics, produces and sells automatic circuit analyzers as well as general automatic test equipment and electronic equipment, and fabricates precision sheet metal. In addition to certain indebtedness, the company has outstanding 701,438 common and 286,000 Class A shares, of which management officials as a group own 6.25% and 3.49%, respectively. The prospectus lists 28 selling security holders who propose to sell all of their holdings. Foreign Power Securities Corporation, Ltd. proposes to sell 66,500 common shares; Herbert Allen 61,000 Class A shares; Lill & Co. (nominee for Television-Electronics Fund, Inc.) $200,000 of debentures; and Vilas & Hickey 25,000 warrants. William S. Simpson is president.

LITTLEFIELD, ADAMS FILES FOR STOCK OFFERING. Littlefield, Adams & Company, 128 Oliver Street, Paterson, N. J., filed a registration statement (File 2-19557) with the SEC on December 28th seeking registration of 150,000 shares of common stock, to be offered for public sale on an all or none basis by Andresen & Co. The public offering price ($5 maximum) and underwriting terms are to be supplied by amendment. The statement also includes 15,000 shares underlying 4-year warrants to be sold to the underwriter for $150, exercisable at a price to be supplied by amendment. Warrants to purchase 4,000 of such shares will be re-sold to Howard Schwartzberg, at cost, as a finder's fee.

The company and its subsidiaries are engaged in the publication and sale of paperback outlines, reviews and reference books primarily for college students; the manufacture and sale of stuffed novelties, pennants, banners, laboratory aprons and various college supplies; the distribution of medical, nursing and law books published by non-affiliated companies and the operation of retail book stores in Detroit, Michigan and Cleveland, Ohio. Net proceeds from the stock sale will be used to retire loans by officers and a stockholder, to cover cost of plates for the publication of new titles now in preparation, and to provide additional working capital in connection with the continued expansion of business. The company recently acquired all of the outstanding capital stock of Collegiate Manufacturing Company, Detroit Textbook Stores, Inc., and Cleveland Textbook Stores, Inc., by the issuance in exchange therefor of 178,034.85 shares of common stock. The businesses of the subsidiaries have been closely related to that of the company for many years and substantially all their outstanding stock was owned by certain stockholders of the company who were also officers of the subsidiaries.

In addition to certain indebtedness, the company has outstanding 300,000 shares of common stock (after giving effect to a recent recapitalization whereby the 4,994 shares then outstanding were exchanged for 121,965.15 new shares, and the issuance of the 178,034.85 pursuant to said acquisitions). Of such outstanding stock, Lydia A. Adams, assistant treasurer, Clinton J. Adams, treasurer (and Margaret Adams), A. W. Littlefield, president and board chairman, and William J. Hinson, secretary, own 20.55%, 22.90%, 18.89% and 18.86%, respectively. Present book value of shares now outstanding is $1.91 per share.

PRINTING CORP. OF AMERICA FILES FOR SECONDARY. Printing Corporation of America, 71 W. 35th Street, New York, filed a registration statement (File 2-19558) with the SEC on December 28th seeking registration of 454,000 outstanding shares of common stock, to be offered for public sale by the holders thereof on an all or none basis through underwriters headed by Goldman, Sachs & Co. The public offering price and underwriting terms are to be supplied by amendment.

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The company will result from a combination of three printing businesses which are primarily experienced in different phases of the printing industry: Hughes Corporation and its affiliated companies, Publishers Printing-Rogers Kellogg Corp. and Livermore and Knight Company and its two subsidiaries.

The company is a printer of trade and business periodicals and of textbooks by lithography. Immediately prior to the sale of the outstanding shares, the company (now called Hughes Corporation) will change its name to Printing Corporation of America, reclassify its outstanding classes of capital stock into a single class of common stock, and, in exchange for 1,089,633 shares of such common stock, acquire all of the outstanding shares of capital stock of three affiliates of Hughes Corporation, two subsidiaries of Livermore and Knight and an outstanding note of Hildreth Press in the amount of $1,000,000.

In addition to certain indebtedness, the company has outstanding 1,500,000 shares of common stock (after giving effect to said recapitalization and acquisitions), of which Russell C. Hughes, board chairman, Richard B. Knight, president, and Sampson R. Field, executive committee chairman (and Ethel G. Gants as trustees under a trust in which Field has a life interest in income) own 9.8%, 16% and 11%, respectively. They propose to sell 63,038, 40,000 and 154,800 shares, respectively. Nine others propose to sell amounts ranging from 13,260 to 51,200 shares.

SUBURBAN DIRECTOR PUBLISHERS PROPOSES OFFERING. Suburban Directory Publishers, Inc., 60 North State St., Wilkes-Barre, Pa., filed a registration statement (File 2-19553) with the SEC on December 28th seeking registration of 90,000 shares of common stock, to be offered for public sale at $3 per share. The offering is to be made on a best efforts basis by G. K. Shields & Co., which will receive a selling commission of 45¢ per share. Also included in the statement are 10,000 shares underlying 3-year options granted to stockholders of record December 1, 1961, and 20,000 shares underlying like options granted or to be granted the underwriters, exercisable at $3.25 per share.

The company (formerly Philadelphia Suburban Directories) is engaged in the business of publishing and distributing telephone directories for various suburban communities near Philadelphia and Washington, D. C. The $204,500 estimated net proceeds of this financing will be used for the payment of loans from a bank and two directors, reduction of accounts payable, purchase of additional printing equipment, and for working capital and other corporate purposes. The company now has outstanding 160,000 common shares, of which Seymour Holtzman, president, owns 71,888 shares and Frank Cuscela, secretary-treasurer, 34,612 shares. The outstanding shares have a book value of about 24¢ per share, which will be increased to 97¢ per share if the 90,000 new shares are sold; and purchasers of the new shares will suffer a dilution in their equity interest of $2.03 per share purchased.

RESEARCH PRODUCTS FILES FOR STOCK OFFERING. Research Products, Inc., Hato Rey, Puerto Rico, filed a registration statement (File 2-19559) with the SEC on December 28th seeking registration of 250,000 shares of common stock, to be offered for public sale at $9 per share. The offering will be made on an all or none basis through underwriters headed by Gross and Company and Elmaleh & Co., Inc., which will receive a 90¢ per share commission. The statement also includes 15,000 shares underlying 3-year warrants to be sold to the underwriters for $150, exercisable at $9 per share. Esther Milder and Marion Weill will receive an aggregate of $8,100 in finder's fees.

The company was organized under Puerto Rico law in August 1960 to manufacture lithographic blankets, a standard product used in the lithographic printing industry. It has not yet commenced operations but has begun construction of a factory in Hato Rey, Puerto Rico. Of the $1,900,000 estimated net proceeds from the stock sale, $1,350,000 will be used to purchase, from present stockholders of the company and their wives, all of the outstanding common stock of Master Products Corporation, a Puerto Rican company engaged in the manufacture of lithographic blankets since 1954, $250,000 to repay loans being made by Master Products to the company for the purpose of enabling the company to complete the construction of its plant site; $200,000 to acquire necessary equipment and machinery for the plant or to repay loans for that purpose; and the balance to provide working capital.

Giving effect to the acquisition of Master Products, the company has outstanding 750,000 shares of common stock, of which Emanuel Gurin, president, and Lawrence S. Rapport, board chairman, own 36% each. The sale of new stock to the public at $9 per share will result in an increase in the book value of shares now outstanding from 1¢ to about 68½¢ per share and a corresponding dilution in the book value of shares purchased by the public of about $8.315 per share. The aggregate book value of common stock of the company owned by the present stockholders will have been increased from $10,000 to about $513,862.50.

COPYMATION FILES FOR STOCK OFFERING. Copymation, Inc., 5642-50 N. Western Avenue, Chicago, filed a registration statement (File 2-19560) with the SEC on December 28th seeking registration of 60,000 shares of common stock, to be offered for public sale through underwriters headed by Kenneth Kass. The public offering price ($15 maximum) and underwriting terms are to be supplied by amendment. The statement also includes 6,000 shares underlying 5-year warrants to be issued to the underwriters, exercisable at 120% of the public offering price.

The company is engaged in the manufacture and sale, throughout the United States and Canada, of Diazo-type White-printing photo copy Machines and replacement parts therefor. In addition, the company also sells, throughout the United States and Canada, office copying machines, photographic laboratory equipment, mercury quartz Lamps, which are used as replacement lamps for various types of reproduction equipment, and anhydrous ammonia gas systems for Diazo reproduction equipment, all of which are manufactured for the company to its specifications. The company is also engaged in the research and development for commercial production of photo sensitive paper and other materials. Net proceeds from the stock sale will be used for general corporate purposes including (1) the repayment of short term borrowings amounting to $241,000 made to finance additional inventory and accounts receivable, to provide funds for the establishment of sales offices and training sales personnel and to continue its program of research and development; (2) to provide funds for the continuation and expansion of the research and development program of the company, which will include an

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estimated sum of $70,000 for the calendar year 1962, for research and market development of photo sensitive paper and other materials; (3) payment of $20,000 during 1962 under a royalty agreement with Dr. Meyer S. Agruss and, (4) augmentation of working capital.

In addition to certain indebtedness, the company has outstanding 294,413 shares of common stock, of which Sydney A. Harvey, president, and Arthur Harvey, executive vice president, own 25% and 18%, respectively. Present book value of outstanding shares is $1.77 per share.

WELCOME BABY FILES FOR STOCK OFFERING. Welcome Baby, Inc., 210-07 48th Avenue, Bayside, New York, filed a registration statement (File 2-19561) with the SEC on December 28th seeking registration of 75,000 shares of common stock, to be offered for public sale at $2 per share. The offering will be made on an all or none basis through underwriters headed by Globus, Inc. and First Philadelphia Corporation, which will receive a 24¢ per share commission and $10,500 for expenses. The statement also includes 35,000 shares underlying 5-year warrants sold to the underwriters, Warren Kaplan, the finder, and the attorney for the underwriters for an aggregate of $35, exercisable at $2 per share.

The company is basically a service organization which renders a specialized type of direct mail public relations, sales promotion and advertising service for small retail stores, essentially directed to new and expectant mothers. The $116,500 estimated net proceeds from the stock sale will be used to repay a $10,000 loan from one of the underwriters incurred for current operations; to establish a franchised distributor sales program; for advertising, printing, additional mailing equipment and office machines; and for general corporate purposes and working capital.

In addition to certain indebtedness, the company has outstanding 75,000 shares of common stock, of which George Zelman, president, and Myron Kaller, executive vice president, own 58.7% and 41.3%, respectively. Sale of the new shares to the public at $2 per share will result in an increase in book value of stock presently outstanding from 24¢ to 90¢ per share and a corresponding dilution in shares purchased by the public of $1.10 per share. Present stockholders will own 50% of the outstanding shares which have an aggregate book value of $18,094.32, and the public will own 50% for an investment of $150,000.

VALIC ORDER MODIFIED. On request of Variable Annuity Life Insurance Company of America, of Washington, D.C., the SEC has issued an order under the Investment Company Act (Release IC-3396) modifying its February 25, 1960 order granting Valic a conditional exemption from certain provisions of the Act. The earlier order exempted Valic from a statutory prohibition against the issuance of senior securities, to the extent necessary to permit the issuance of variable annuity contracts and contracts of life and disability insurance, upon the condition that Valic coinsure or reinsure the liabilities assumed under such life and disability insurance contracts. Valic requested that the order be modified by eliminating this condition. Said exemptive order also was predicated, among other things, upon Valic's undertaking to maintain total reserves with respect to variable annuity contracts upon which variable annuity payments have commenced, of not less than 125% of the reserves required for such contracts by the Life Insurance Act of the District of Columbia; and Valic requested that the order be modified to relieve it of this undertaking. The Commission concluded that it was appropriate to so modify the 1960 order and to continue the exemption previously granted.

The Commission observed, however, "that it has comparable matters before it, and it is also engaged in a study which will result in suggested solutions to certain problems under the Act existing generally in the variable annuity industry. Consequently the modifying order which is to be entered herein is not to be construed to be determinative of any issues before the Commission in this or any other proceeding or of any action which this Commission may deem appropriate to take in this proceeding in the light of conclusions which it may reach on the basis of the aforementioned study."

EALIC SEEKS AMENDING ORDER. Equity Annuity Life Insurance Company, Washington, D. C., has applied to the SEC for a modification of its February 1960 exemption order with respect to the maintenance of reserves by Ealic; and the Commission has issued an order (Release IC-3397) giving interested persons until January 16th to request a hearing thereon. In its 1960 order the Commission exempted Ealic's issuance of variable annuity contracts from certain provisions of the Act, including the prohibitions against the issuance of senior securities. The exemption was granted on the basis of an undertaking by Ealic to maintain reserves for such contracts in the pay-out period of not less than 125% of the reserves required for such contracts by the Life Insurance Act of the District of Columbia. Subsequently, the said Insurance Act was modified to provide for the establishment of separate accounts in connection with the issuance of variable annuity contracts which, according to Valic's application, insulates the assets held in the separate account from the other liabilities of the company, requires the assets so segregated to equal the contract liability at all times, and makes the additional 25% reserve unnecessary.

VOLUME OF NEW REGISTRATIONS AT RECORD HIGH. During the six months ended December 31, 1961, 1224 registration statements were filed with the Commission proposing the public offering of securities aggregating $8.15 billion. This is a record high for any six-month period; and it exceeds the 709 filings for the same 1960 period by over 72% and is to be compared with the 1830 filings for the twelve-month period ended June 30, 1961 (Fiscal 1961). Filings for the calendar year 1961 were at an all-time high, 2345 filings having been made as compared with 1589 in 1960 and 1497 in 1959. Of the filings during the last six months, nearly 7 out of 10 were made by companies which were proposing the public offerings of securities for the first time. This is to be compared with 52.4% for Fiscal 1961 and 28% for Fiscal 1958. Another new record was established in the processing and clearance during the last six months of 909 registration statements, as compared with 684 during the same 1960 period and 1553 for Fiscal 1961.

SECURITIES ACT REGISTRATIONS. Effective January 2: Coastal Chemical Corp. (File 2-18957); Orbit Industries, Inc. (File 2-18728); Sterling Extruder Corp. (File 2-18877). Withdrawn January 2: Triton Electronics, Inc. (File 2-18970).

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