

# 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 23, 1962

**C.M.P. CORP. FILES FOR STOCK OFFERING.** C.M.P. Corporation, 118 Santa Barbara, Santa Paula, Calif., filed a registration statement (File 2-19652) with the SEC on January 19th seeking registration of 70,000 shares of common stock, to be offered for public sale through underwriters headed by Pistell, Inc. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes 2,500 outstanding shares sold to the principal underwriter by certain shareholders at \$2.75 per share.

The company was organized under Delaware law in January 1962 and will succeed by merger to the business, assets and liabilities of California Molded Products, Inc. Its principal business will be the manufacture of molded plastic products and its principal product will be melamine dinnerware sold mainly under the trademark "Durawear." Of the net proceeds from the stock sale, \$150,000 will be used for expansion of the company's existing production capabilities at Santa Paula, consisting primarily of the acquisition of molds and presses to produce a new line of melamine dinnerware under the name of "Californiaware" and the purchase of molds and presses to manufacture "expandable polystyrene" products; \$100,000 to establish, on leased premises, a facility in the eastern United States to manufacture "expandable polystyrene" products including acquisition of molds and presses, and to provide storage and shipping facilities for the company's line of dinnerware; \$112,680 to pay notes issued to Elizabeth Howie and certain former stockholders and to reduce loans payable secured by trade accounts receivable; and the balance for working capital and to carry additional inventory and accounts receivable.

In addition to certain indebtedness, the company has outstanding 152,500 shares of common stock (issued for the outstanding stock of the predecessor), of which Joseph J. Flannery, board chairman, Myron A. Lomasney, a director, Joseph E. Sheehan, assistant secretary, and Fred M. Stewart, president, own 44.27%, 29.50%, 14.75% and 9.84%, respectively. They recently sold 2,500 shares for \$6,875.

**MISSISSIPPI-RED RIVER TRANSPORT FILES FOR STOCK OFFERING.** Mississippi-Red River Transport Co., 2809 North Main Street, Fort Worth, Texas, filed a registration statement (File 2-19653) with the SEC on January 22nd seeking registration of 200,000 shares of common stock, to be offered for public sale on a best efforts basis by William N. Edwards & Company. The public offering price (estimated at \$2.50 per share) is to be supplied by amendment; and the underwriter will receive a 10% selling commission. The statement also includes 4,000 shares to be issued to the underwriter's counsel in payment of fees. According to the prospectus, the underwriter will have an option to purchase from the company, at \$2.50 per share, 10% of any additional common stock to be issued in the future by the company up to 1,596,000 shares (in addition to the 400,000 shares to be outstanding after this offering).

The company (formerly Heart of Texas Transportation Company, Inc.) presently operates in intrastate commerce as a motor carrier of petroleum products in bulk, serving points within 200 miles of Fort Worth, serving primarily Barney Holland Oil Company, which is controlled by Barney B. Holland, company president. The company anticipates the issuance by the Interstate Commerce Commission of a certificate of public convenience and necessity authorizing it to operate a tug and barge service, as a common carrier in interstate or foreign commerce, from New Orleans over the Mississippi, Atchafalaya and Red Rivers or via the Gulf Inter-coastal Canal, other inland waterways and the Red River to Denison, Texas and Hugo, Oklahoma. The \$425,000 estimated net proceeds from the stock sale will be used to purchase four tugs and 16 barges, both to cost not in excess of \$15,000 each or a maximum of \$300,000; and the balance may be used in the construction of a maintenance base at Shreveport, La. and docking facilities where necessary along the route proposed to be served by the company, or may be added to general funds to be used as working capital during the commencement of barge operations.

In addition to certain indebtedness, the company has outstanding 200,000 shares of common stock (after giving effect to a recent 240-for-1 stock split), all of which are owned by Holland (and members of his immediate family).

**BAXTER LABS PROPOSES DEBENTURE OFFERING AND SECONDARY.** Baxter Laboratories, Inc., 6301 Lincoln Ave., Morton Grove, Ill., filed a registration statement (File 2-19654) with the SEC on January 22nd seeking registration of \$10,000,000 of convertible subordinated debentures due 1982, to be offered for public sale by the company, and 120,000 outstanding shares of common stock, to be offered by the holders thereof. Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith head the list of underwriters. The interest rate on the debentures, and public offering price and underwriting terms for both issues are to be supplied by amendment.

The company is engaged in the manufacture and sale of parenteral solutions (solutions injected into the vein or under the skin for feeding purposes), and in other areas of a broad pharmaceutical-chemical base, encompassing hospital pharmaceuticals, blood collection and administration equipment, biological and diagnostic reagents, enzymes and other specialty chemicals, and pharmaceutical specialties. Of the net proceeds from the debenture sale, \$3,300,000 will be used to prepay outstanding short-term bank loans and \$3,500,000 to retire term bank debt. The balance will be available for additional working capital and for capital expenditures, including additional plant facilities. Said short-term debt was incurred to meet tax payments, build up inventories, carry additional accounts receivable, and to pay for plant construction and expansion.

OVER

In addition to certain indebtedness and preferred stock, the company has outstanding 2,668,840 shares of common stock, of which Marian C. Falk, a director, Ralph Falk II, board chairman, and Continental Illinois National Bank and Trust Company of Chicago, as executors of the will of Ralph Falk, deceased, hold 215,108 shares and propose to sell the 120,000 shares. Marian C. Falk has a life interest in two-thirds of the residuary estate of Ralph Falk, and Ralph Falk II has a remainder interest in such portion and a life interest in and limited power of appointment over the other one-third of the residuary estate. They also own 9.1% and 3.5%, respectively, of the outstanding common stock of the company, and management officials as a group 18.7%. Merrill Lynch, Pierce, Fenner & Smith is record owner of 12.9% of the outstanding stock.

**AMERICAN SPACE EXPLORATION FILES FOR STOCK OFFERING.** American Space Exploration, Inc., 3910 South Kalamath St., Englewood, Colo., filed a registration statement (File 2-19655) with the SEC on January 22nd seeking registration of 250,000 shares of common stock, to be offered for public sale at \$2 per share. The offering will be made on a best efforts basis (all or none as to the first 150,000 shares) by Preferred Securities, Inc., of Phoenix, which will receive a 25¢ per share commission and \$25,000 for expenses. The statement also includes 25,000 shares underlying four-year warrants to be conditionally sold to the underwriter at 1¢ each, exercisable at \$2.50 per share.

Organized under Delaware law in October 1961, the company proposes to manufacture and sell digital voltmeters, digital chronometers and solid state counters. To date, the company has not commenced commercial production and has no significant operating history. The \$394,500 estimated net proceeds from the stock sale (assuming all shares are sold) will be used for one year's rental payments on a building, for one year's salaries for executives and non-affiliated persons, for development of additional production models of products and production testing and shakedown expense, for purchase of raw materials and inventory of component and machinery and test equipment, for advertising and sales promotion, and for working capital.

The company has outstanding 176,082 shares of common stock, of which Bill M. Tomberlin, board chairman and president, and Marshall Johnston, vice president, own 16.1% and 24.4%, respectively, and management officials as a group 56.2%. Of such outstanding stock, 126,082 shares were issued to organizers in exchange for certain designs, processes and electronic materials (in which such persons had no material cash investment), and of which 50,000 shares were sold to management officials and promoters for cash at \$1 per share. If all the new shares are sold, management officials and promoters will own 35.5% of the outstanding stock of the company acquired at a cost of about \$26,187, and the public will own 58.7% at a cost of \$500,000.

**BROWN ENGINEERING FILES FOR STOCK OFFERING.** Brown Engineering Company, Inc., P.O. Drawer 917, Huntsville, Ala., filed a registration statement (File 2-19656) with the SEC on January 22nd seeking registration of 80,000 shares of common stock, to be offered for public sale through underwriters headed by Goodbody & Co. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes (1) 30,000 shares issuable upon exercise of restricted stock options, and (2) 18,060 shares sold or to be sold, by the company or its president, to employees and one unaffiliated purchaser. The prospectus states that the principal underwriter has received a \$25,000 fee from the company in connection with the sale by the company of \$1,250,000 of 6% senior notes and a warrant (to purchase 39,000 shares) to an institutional investor in January 1962.

The company is engaged primarily in engineering and custom manufacturing activities, principally at its plant in Huntsville, Ala., in general support of the research and development phases of the space and missile programs being carried on by the National Aeronautics and Space Administration at Redstone Arsenal and elsewhere in the Huntsville area, by NASA facilities at Cape Canaveral, Fla., and by United States Army agencies located at Redstone Arsenal. The prospectus states that the company is making available additional space suitable for engineering offices, pursuant to a request by NASA. A new plant is being constructed by a wholly-owned subsidiary, Space Resources, Inc., at a site about 5 miles west of the business section of Huntsville. Total cost of the first phase is estimated at \$1,900,000 and has been financed by the subsidiary through a short-term purchase money mortgage on the plant site and through advances and investments in its capital stock by the company. The proceeds from the sale of said notes and warrants were or will be used to discharge short-term bank notes incurred by the company to provide financing to the subsidiary and to make additional advances and investments in the stock of the subsidiary. The company will advance a portion of the net proceeds from this stock sale to the subsidiary, and make further investments in its stock, to enable the subsidiary to pay the short-term mortgage on the plant site at maturity and to complete the first phase of the plant. The subsidiary will issue to the company a \$1,650,000 6% note, equal to the aggregate advances previously made and to be made by the company. An additional \$500,000 of the net proceeds will be used to discharge an indebtedness to Milton K. Cummings, president and board chairman (and a trust for one of his children), incurred to provide advances to the subsidiary, and the balance will be added to working capital.

In addition to certain indebtedness, the company has outstanding 273,720 shares of common stock, of which Cummings owns 27.8% and holds as trustee for his children an additional 6.2%. His wife, children and grandchildren own an additional 17.8% and management officials as a group 34%.

**RICHARD BECKERLEY FILES PLEA.** The SEC Seattle Regional Office announced January 18th (Lit-2177) that Richard L. Beckerley on December 22d entered a guilty plea to count 6 of an 8-count indictment returned in August 1961 (USDC Billings, Mont), charging fraud in the sale of Montana Reserve Underwriting Corp. debentures. Berkerley placed on five years' probation; and indictment against Montana Reserve dismissed after change in management.

**SECURITIES ACT REGISTRATIONS. Effective January 23:** Commonwealth of Australia (File 2-19605); Originals Inc. (File 2-18806); Otto Berns Co., Inc. (File 2-19141); Preston Moss Fund, Inc. (File 2-19476); Quartite Creative Corp. (File 2-18992); The Shamrock Oil & Gas Corp. (File 2-19449); Southern Frontier Finance Co. (File 2-18940); Westland Capital Corp. (File 2-18936).