

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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INFRARED INDUSTRIES FILES FOR OFFERING AND SECONDARY. Infrared Industries, Inc., 62 Fourth Ave., Waltham, Mass., today filed a registration statement (File 2-16786) with the SEC seeking registration of 135,000 shares of common stock, of which 100,000 shares are to be offered for public sale for the account of the issuing company and 35,000 shares, being outstanding stock, for the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Lehman Brothers heads the list of underwriters.

Organized in May 1957, the company's principal business has been the manufacture and sale of infrared detectors for infrared systems under procurement by the U. S. Armed Forces. The company has developed civilian as well as military applications for detectors and has also developed and is marketing related products utilizing infrared principles. It has acquired land in Santa Barbara, Calif., on which it expects to construct a new plant; and it expects to use some \$700,000 proceeds of this financing to construct and equip said plant. About \$450,000 of the proceeds will be applied to the discharge of indebtedness of the company and that of a subsidiary; and the balance will be used for working capital and other purposes.

The company has outstanding 507,800 shares of common stock. E. Douglas Reddan, president, and Norman C. Anderson, vice president, own 182,300 and 177,000 shares, respectively, acquired at an aggregate cost of \$56,000. An additional 43,000 shares were acquired by Robert H. Watt, a director, for \$18,555. The president proposes to sell 15,000 shares and the other two 10,000 shares each.

DeVILBISS CO. FILES STOCK PLAN. The DeVilbiss Company, 300 Phillips Ave., Toledo, O., filed a registration statement (File 2-16787) with the SEC on July 5, 1960, seeking registration of 30,000 common shares, to be offered under its 1960 Key Employee Restricted Stock Option Plan.

CIVIC FINANCING FILES FINANCING PROPOSAL. Civic Finance Corporation, 530 North Water St., Milwaukee, filed a registration statement (File 2-16788) with the SEC on July 6, 1960, seeking registration of \$650,000 of Capital Notes, Series due 1980 (subordinated), with warrants to purchase common shares, and 40,000 shares of common stock. The interest rate, exercise price of the warrants, and offering price of the notes (with warrants) and common shares and the underwriting terms are to be supplied by amendment. Robert W. Baird & Co., Inc., heads the list of underwriters.

The company is engaged in commercial financing and supplies funds to business concerns in Wisconsin and neighboring states. Net proceeds of this financing will be added to its general funds to provide additional working capital, as will the proceeds of some \$1,400,000 of 6½% Senior Notes due 1972 to be sold to two insurance companies. This will expand the capital base and the overall borrowing power of the company. Part of the proceeds may be used to temporarily reduce bank borrowings.

In addition to various indebtedness, the company has outstanding 165,753 common shares, of which Gerald H. Nickoll, president, owns 16.5% and James Stein, vice president, 13.7%.

SACHAR PROPERTIES FILES FINANCING PROPOSAL. Sachar Properties, Inc., 598 Madison Ave., New York City, filed a registration statement (File 2-16789) with the SEC on July 6, 1960, seeking registration of \$300,000 of 8% Subordinated Installment Convertible Debentures due 1970, 150,000 shares of common stock, and 30,000 common stock purchase warrants. It is proposed to offer these securities at \$200 per unit, each unit to consist of \$100 principal amount of debentures, 50 common shares, and 10 warrants exercisable at \$2 per share until 1965. Ross, Lyon & Co., Inc., and Globus, Inc., are listed as the principal underwriters. Also included in the registration statement are 75,000 five-year warrants sold to a limited group, including Globus and certain stockholders of both underwriting firms, at 10¢ per share, exercisable at \$2 per share; and warrants to purchase 45,000 common shares, in units consisting of one such warrant and a share of common stock, which were sold to 14 subscribers, including certain directors of the company.

The company was recently organized under Delaware law and intends principally to deal in and with unimproved real property, to sell parcels as building sites, to subdivide and improve parcels and sell same as building sites, and to obtain or prepare building plans and financing arrangements in respect thereof. Louis Sachar is president and principal promoter. It now owns various properties in Riverdale, Bridgehampton, and
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Magaponack, New York, and has a contract to purchase property in New Rochelle and an option to purchase from Louis and Frances Sachar their interest in the premises Nos. 1571-1579 Second Ave. and 240-250 E. 82 St., New York. Certain of the properties are subject to mortgage indebtedness. Net proceeds of this financing will be used as follows: \$200,000 to purchase the Second Ave. and E. 82 St. properties; \$51,000 to purchase the New Rochelle property; and the balance for working capital.

In addition to mortgage and other indebtedness, the company has outstanding 295,000 common shares, of which 60% is owned by Louis Sachar and 26% by Frances Sachar.

GATEWAY SPORTING GOODS FILES FOR OFFERING. Gateway Sporting Goods Company, 1321 Main Street, Kansas City, Mo., today filed a registration statement (File 2-16790) with the SEC, seeking registration of 70,000 shares of common stock, to be offered for public sale through a group of underwriters headed by Stern Brothers & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in May, 1960 to acquire all of the outstanding capital stock of 17 affiliated corporations which comprise a business originally founded in 1918 by Louis A. Cumonow, board chairman and president. These corporations were so acquired in June, 1960 as wholly owned subsidiaries. The various phases of the business are conducted through the subsidiaries operating as independent and separate units. The company is principally a retail organization specializing in sporting goods, photographic equipment, toys, wheel goods, luggage and related recreational lines. The net proceeds from the stock sale, together with the proceeds from an anticipated \$700,000 loan from an insurance company, will be used to retire a \$425,000 bank loan and to finance the company's expansion program. Such expansion includes the operation of an aggregate of 17 licensed departments in four closed-door membership department stores scheduled for openings in 1960, at an estimated cost of \$175,000, and one additional retail store in a Kansas City shopping center which is scheduled for completion in February, 1961, at an estimated cost of \$150,000.

In addition to certain indebtedness, the company has outstanding 120,000 shares of class B common stock, of which, 32,100 shares (26.75%) are owned by Louis A. Cumonow; 29,700 shares (24.75%) by Dorothy Cumonow; 30,000 shares (25%) by Edward Cumonow, vice-president; and 111,100 shares (93%) by the company's officers and directors as a group.

ORDER CLEARS FEE PAYMENTS. The SEC has issued an order under the Holding Company Act (Release 35-14255) authorizing American Natural Gas Company, Detroit holding company, to pay fee allowances aggregating \$14,400, plus expenses of \$1,395, to four firms and individuals for services rendered in connection with proceedings upon American's plan for elimination of its outstanding preferred stock.

WARNING ISSUED ON TWO CANADIAN STOCKS. Investors in the United States are warned that an intensified mail and long distance telephone sales campaign has been renewed from the province of New Brunswick, Canada, directed solely to United States residents.

Firms particularly involved are A. G. Powis & Co. Ltd., selling shares of Kennamet Development Corp., Ltd., and Canam Investments Limited selling shares of St. Stephen Nickel Mines, Ltd. The Commission is informed that known securities violators, persons with criminal records and persons to whom the Commission has denied broker-dealer registration are employed or associated in these high pressure selling campaigns, that false and fraudulent representations are being made with respect to such matters as imminent increases in the price of the shares, the prospects for immediate and substantial profits and for the shares doubling or tripling in price, the existence of a good market or an early listing on an exchange, and the availability of guarantee or repurchase agreements. It further appears that the extent of development of these companies' properties and the amounts of proven or estimated ore are being wholly misrepresented.

The securities are on the Commission's Canadian Restricted List which includes securities which the Commission has reason to believe are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933. American brokers and dealers will not deal in them and there is consequently no market in the United States.

To circumvent Post Office fraud orders, these persons are furnishing self-addressed return envelopes with simulated addresses, including "The Treasury Department". Actually these firms have no connection with any Canadian governmental agency.

Persons solicited by mail or telephone from St. John, New Brunswick by any person offering any security should immediately communicate with the Securities and Exchange Commission, Washington 25, D. C.