

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington 25, D.C.

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)

FOR RELEASE March 8, 1961

FASHION FROCKS SEEKS REPORTING EXEMPTION. Fashion Frocks, Inc., of Cincinnati, Ohio, has applied to the SEC pursuant to Rule 15d-20 under the Securities Exchange Act of 1934, for an order exempting it from the requirements of Section 15(d) of the Act for the filing of annual and other periodic reports; and the Commission has issued an order giving interested persons until March 27, 1961, to request a hearing thereon.

In connection with the registration of common shares in November 1946, Fashion Frocks made an undertaking to file annual and other periodic reports to keep the information therein current. The present exemption application states that the company now has outstanding 1,000 shares of second preferred stock held by one person and 444,491 shares of common stock held by forty-nine persons; and the application asserts that, in view of the limited number of shareholders, the filing of reports is not necessary in the public interest or for the protection of investors.

INTERNATIONAL UTILITIES FILES EXCHANGE OFFER. International Utilities Corporation, 200 University Avenue, Toronto, Ontario, Canada, filed a registration statement (File 2-17685) with the SEC on March 7, 1961 seeking registration of 184,211 shares of \$2 convertible preferred stock, \$25 par. The company proposes to offer such stock to shareholders of Northland Utilities Limited of record on April 4, 1961 on the following basis: 1 share for 2 Northland common shares; 2½ shares for 1 Northland 5½% cumulative redeemable preferred share; and 1½ shares for 1 Northland 5% cumulative redeemable preferred share.

International Utilities is a holding company whose principal business is the ownership of shares of public utilities operating in western Canada. It has outstanding 405,000 shares of the \$2 convertible preferred stock and 2,464,931 shares of common stock. Organized in 1945 under the laws of Province of Alberta, Northland Utilities supplies electric service to 36 communities in northern Alberta, the Northwest Territories and the Province of Saskatchewan. A subsidiary serves Uranium City in Saskatchewan; and, in addition, electric service is supplied through 30 rural electrification associations to more than 2,200 farms in the Peace River and Athabasca area of Alberta. In the event International Utilities acquires not less than 51% of its voting stock pursuant to this exchange offer, Northland Utilities will be operated as a subsidiary. International Utilities now owns 13,085 shares of its common stock.

MAJESTIC SPECIALTIES FILES FOR SECONDARY. Majestic Specialties, Inc., 340 Claremont Avenue, Jersey City, N. J., filed a registration statement (File 2-17687) with the SEC on March 7, 1961, seeking registration of 140,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering will be made on an all or none basis through underwriters headed by Hayden, Stone & Co. The initial public offering will be related to the current market price of the common stock on the American Stock Exchange immediately prior to the offering. The underwriting terms are to be supplied by amendment.

The company is engaged principally in the production and sale of medium priced sportswear coordinates for girls and women wearing "misses" sizes. Substantially all of the company's products are manufactured to its specifications by contractors from raw materials supplied by the company. In addition to 94 shares of \$1,000 par non-cumulative preferred stock, the company has outstanding 772,500 shares of common stock, of which Erwin L. Klineman, board chairman, owns 173,726 shares and proposes to sell 70,000 shares, and Julia S. Klineman owns 131,398 shares and proposes to sell 70,000 shares. Emery E. Klineman, president, owns 87,488 shares, management officials as a group 273,626 shares, and members of the Klineman families 411,149 shares.

CHARLES OF THE RITZ FILES FOR SECONDARY. Charles of the Ritz, Inc., 11 East 58th Street, New York, filed a registration statement (File 2-17688) with the SEC on March 7, 1961, seeking registration of 215,000 outstanding shares of common stock, to be offered for public sale by Richard Salomon, president and sole stockholder. The offering will be made on an all or none basis through underwriters headed by White, Weld & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries (except Venus Pen & Pencil Corp.) are engaged in the manufacture and distribution of cosmetics and toilet preparations for women. They also operate beauty salons and a related school of advanced hair fashions. Venus is engaged in the manufacture and distribution of pencils, ball point pens, and related products. In addition to certain indebtedness, the company has outstanding 215,000 shares of common stock and 785,000 shares of Class B common stock, all of which is owned by Salomon. The Class B stock is convertible into common stock on a share for share basis. After the sale of the 215,000 shares, Saloman will own 78.5% of the company's outstanding capital stock.

SMITH KLINE & FRENCH FILES FOR SECONDARY. Smith Kline & French Laboratories, 1500 Spring Garden Street, Philadelphia, Pa., filed a registration statement (File 2-17689) with the SEC on March 7, 1961, seeking registration of 200,000 outstanding shares of common stock, to be offered for public sale by Yale University through underwriters headed by Smith, Barney & Co. and The First Boston Corp. The initial public offering price will be related to the current market price of the common stock on the New York Stock Exchange immediately prior to the offering. The underwriting terms are to be supplied by amendment.

The company is engaged primarily in the development, manufacture and sale of pharmaceutical specialties promoted "ethically" through activities directed toward physicians and pharmacists. Its principal products

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are tranquilizers and central nervous system stimulants. The 200,000 shares being offered are part of a gift of 220,000 shares made in November 1960 by C. Mahlon Kline, honorary board chairman of Smith Kline & French, to enable Yale to build new science facilities to be called the Kline Science Center.

The company has outstanding 14,641,504 shares of common stock, of which Kline now owns 479,009 shares and management officials as a group 1,657,238 shares. In addition, management officials have interests representing less than full beneficial ownership in a total of more than 3,375,000 shares, including 2,016,000 shares (13.8% of the amount outstanding) held by Kline as trustee under a testamentary trust under which he has a life interest in one-third of the income. Francis Boyer is listed as board chairman and Walter A. Munns as president.

SEASON-ALL INDUSTRIES FILES FOR OFFERING. Season-All Industries, Inc., Indiana, Pennsylvania, today filed a registration statement (File 2-17690) with the SEC seeking registration of 100,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Moore, Leonard & Lynch. The public offering price and underwriting terms are to be supplied by amendment.

The company manufactures and distributes completely assembled aluminum combination storm-screen windows and doors, aluminum awnings, siding and accessories. Of the net proceeds from the stock sale \$300,000 will be used to purchase new equipment and \$200,000 to retire bank indebtedness. The balance will be added to working capital. Of said indebtedness, \$75,000 was incurred in December 1960 to repay indebtedness to Frank Gorell, president, and Lillian Gorell, treasurer, which had been incurred from time to time over the past several years for working capital purposes. The remaining indebtedness was incurred in 1957.

In addition to certain indebtedness, the company has outstanding 200,000 shares of common stock, all of which is owned by Frank and Lillian Gorell. Of such stock, 157,400 shares were issued to the Gorells in March 1961 in exchange for the outstanding capital stock of six companies previously owned in major part by the Gorells.

SECURITY ACCEPTANCE FILES FINANCING PLAN. Security Acceptance Corp., 724 9th Street, N. W., Washington, D. C., filed a registration statement (File 2-17686) with the SEC on March 7, 1961, seeking registration of 100,000 shares of Class A common stock and \$400,000 of 7½% ten-year debenture bonds. These securities are to be offered for public sale in units consisting of one \$100 debenture bond and 25 Class A shares, at \$200 per unit. The offering will be made by company employees, and a \$6.25 per unit selling commission will be paid. The registration statement also includes 180,000 additional Class A shares which will be held in treasury for asset acquisition, and a further 100,000 Class A shares which are to be issued to the promoters and management officials at \$1 per share under options for services rendered and to be rendered.

The company was organized under District of Columbia law in 1959 by a group of Metropolitan Washington area business and professional people for the purpose of engaging in the finance business, principally purchasing conditional sales contracts on appliances and freezer food notes and the buying and selling and generally dealing in secured and unsecured notes, chattels, mortgages, deeds, trusts, accounts and bills receivable and loans and commercial paper and to conduct generally the business of commercial discounting of buying and selling such papers and chattels. It was organized principally to do business in the District of Columbia and Metropolitan Washington area. The net proceeds from the sale of the securities will be added to working capital and used to expand the company's business. According to the prospectus, such proceeds should provide the basis for increased or additional credit lines or may be used to discharge outstanding indebtedness.

The company has outstanding 20,000 shares of Class B common stock purchased by officers, directors and promoters at the \$1 par value per share, of which Philip Lendenbaum and Ann Lendenbaum, directors, own 5,600 shares each; each also owns options to purchase an additional 28,000 Class A common shares. Manuel Auerbach is listed as president.

SECURITIES ACT REGISTRATIONS. Effective March 8: International Diode Corporation (File 2-16867); Gulf Guaranty Land & Title Company (File 2-17348); Whippany Paper Board Co., Inc. (File 2-17422); Lee Wilson Engineering Co., Inc. (File 2-17436); Hotel Corporation of America (File 2-17463); Chemsol, Incorporated (File 2-17471); The Marley Company (File 2-17518); Mother's Cookie Company (File 2-17569).

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