

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 October 30, 1962

NEW ENGLAND POWER FILES FINANCING PLAN. New England Power Company, 441 Stuart Street, Boston, filed a registration statement (File 2-20846) with the SEC on October 29th seeking registration of \$12,000,000 of first mortgage bonds (series J) due 1992, and 100,000 shares of \$100 par cumulative preferred stock, to be offered for public sale at competitive bidding. The net proceeds from the bond sale will be used to pay \$12,000,000 of outstanding short-term notes incurred for construction (or to reimburse the treasury therefor); and the net proceeds from the preferred stock sale, together with treasury funds, will be applied to the redemption of 100,000 shares of cumulative preferred stock (5.52%) at \$107.74 per share plus accrued dividends in January 1963. Estimated construction costs for the period September 1962 through December 1965 are \$52,000,000. In addition to certain indebtedness and preferred stock, the company has outstanding 3,107,039 shares of common stock, all of which are owned by New England Electric System, of Boston. William Webster is president.

TRADING BAN IN FOUR STOCKS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and over-the-counter trading in the common stocks of the following for the period October 31 through November 9, 1962, inclusive: Black Bear Industries, Inc., E. L. Bruce Co. (Inc.), Precision Microwave Corp., and Prosper Oil and Mining Company.

REILLY, HOFFMAN REGISTRATION REVOKED. The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-6924) revoking the broker-dealer registration of Reilly, Hoffman & Co., Inc., 30 Raymond Avenue, Lynbrook, New York, for violations of the registration, anti-fraud and other provisions of the Federal Securities laws. Thomas J. Reilly and Phillip J. Hoffman, officers and principal stockholders, and Theodore Kempinski, Robert Campbell, Norman Grant and Paul Gordon, salesmen, were each found a cause of the revocation order.

In its decision, the Commission found that the company, aided and abetted by said persons, violated the registration requirement of the Securities Act in the offer and sale of the common stock of Glide Control Corporation in 1959; and that in connection therewith they made false and misleading representations of material facts in violation of the anti-fraud provisions of the law. The misrepresentations included statements that the price of the stock would have a large and rapid increase, that Glide had \$600,000 worth of sales and had made a \$300,000 profit, that the stock was going to be listed on an exchange, that the automobile speed control unit manufactured by Glide was shortly to be adopted as equipment by some of the leading car manufacturers in the United States, and that Glide had or was negotiating contracts with large automobile manufacturers. Violations of the Commission's record keeping rules were also found by the Commission. "In view of the fraudulent and irresponsible manner in which registrant conducted its business," the Commission stated, it is in the public interest to revoke the company's registration.

MICHIGAN CONSOLIDATED GAS FINANCING APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14730) authorizing Michigan Consolidated Gas Company, Detroit subsidiary of American Natural Gas Company, a registered holding company, to borrow from time to time up to \$12,000,000 from banks. The proceeds therefrom, together with treasury funds, will be used to finance, in part, the company's 1962 construction program, estimated at \$30,866,000.

AMERICAN NATURAL GAS BORROWING APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14731) authorizing the sale by American Natural Gas Company, New York registered holding company, to First National City Bank, New York, of an installment promissory note in the face amount of \$6,000,000. The proceeds therefrom, together with \$2,000,000 of treasury funds, will be used to retire the \$8,000,000 balance of notes due banks and issued in 1954 to retire collateral trust notes of the company then outstanding.

LAS VEGAS PROPERTIES FILES FOR OFFERING. Las Vegas Properties Trust, 4933 Paradise Road, Las Vegas, Nevada, filed a registration statement (File 2-20848) with the SEC on October 29th seeking registration of 500,000 shares of beneficial interest in the Trust, to be offered for public sale at \$10 per share. The offering will be made on a best efforts basis by Securities Company of Nevada (of the same address), which will receive a \$1 per share selling commission.

Organized as a business trust under Nevada law in August 1962, the Trust's objective is to provide a broad and selected diversification of investments in the field of real estate and, through such diversification, to achieve long term capital and income. It intends to qualify as a real estate investment trust under the Internal Revenue Code. The Trust presently does not hold any real property or mortgages, and its investments will be directed to the acquisition and holding of fee title to income producing real estate used for industrial, commercial and residential income purposes, initially located in Nevada. Real Estate Management Corporation of Nevada will manage the Trust's properties. Carl L. Ayres, who initiated organization of the Trust, is an officer and stockholder in both the manager and the underwriter. M. M. Sweeney is board chairman, president and a trustee of the Trust.

OVER

FEDCO SHARES IN REGISTRATION. Fedco Corporation, 3600 West Pratt Avenue, Chicago, filed a registration statement (File 2-20849) with the SEC on October 29th seeking registration of 20,000 shares of common stock, of which 17,500 shares are to be offered for public sale by the company and 2,500 shares, being outstanding stock, by the present holder thereof. No underwriting is involved. The public offering price (maximum \$15 per share*) is to be supplied by amendment. The statement also includes 52,748 outstanding common shares previously sold by the company without registration under the Securities Act (at from \$12.25 to \$13 per share), concerning which the company intends to make an offer of repurchase at a price equivalent to the price received therefor plus 5% interest.

The company is engaged in the design, manufacture and sale of tools, dies, molds, beryllium castings, the operation of custom molding and stamping equipment for the production of component items to be used in products made by others, the distribution of plastic, metal and glass products for home use and the design, manufacture and sale of plastic and metal premium items and advertising specialties. The net proceeds from the company's sale of additional stock will be used to repurchase any shares tendered pursuant to the rescission offer and to reduce outstanding accounts payable. In addition to certain indebtedness, the company has outstanding 308,317 shares of common stock, of which J. G. Tobin, board chairman and president, owns about 32% and management officials as a group about 54%. Archer Investment Company, a partnership composed of eight officers of the company, owns 18,895 shares (6.12%) and proposes to sell the 2,500 shares.

ICOA LIFE PROPOSES RIGHTS OFFERING. ICOA Life Insurance Company, 250 Liberty St., SE, Salem, Oregon, filed a registration statement (File 2-20851) with the SEC on October 25th seeking registration of 1,130,000 shares of common stock. It is proposed to offer such stock for subscription at \$4 per share by stockholders at the rate of one new share for each share held (the record date is to be supplied by amendment). The company will pay a 60¢ per share selling commission to Oregon Underwriters, Inc., of Salem, which will make the offering on a best-efforts basis.

The company is engaged in the sale of ordinary (individual) life insurance, individual family health and disability insurance, and group credit life and disability insurance in Oregon, Washington and Nevada. The \$3,842,000 estimated net proceeds from the stock sale will be used to expand operations by obtaining licenses to do business in additional states and by acquiring new subsidiaries; and any balance will be invested in accordance with requirements of Oregon insurance law. The company has outstanding 1,130,000 shares of capital stock, of which management officials as a group own about 17%. Henry A. Buehner is board chairman and Reginald L. Jensen is president. Book value of stock now outstanding is 53¢ per share.

DATA CORP. FILES FOR STOCK OFFERING. Data Corporation of America, 44 Beaver Street, New York, filed a registration statement (File 2-20853) with the SEC on October 29th seeking registration of 105,000 shares of common stock, to be offered for public sale at \$1.25 per share. The offering will be made on a best efforts all or none basis by A. D. Gilhart & Co., Inc., 141 Broadway, New York, which will receive a 12½¢ per share commission and \$8,500 for expenses. The statement also includes 10,000 shares underlying 5-year warrants to be sold to the underwriter for \$100, exercisable at \$1.25 per share, and 15,000 shares underlying like warrants to be sold to Milton Fisher, a company director and president of the underwriter. Henry Wimpfheimer, company counsel, will purchase like warrants for 5,000 shares.

Organized in 1960, the company is still in the developmental stage. Its activities to date have consisted principally of developing specialized data processing applications and furnishing data processing services on its premises. It also designs and installs at the premises of its clients complete data processing systems and leases time on its machines to others. The \$100,000 estimated net proceeds from the stock sale will be used to convert to, and train personnel for operation of an advanced model computer system which the company intends to lease and to program its applications, for advertising and sales promotion, to establish a data processing system school, and for working capital and general corporate purposes. The company has outstanding 105,000 shares of common stock, of which Jerry G. Bechhofer, president, owns 30.9% and management officials as a group 47.6%. Sale of new stock to the public at \$1.25 per share will result in an increase in the book value of stock now outstanding from 67¢ to 81¢ per share with a resulting dilution of 44¢ per share in the book equity of stock purchased by the public.

INDUSTRIAL ENTERPRISES STOCK DELISTED. The SEC has issued an order under the Securities Exchange Act of 1934 granting an application of the San Francisco Mining Exchange to strike from listing and registration the common assessable stock of Industrial Enterprises, Inc., of Reno, Nevada, effective at the close of business October 30, 1962.

Trading in Industrial Enterprises stock, both on the Exchange and the over-the-counter market, has been under suspension since March 6, 1962, by successive ten-day suspension orders of the Commission issued pursuant to Section 19(a)(4) of the Act. The company in October 1961 had merged with Best and Belcher Gold & Silver Mining Company, a California corporation whose stock had previously been listed on the Exchange. Following the merger, 249,640 shares of Industrial Enterprises stock were outstanding and listed on the Exchange; and an additional 750,000 shares were added to the list in January 1962 upon the issuance of such shares for the purpose of obtaining the controlling interest in Caloric Foods, Inc., a North Carolina corporation. In view of the absence of pertinent financial and other information concerning Caloric Foods and the resulting inability of investors to evaluate the stock of Industrial Enterprises, the Commission had ordered the suspension of trading therein.

More recently, the Exchange applied to delist the Industrial Enterprises stock by reason of the company's failure to file an annual report on Form 10-K for the year ended December 31, 1961, due April 30, 1962. As indicated, this application was approved by the Commission, effective at the close of business October 30, 1962. No further suspension orders will be issued by the Commission. Accordingly, over-the-counter trading in the outstanding shares may be resumed on October 31, 1962. However, it should be recognized that there is serious question as to the accuracy and adequacy of financial and other information heretofore filed with the Commission by Industrial Enterprises, nor is current information available about the operation and earnings of the company from which an informed evaluation of its stock may be made. Accordingly, brokers and dealers should exercise extreme care in effecting transactions in the stock with and for public investors.

CONTINUED

ATLANTIC RESEARCH TRADING BAN CONTINUED. The SEC announced October 29th the issuance of an order under the Securities Exchange Act suspending exchange and over-the-counter trading in the common stock of Atlantic Research Corporation for a further period, October 30 to November 8, 1962, inclusive.

TOWN AND COUNTRY ASSOCIATES FILES FOR OFFERING. Town and Country Associates, 60 East 56th Street, New York, filed a registration statement (File 2-20850) with the SEC on October 29th seeking registration of \$1,352,500 of limited partnership interests in Associates, to be offered for public sale at \$5,000 per interest. The offering will be made by Hanover Securities, Inc., of the 56th Street address, which will receive a \$500 per unit commission. The statement also includes (1) 61 additional interests (\$305,000) received by Eugene L. Colman, a general partner, as nominee for Hanover Equities Corp., parent of the underwriter, in consideration of the assignment of a purchase agreement to the partnership, and (2) 72 additional interests (\$360,000) received by Colman in his capacity as nominee of Hanover Equities, in consideration for the issuance to the seller of the property (Dinkler Management Corp.) of certain shares and warrants by Hanover Equities as part of the purchase price of the properties. All of such additional interests are to be offered for public sale by the underwriter for the account of Hanover Equities.

Associates is a limited partnership organized under New York law in October 1962 with Colman and Arthur Adler as general partners and Colman as the original limited partner. It intends to acquire the fee title to the Town House Motel and the Town and Country Lodge, two motels located in Fresno, Calif., from Dinkler (on a lease-back arrangement). The purchase price is \$1,661,000 over and above existing mortgages (estimated at \$2,184,000). The \$1,352,500 estimated proceeds to be received by the partnership from the sale of additional interests will be applied as follows: \$75,000 to Colman and Arthur G. Cohen in reimbursement for cash and notes deposited by them under the purchase agreement; \$1,061,000 to make cash payments to the seller due at closing; \$165,750 to be paid to Hanover Securities for services as underwriter; and \$50,750 for expenses of the partnership. Of the purchase price, \$450,000 is payable in 45,000 Class A shares and warrants to purchase an additional 45,000 shares of Hanover Equities (for which it received the 72 additional interests).

FARADYNE ELECTRONICS STOP ORDER LIFTED. The SEC has lifted its "stop order" of March 1962 which suspended a registration statement filed by Faradyne Electronics Corp., of Belleville, N. J., under the Securities Act of 1933.

Under the registration statement, Faradyne Electronics proposes to make a public offering of 100,000 shares at the market (on October 19th the stock was quoted \$4 bid and \$4-3/8 asked in the over-the-counter market). The statement also includes 28,000 outstanding shares to be offered by certain shareholders and 30,000 shares underlying stock options. The stop order was based upon "materially false and misleading statements" in the original filing as well as the omission therefrom of certain material facts. The misstatements and omissions related to the intended use of the proceeds of the stock sale, lease transactions with promoters, earnings of the company and the value of assets acquired from promoters.

The registration statement now having been amended to correct the deficiencies upon which the stop order was based, the Commission has lifted the stop order and made the statement effective.

SECURITIES ACT REGISTRATIONS. Effective October 29: Wisconsin Natural Gas Co. (File 2-20799). Effective October 30: American Kosher Provisions, Inc. (File 2-20499); International Continental Corp. (File 2-20625). Withdrawn October 29: House of Kosher, Inc. (File 2-20114); Puerto Rico Land and Development Corp. (File 2-19343); Scientific Equipment Manufacturing Corp. (File 2-20312).

*As estimated for purposes of computing the registration fee.

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