

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 May 25, 1962

AUTOMATIC MERCHANDISING FILES FOR OFFERING AND SECONDARY. Automatic Merchandising, Inc., 217 North Willow Ave., Tampa, Fla., filed a registration statement (File 2-20398) with the SEC on May 24th seeking registration of 225,000 shares of common stock, of which 125,000 shares are to be offered for public sale by the company and 100,000 shares, being outstanding stock, by the holder thereof. A. C. Allyn & Co., 122 South La Salle Street, Chicago, heads the list of underwriters. The public offering price (\$6 per share maximum*) and underwriting terms are to be supplied by amendment.

The company operates, owns, and services coin-operated automatic vending machines dispensing cigarettes and various food products, and it also operates coin-operated phonographs in drug stores and similar locations, kiddie rides in super-markets and drive-in restaurants. The company also leases vending machines in areas in which it does not operate and has recently extended its activities to include the field of industrial catering through large scale vending installations. Of the net proceeds from the company's sale of additional stock, \$150,000 will be used to retire a bank loan, \$100,000 to reduce or retire other indebtedness, \$150,000 to increase inventory of commodities with volume discounts, and the balance to acquire new vending equipment and for working capital.

In addition to certain indebtedness, the company has outstanding 327,430 shares of common stock, of which management officials as a group (including their families) own 20%. Florida Capital Corporation proposes to sell the 100,000 shares, which it will receive at \$3 per share upon exercise of warrants received by it in connection with its purchase in 1961 of \$600,000 of 8% debentures of the company. Payment is to be made by giving credit of \$300,000 on the face amount of the 8% debentures. Florida Capital now owns 5,000 shares purchased at \$1 per share and intends to acquire an additional 5,000 shares at \$1.10 per share (exclusive of the 100,000 shares). As a result, just prior to the public offering, Florida Capital will own 110,000 shares acquired at an average cost of \$2.823. It holds additional warrants to purchase shares of the company.

SESAME CORP. FILES FINANCING PLAN. John Kraft Sesame Corporation, 2301 North Main St., Paris, Texas, filed a registration statement (File 2-20399) with the SEC on May 24th seeking registration of \$225,000 of 6% convertible subordinated debentures due 1972 and 150,000 shares of common stock, to be offered for public sale in units consisting of a \$300 debenture and 200 shares. The offering will be made at \$900 per unit by John A. Dawson and Company, 1 North La Salle Street, and Leason and Company, Inc., 39 South La Salle Street, both of Chicago, which will receive a \$102 per unit commission.

The company was organized in 1961 to take over the basic processing and distribution of sesame seed formerly conducted by the Texas plant of Sesa-Kraft, Inc., a Texas company. The company has issued 150,000 common shares to Sesa-Kraft in exchange for all the latter's sesame dehulling equipment located at its Paris plant, and also for all of its rights and title to a patent under which it manufactures a sesame chip mixture. The operations of the company now consist of the hulling operation at Paris, with associated extraction of sesame oil, sesame meal, toasted and other specifically treated sesame seed, and the production of Sesa-Teez mix which is used by others as a base for a snack food marketed under the trade name of "Sesame Chips." Of the net proceeds from this financing, \$150,000 will be used to carry present volume of accounts receivable and inventories of seed, products and supplies on the business taken over from Sesa-Kraft, \$200,000 to finance purchases and warehousing of raw sesame seed; \$130,000 to replace and/or modernize portions of existing plant equipment and to construct improved dehulling equipment, and the balance for working capital.

The company has outstanding 150,000 common shares which, as indicated, are owned by Sesa-Kraft. John H. Kraft is president of both companies, which have other common management officials. Kraft owns 96% of the outstanding stock of Sesa-Kraft.

MERCANTILE STORES FILES FOR SECONDARY. Mercantile Stores Company, Inc., 100 West 10th Street, Wilmington, Del., filed a registration statement (File 2-20400) with the SEC on May 24th seeking registration of 169,302 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Clark, Dodge & Co., Inc., 61 Wall Street, New York. The public offering price (maximum \$26 per share*) and underwriting terms are to be supplied by amendment.

The company operates a chain of 60 stores, consisting of 19 major department stores and 41 branch stores, selling a complete line of merchandise including women's, men's and children's clothing and accessories, dry goods, furniture, housewares and other items. In addition to certain indebtedness, the company has outstanding 2,950,998 shares of common stock, of which Minot Mercantile Corporation owns 28.4% and management officials as a group 10.3%. F. K. Bradley is president and Harold W. Jockers is board chairman. The prospectus lists 28 selling stockholders including Deering Milliken, Inc., and Deering Milliken Foundation, which propose to sell all of their holdings of 54,184 and 36,172 shares, respectively. Minot K. Milliken, a director and owner of 11.4% of the voting securities of Minot Mercantile Corp., proposes to sell 25,000 of 78,896 shares held. Others propose to sell amounts ranging from 200 to 10,000 shares.

OVER

SHARON STEEL FILES EXCHANGE PLAN. Sharon Steel Corporation, Sharon, Pa., filed a registration statement (File 2-20401) with the SEC on May 24th seeking registration of 299,297 shares of common stock. It is proposed to offer such stock in exchange for all of the outstanding common stock of Macomber Incorporated, an Ohio company, at the rate of .68 share of company shares for each share of Macomber stock.

The company is an integrated steel producer, except that it does not own any iron ore or limestone properties. Macomber is engaged in the manufacture of structural steel products primarily used in light construction. According to the prospectus, the company believes that the proposed acquisition of Macomber, and its operation as a subsidiary, will enable the company to enter a desirable field (steel for light construction) and to have an assured outlet for a substantial tonnage, thereby providing the company's operation with better diversity and stability. In addition to certain indebtedness, the company has outstanding 1,106,672 shares of common stock, of which management officials as a group own 2.2%. D. W. Frease is president and board chairman.

FOOD AND DRUG RESEARCH FILES FOR OFFERING AND SECONDARY. Food and Drug Research Laboratories, Inc., Maurice Avenue at 58th St., Maspeth, N. Y., filed a registration statement (File 2-20402) with the SEC on May 24th seeking registration of 107,500 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 7,500 shares, being outstanding stock, by the holder thereof. Maltz, Greenwald & Co., 1441 Broadway, and Rittmaster, Voisin & Co., 260 Madison Ave., both of New York, head the list of underwriters. The public offering price (maximum \$5 per share*) and underwriting terms are to be supplied by amendment. The statement also includes (1) 22,500 shares underlying 3-year warrants to be sold to Maltz, Greenwald & Co. for \$225, exercisable at a price to be supplied by amendment, and 5,000 shares underlying like warrants to be sold to Ross, Lyon & Co., for \$50, for services as a financial consultant, and (2) 4,500 outstanding shares underlying 2-year options to be granted to said underwriter by a stockholder, exercisable at a price also to be supplied by amendment.

The company specializes in chemical and biological research and testing for the food, drug, cosmetic, chemical and related industries. Of the net proceeds from the company's sale of additional stock, \$150,000 will be used to expand laboratory space in the metropolitan New York area, including leasing of additional premises, acquiring materials and equipment and enlarging the number and variety of animals for an expanded research program; \$75,000 for modification for special uses of property recently acquired at Waverly, N.Y., including establishment of animal colonies and purchase of equipment; and the balance to pay a bank loan and for working capital. In addition to certain indebtedness, the company has outstanding 157,500 shares of common stock (after giving effect to a recent 157 $\frac{1}{2}$ -for-1 stock split), of which Bernard L. Oser, president, owns 95% and management officials as a group 100%. Oser proposes to sell the 7,500 shares.

ELECTRONIC COMMUNICATIONS FILES STOCK PLAN. Electronic Communications, Inc., 1501 72nd Street North, St. Petersburg, Fla., filed a registration statement (File 2-20403) with the SEC on May 24th seeking registration of (1) 40,225 shares to be offered pursuant to its Stock Option Plan, and (2) 14,000 shares underlying options granted to S. W. Bishop, president, and G. R. Wilson, vice chairman of the board.

LENER STORES DELISTING APPROVED. The SEC has issued an order under the Securities Exchange Act of 1934 granting an application of the New York Stock Exchange to strike from listing and registration the common stock of Lerner Stores Corporation, effective at the close of the trading session on June 8, 1962, all but 100,000 shares of Lerner common having been acquired by McCrory Corporation.

INTERNATIONAL SECURITIES HEARING POSTPONED. Upon request of counsel for International Securities, Inc., of Charlotte, N. Car., and counsel for its Division of Trading and Exchanges, the Commission has authorized an indefinite postponement of the hearing in administrative proceedings under the Securities Exchange Act to determine whether an application for broker-dealer registration filed by International Securities should be denied.

MONOGAHELA POWER SYSTEM FINANCING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14643) authorizing additional equity investments by Monongahela Power Company (Fairmont, W. Va.) in its subsidiaries, as follows: The West Maryland Power Company, \$250,000; The Marietta Electric Company, \$500,000; and Monterey Utilities Corporation, \$100,000. The subsidiaries will apply the funds to property additions and improvements or to repay advances from the parent.

LAZARD FUND WITHDRAWS APPLICATION. The Lazard Fund, Inc., New York investment company, has withdrawn its application for an exemption order under the Investment Company Act with respect to a proposal to purchase up to 20,000 of the 2,250,000 shares of common stock the subject of a registration statement filed in March by Ford Motor Company (Release IC-3482). The Fund later advised that it did not intend to acquire such stock during the existence of the underwriting syndicate for the offering of Ford stock in an amount greater than permitted by SEC Rule 10f-3, and requested withdrawal of its application.

SEC COMPLAINT NAMES BENNETT & CO. The SEC New York Regional Office announced May 22d the filing of a complaint in Federal court (USDC, Newark, N.J.) seeking to enjoin violations of the Securities Act anti-fraud provisions by Bennett & Company of Newark, together with Bennett Davies and Frederick Davies, in the offer and sale of Class A stock of Financial Development Corp., and seeking the appointment of a receiver for the Bennett firm. (Lit-2270)

INDICTMENT NAMES HOWARD P. CARROLL. The SEC San Francisco Regional Office announced May 23d (Lit-2271) the return of a Federal court indictment (USDC Los Angeles) charging Howard P. Carroll and H. Carroll & Co. with violations of the Securities Act anti-fraud provisions in the offer and sale of stock of Comstock, Ltd., in 1957. The firm's principal office was then located in Denver, with a branch in Beverly Hills, Calif.

CONTINUED

KEYSTONE DISCOUNT STORES FILES FOR STOCK OFFERING. Keystone Discount Stores, Inc., R.D. No. 2, North Lebanon Township, Lebanon, Pa., filed a registration statement (File 2-20404) with the SEC on May 24th seeking registration of 110,000 shares of common stock, to be offered for public sale through underwriters headed by Suplee, Yeatman, Mosley Co., Incorporated, 1500 Walnut St., and Woodcock, Moyer, Fricke & French, Incorporated, 123 South Broad Street, both of Philadelphia. The public offering price (maximum \$5.25 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 11,000 common shares underlying 5-year warrants to be sold to the principal underwriters for \$1,100, exercisable at the public offering price.

The company (formerly Bargaintown U.S.A., Inc.) operates three retail discount stores near Lebanon, Manheim and Hummelstown, Pa., carrying a broad line of merchandise (with emphasis on soft goods). Of the net proceeds from the stock sale, \$500,000 will be used to provide inventories, install fixtures and promote the opening of new operations. The company intends to open at least three stores in the Central and Southern Pennsylvania area before the end of 1962, and sites for two of the stores have been selected in Harrisburg and Lancaster. In addition to certain indebtedness, the company has outstanding 150,000 shares of common stock (after giving effect to a proposed 140.8-for-1 stock split), of which Harry Miller, board chairman and president, and Norman Braman, treasurer, own 47% each.

ECHLIN MFG. FILES FOR SECONDARY. The Echlin Manufacturing Company, Echlin Road & U.S. 1, Branford, Conn., filed a registration statement (File 2-20405) with the SEC on May 24th seeking registration of 210,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The public offering price (maximum \$25 per share*), names of the underwriters and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of various replacement parts for the electrical and braking systems of automotive equipment and the ignition systems of small gasoline engines. It has outstanding 1,807,400 shares of common stock, of which John E. Echlin, president, and Leonard N. Fisher, a vice president, own 183,002 and 16,400 shares, respectively, and propose to sell 80,000 and 10,000 shares, respectively. In addition, the Estate of Carlyle Fraser and the trustee under trusts for the benefit of the family of Leonard N. Fisher own 122,760 and 96,000 shares, respectively, and propose to sell 100,000 and 20,000 shares, respectively.

ADR'S FOR RIO TINTO-ZINC FILED. Morgan Guaranty Trust Company of New York, filed a registration statement (File 2-20406) with the SEC on May 24th seeking registration of 80,000 American Depositary Receipts for ordinary registered shares of The Rio Tinto-Zinc Corporation Limited, of England.

TRADING BAN IN APEX MINERALS CONTINUED. The SEC has issued an order suspending trading in the common stock of Apex Minerals Corporation on the San Francisco Mining Exchange and over-the-counter market for an additional ten-day period May 26 to June 4, 1962, inclusive.

ORAL ARGUMENT. Brown, Barton & Engel, May 28, 2:30 P.M.

SECURITIES ACT REGISTRATIONS. Effective May 25: Growth Program, Inc. for the Accumulation of Shares of Television-Electronics Fund, Inc. (File 2-19623); United Gas Corp. (File 2-20368); United States Plywood Corp. (File 2-19983). Withdrawn May 25: Bridge Electronics Company, Inc. (File 2-19392); Dextra Corp. (File 2-19864); Franklin Manufacturing Co. (File 2-19509).

*As estimated for purposes of computing the registration fee.

---ooo0ooo---