

NEWS DIGEST

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

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SERVICE PHOTO INDUSTRIES FILES FOR STOCK OFFERING & SECONDARY. Service Photo Industries, Inc., 33 East 17th Street, New York, filed a registration statement (File 2-18196) with the SEC on May 26th seeking registration of 150,000 shares of Class A stock, to be offered for public sale at \$4 per share. The offering will be made on an all or none basis through underwriters headed by N. A. Hart & Co., which will receive a 44¢ per share commission and \$13,500 for expenses. The registration statement also includes (1) 14,600 Class A shares sold to the principal underwriter and 9,400 shares to Howard Gordon, finder, all for 1¢ per share, and (2) 20,000 outstanding Class A shares which may be sold by the holders thereof in the over-the-counter market at prices related to current market prices at the time of sale.

The company (formerly Service Photo Suppliers, Inc.) is engaged in the importation and distribution of a wide variety of photographic equipment of both foreign and domestic manufacture. Sales are made to department stores, discount merchandisers, photographic dealers and mail order houses. Of the net proceeds from the company's sale of additional stock, \$275,000 will be used to repay a portion of outstanding factoring advances; \$38,229 to repay certain other outstanding loans; \$50,000 for advertising and expansion of sales programs; and the balance for general corporate purposes including the financing of letters of credit and carrying increased inventories and receivables.

In addition to certain indebtedness, the company has outstanding (after giving effect to a recapitalization in May 1961 whereby the 220 capital shares then outstanding were changed into 225,000 Class B shares) 44,000 Class A and 181,000 Class B shares. Of such Class B shares, Hans Salomon, president, owns 42.75%, and Samuel N. and Louis S. Friedman, directors, 21.37% each. Salomon owns 19.43% of the Class A shares. Of the 44,000 additional shares included in the registration statement, 14,600 may be sold by the underwriters, 9,600 by Gordon, 8,550 by Salomon, 4,275 each by the two Friedmans, and 2,000 by three other holders.

BBM PHOTOCOPY PROPOSES STOCK OFFERING. BBM Photocopy Manufacturing Corp., 42 West 15th Street, New York, filed a registration statement (File 2-18209) with the SEC on May 26th seeking registration of 50,000 shares of common stock, to be offered for public sale through underwriters headed by Shields & Co. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes an additional 35,000 common shares underlying warrants exercisable through 1965 at the public offering price, of which warrants for 25,000 shares are to be purchased by Shields & Co. from two present stockholders and for 10,000 shares to be purchased from the company, at 20¢ per warrant share.

The company is engaged primarily in the assembly and sale of accessory equipment for photocopy machines. In April 1961 it contracted to acquire the assets of Bohn Duplicator Company, a division of Willmor International Corp., which is the United States distributor for duplicators and calculators manufactured by Rex-Rotary International A/S of Copenhagen, a Danish corporation. The consideration for such purchase will consist of \$1,500,000 cash and shares of BBM Photocopy stock, in such amount as shall result from dividing 600,000 by 33 (which was the market price of the stock at the time the purchase price was agreed upon) or the initial public offering price per share, whichever is the lower. Of the stock to be issued, 82½% will be delivered to Leon Bohn in partial payment of an outstanding obligation of Willmor International due Bohn. The company will also assume certain liabilities of the Bohn Division. Leon Bohn has been chief executive officer of the Bohn Division; and after such purchase he will become president and a director of BBM Photocopy. Of the net proceeds of the proposed stock sale, \$1,500,000, together with not less than 18,182 common shares, will be used to acquire the Bohn Division.

The company now has outstanding 254,200 common shares, of which Saul S. Weitzman, president, and Sidney S. Barzman, vice president, own 23% each.

GREAT AMERICAN INDUSTRIES FILES EXCHANGE OFFER. Great American Industries, Inc., Chrysler Bldg., New York, filed a registration statement (File 2-18210) with the SEC on May 26th seeking registration of 3,282,570 common shares. The company proposes to offer this stock in exchange for common stock of National Phoenix Industries, Inc., on the basis of 2.25 company shares for 1 National Phoenix share, pursuant to a plan and agreement of merger of the two companies. Unless at least 90% of the total number of shares outstanding of National Phoenix and of the issuing company accepts the merger plan, the company has the option to terminate its plan and agreement of merger.

The prospectus lists certain persons who, as shareholders of National Phoenix, will receive stock of Great American Industries, including Walter S. Mack, 367,508 shares, Charles F. O'Brien, 221,400, and James G. Groendyk, 258,750 shares. The prospectus further indicates that National Phoenix owns 494,600 shares of Great American Industries common which will be cancelled upon the effectiveness of the merger.

PLATT CORP. PROPOSES OFFERING AND EXCHANGE. The Platt Corporation, 673 Fifth Ave., New York City, filed a registration statement (File 2-18211) with the SEC on May 29th seeking registration of (1) 562,250 shares of Class A common, to be offered in exchange for properties, and (2) 150,000 Class A shares, to be offered for public sale at \$5 per share (without underwriting).

The company was organized under Delaware law on May 23rd by Ronald L. Platt. Upon completion of its contemplated transactions, the company will have interests in a number of real estate properties; and with
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its working capital it will engage in other phases of the real estate business, including the sponsorship of real estate syndications. The company has acquired from Platt, in exchange for 125,000 Class B shares, Platt's interests in five real estate companies. The exchange offer is being made to four partnerships which own six properties in Rochester, Long Island, Kew Gardens, Washington Heights, and New York, N. Y. Giving effect to all transactions proposed, Platt will own 4,285 Class A shares (.6%) and the 125,000 Class B shares (100%), for a total cash consideration of \$16,300 and other properties being transferred; and management officials will own 81% of the Class A shares. In addition to the 125,000 Class B and 712,250 Class A shares then outstanding, the company also will assume some \$2,872,000 of indebtedness on the properties. Net proceeds of the cash sale of additional Class A shares will be available for future investment in real estate properties and for general and working funds. The prospectus lists Platt as president and board chairman.

WAYNE MFG. FILES FOR SECONDARY. Wayne Manufacturing Co., 1201 East Lexington St., Comona, Calif., filed a registration statement (File 2-18213) with the SEC on May 29th seeking registration of 40,000 outstanding shares of capital stock, to be offered for public sale through underwriters headed by Mitchum, Jones & Templeton and Schwabacher & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the design, development, manufacture and sale of Wayne Motor Street Sweepers, Industrial Power Sweepers and truck-mounted Aircraft Runway Vacuum Sweepers. It has outstanding 277,775 shares of stock (before giving effect to a recent 5% stock dividend), of which management officials own 43.98%. The prospectus lists four selling stockholders, who propose to sell 10,000 shares each, as follows: Charles M. Weinberg, president and board chairman, who owns 40,650 shares; Edith M. Weinberg, 39,011; Gil M. Wayne, executive vice president, 34,732; and Charlotte W. Franklin, a director, 34,732.

SUPRONICS CORP. PROPOSES STOCK OFFERING. Supronics Corporation, 224 Washington St., Perth Amboy, N. J., filed a registration statement (File 2-18214) with the SEC on May 29th seeking registration of 90,000 shares of common stock. The stock is to be offered for public sale on an agency, all or none basis through underwriters headed by Amos Treat & Co., Inc., Standard Securities Corp. and Bruno-Lenchner, Inc. The public offering price and underwriting terms are to be supplied by amendment. In addition to their selling commission, the underwriters will receive \$10,000 for expenses; and they will be entitled to purchase, at \$.01 per warrant, five-year warrants to purchase 9,000 common shares.

The company (formerly O. K. Electric Supply Co., Inc.) operates as a distributor of electrical equipment and supplies at wholesale. Sol Kaufman, one of its founders, is board chairman. In February 1960, it acquired all the outstanding stock of Superior Electric Construction Co. Inc., then wholly-owned by the Kaufman family, the principal stockholders of the company. Superior is engaged in the electrical construction business, principally the installation of electrical equipment and wiring for missile launching sites and other government projects. Of the net proceeds of the stock sale, \$280,000 will be applied in reduction of short term bank loans; and the balance will be used for general corporate purposes, principally for expansion of the company's business and, according to the prospectus, to be in a position to obtain "payment and performance bonds" sufficient to bid or negotiate for contracts in addition to those on which the company is now engaged.

In addition to indebtedness, the company now has outstanding 323,243 common shares, of which Lester G. Kaufman, president, owns 17.1% and Sol Kaufman and two other members of the Kaufman family own 11.1% each.

SOUTHWEST STATES TELEPHONE FILES FOR STOCK OFFERING. The Southwestern States Telephone Company, 300 Montgomery Street, San Francisco, Calif., filed a registration statement (File 2-18212) with the SEC on May 29th seeking registration of 110,000 shares of common stock, to be offered for public sale through underwriters headed by Dean Witter & Co. The public offering price and underwriting terms are to be supplied by amendment. The net proceeds from the stock sale will be used to finance a portion of the 1961 construction program of the company, estimated at \$10,180,000.

GARAN INC. FILES FOR STOCK OFFERING. Garan, Incorporated, 112 West 34th Street, New York, filed a registration statement (File 2-18215) with the SEC on May 29th seeking registration of 120,000 shares of common stock, to be offered for public sale at \$6.50 per share, (45,000 shares are to be offered to employees, persons who have indicated interest in company affairs and to its Employees' Retirement Plan and Trust). The offering will be made on an all or none basis through underwriters headed by J. R. Williston & Beane, which will receive a 65¢ per share commission and \$12,500 for expenses.

The company (formerly Myrna Knitwear, Inc.) is engaged principally in the manufacture and sale of men's and boys' knitted sport shirts and boys' woven sport shirts. About 65% of all units produced by the company are sold under the private labels of the respective customers, and the balance under its registered trademark "Garan." The estimated \$675,710 net proceeds from the stock sale will be expended to equip a new plant at Lambert, Miss. (\$150,000), and the balance will be added to working capital.

In addition to certain indebtedness, the company has outstanding 380,000 shares of common stock, of which Samuel Dorsky, president and board chairman, and Seymour Lichtenstein, executive vice president, own 53.79% and 26.28%, respectively.

ROWAN CONTROLLER FILES FOR STOCK OFFERING. The Rowan Controller Company, 2315 Homewood Ave., Baltimore, filed a registration statement (File 2-18216) with the SEC on May 29th seeking registration of 50,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Stein Bros. & Boyce. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of industrial controls, electro-mechanical devices such as relays and contractors, push button and pilot devices, thermal and magnetic circuit protectors,

military and commercial panel meters, transistor meters, megometers and other electronic instruments. The net proceeds from the stock sale, together with other funds of the company, will be applied to the cost of expanding its business through the development of new and improved products and to the retirement of its long term debt. The company intends to apply \$157,500 to the retirement of a 5½% long term loan and \$180,000 to the further development of the line of circuit protectors marketed by the company. The remainder will be used for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 228,950 shares of common stock, of which Weldon C. Wilkinson, president, owns 12.3%, John C. Ellis, executive vice president, 31.3%, and management officials as a group 57.3%.

ERIE FORGE & STEEL FILES EXCHANGE PLAN. Erie Forge & Steel Corporation, 1341 West 16th Street, Erie, Pa., filed a registration statement (File 2-18217) with the SEC on May 29th seeking registration of 496,238 shares of common stock. It is proposed to offer such stock in exchange for all the 18,045 outstanding capital shares of Continental Rubber Works at the rate of 27½ shares of the company for each one share of Continental. Such shares may be offered for public sale by the holders thereof from time to time on the American Stock Exchange or in the over-the-counter market at prices related to the current market prices at the time of sale. The registration statement also includes 10,000 common shares which are to be issued to National Outlook Corporation as a broker's fee (in addition to \$10,000). According to the prospectus, stockholders of Continental owning in excess of 90% of its outstanding capital stock have become parties to the Agreement and Plan of Reorganization of March 1961 under which the proposes exchange will be effected. Such stockholders include T. R. Palmer, owning 2,776 shares (15.38%); Charles J. Palmer, owning 1,400 shares (7.76%); Mrs. S. B. Davidge, owning 1,500 shares (8.31%); Jean D. Jarecki, owning 780 shares (4.32%) and Elsie Jarecki Rounseval, owning 533 shares (2.95%).

AMERICAN UNIVEND FILES FOR STOCK OFFERING. American Univend Corporation, 120 East 56th Street, New York, filed a registration statement (File 2-18218) with the SEC on May 29th seeking registration of 100,000 shares of common stock, to be offered for public sale on an all or none basis through Robert A. Martin Associates, Inc. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 12,000 common shares sold to the underwriter at \$2 per share, and 1,000 common shares issued to Booth, Lipton & Lipton, Esqs. for services.

The company was organized in 1960 for the purpose of selling products by means of company owned, coin operated vending machines which are leased to operators for the exclusive sale of products sold to them by the company. Both the company's vending machines and merchandise which it sells are manufactured for it by established producers. Present products are sold under the trade names "Alkaid," which the company owns, "Cloramint" for which it has an exclusive license, and "F & F" vend size Cough Lozenges. Of the net proceeds from the stock sale, the company proposes to apply \$100,000 to repay a loan made by Robert A. Martin, president of the underwriter; \$75,000 to repay loan made by Franklin National Bank guaranteed by the company's president; \$20,000 to pay note issued for balance of cost of tools and dies; \$450,000 for purchase of vending machines and the balance for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 284,993 shares of common stock, of which Ameril Corporation and Douglee Corp. own 65% and 5%, respectively, and Joseph Borenstein, vice president, 11%. Irving R. Rill, president, is owner of all the outstanding shares of Ameril Corp. and 99% of Douglee Corp.

DIAMOND CRYSTEL SALT FILES STOCK PLAN. Diamond Crystal Salt Company, 916 South Riverside Avenue, St. Clair, Mich., filed a registration statement (File 2-18220) with the SEC on May 29th seeking registration of 241,960 shares of common stock, to be offered to officers and key employees pursuant to the company's Stock Option Plan.

GILBERT YOUTH RESEARCH FILES FOR STOCK OFFERING AND SECONDARY. Gilbert Youth Research, Inc., 410 Park Ave., New York, filed a registration statement (File 2-18219) with the SEC on May 29th seeking registration of 65,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 15,000 shares, being outstanding stock, by Eugene Gilbert, president and principal stockholder. The offering will be made on an all or none basis through McDonnell & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized under New York law in May 1961 and shortly thereafter acquired all of the outstanding capital stock of four companies from Eugene Gilbert in exchange for 125,000 shares of its common stock. The company is engaged in (1) conducting consumer surveys and sales promotion programs and rendering merchandising advise in the teen-age, youth and student fields, (2) conducting telephone promotion programs and consumer research by telephone, and (3) preparing newspaper and magazine articles and books which either are directed to a teen-age and youth audience or related to marketing in youth and teen-age consumer fields. The net proceeds from the company's sale of additional stock will be added to working capital and will be available to finance certain contemplated expansion and diversification moves. The company intends to increase its network of telephone interviewers and to obtain and program high speed data processing equipment to permit more efficient utilization of information gathered from the interviews. It also intends to try to obtain additional contracts to conduct marketing and promotional programs for manufacturers of products for the youth field, such contracts requiring an initial cash outlay by the company. The proceeds will also be used to defray operating costs including the addition of five executives to the staff. The company has outstanding 133,000 shares of common stock, of which Gilbert owns 125,000 shares (94%) and proposes to sell the 15,000 shares.

VATRONIC LAB. EQUIPMENT FILES FOR STOCK OFFERING. Vatronic Lab. Equipment, Inc., 21 Monmouth Court, East Northport, N. Y., filed a registration statement (File 2-18222) with the SEC on May 29th seeking registration of 80,000 shares of common stock, to be offered for public sale at \$4 per share. The offering will be made on a best efforts basis through Stanley R. Ketcham & Co., Inc., which will receive a 72¢ per share selling commission and \$13,000 for expenses. The registration statement also includes 12,000 common shares sold by certain stockholders to Stanley R. Ketcham at their 10¢ par value.

The company was organized in 1959 to engage in the manufacture, sale and distribution of components of industrial high vacuum systems and equipment for production of such systems, as well as the design, engineering and construction of high vacuum systems pursuant to contract with the ultimate user. The estimated \$249,400 net proceeds from the stock sale will be used to purchase additional inventory and production machinery, repay outstanding loans and accounts payable, for plant expansion and sales promotion program, and working capital.

In addition to certain indebtedness, the company has outstanding 110,476 shares of common stock, of which Edmund Kujawski, president, and Robert F. Salat, vice president, own 35.1% each, and Robert A. Morris and Stanley R. Ketcham, directors, 17.6% and 10.8%, respectively. Management officials as a group own 98.7% of the outstanding stock.

PENNSYLVANIA POWER STOCK SALE APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14455) authorizing Pennsylvania Power Company (New Castle) to issue and sell to its parent, Ohio Edison Company, an additional 80,000 common shares for a cash consideration of \$2,400,000. It will use the funds for construction expenditures during 1961, estimated at \$5,825,000.

NORTHEASTERN WATER APPLIES FOR ORDER. Northeastern Water Company, Wilmington, Del., has applied to the SEC for an exemption order under the Investment Company Act permitting its sale of \$4,000,000 of 5½% collateral trust bonds to Investors Mutual, Inc., a registered investment company; and the Commission has issued an order (Release IC-3262) giving interested persons until June 15th to request a hearing thereon. According to the application, Northeastern has negotiated the proposed sale of \$15,000,000 of bonds due 1986 at 100% of their principal amount to a group of twelve institutional purchasers, including Investors Mutual. Net proceeds will be used to redeem outstanding bonds due 1968 and for general corporate purposes. The bonds will be secured in part by stock of American Water Works Company, Inc., of which it owns 60.48%. Investors Mutual owns about 5.5% of the outstanding stock of American. Because of this affiliation, the Investment Company Act operates as a bar to the purchase of the bonds by Investors Mutual unless an exemption order is issued by the Commission.

AFFILIATED INVESTMENT FILES FOR STOCK OFFERING. Affiliated Investment Corporation, 1730 K Street, N.W., Washington, D. C., filed a registration statement (File 2-18223) with the SEC on May 29th seeking registration of 400,000 shares of common stock, to be offered for public sale at \$5 per share. The offering will be made on a best efforts basis through Affiliated Underwriters, Incorporated, which will receive a 75¢ per share selling commission and \$25,000 for expenses. The registration statement also includes 50,000 common shares which underlie 2-year warrants issued to the underwriter and 15,000 common shares which underlie warrants issued to Roger L. Murrel for services rendered, all exercisable at 50¢ per share.

The company was organized under District of Columbia law in February 1961 with the primary objective of owning investments in entities engaged in the business of life insurance, and other related phases of that industry. The estimated \$1,653,100 net proceeds from the stock sale will be added to general funds and used to acquire control of such companies. The company has outstanding 216,400 shares of common stock (purchased at organization for 50¢ per share), of which Louis E. McMahan, president (and president and one of the controlling stockholders of the underwriters), Marion L. Watkinson, vice president, and Dale O. Ross and Jesse L. Byrd, Jr., directors, own 30,000, 20,000, 40,000 and 20,000 shares, respectively.

MILLER SMITH & CO. ENJOINED. The SEC Denver Regional Office announced May 24th (LR-2027) that Judge Jean S. Breitenstein of the U. S. Court of Appeals (10th Circuit) signed a decree of permanent injunction enjoining Miller Smith & Co., Inc., Joseph W. Hicks and George K. Neujahr from further violations of the anti-fraud, net capital and record-keeping provisions of the Securities Exchange Act.

TOWNSEND CORP., OTHERS ENJOINED. The SEC today announced (LR-2028) that Townsend Corporation of America ("TCA"), Townsend Management Corporation ("TMC"), Morris M. Townsend, Clinton Davidson, and Raymond B. Hartz had consented to a permanent injunction (USDC, Newark, N.J.) against further violations of the Investment Company Act of 1940. Under the negotiated settlement of this case, the court will appoint one or more persons to serve as an interim board and will direct TCA and TMC to take prompt action to divest themselves of securities unlawfully acquired; TCA and TMC will file a plan with the Commission for the merger of TCA, TMC and Resort Airlines, Inc.; and all but 72,000 shares of 240,000 shares of Hugh W. Long & Co. Inc. stock previously acquired will be returned to the sellers and \$5,250,000 balance due thereon rescinded. Action dismissed as to other individual defendants.

SECURITIES ACT REGISTRATIONS. Effective May 31: Chicago Title and Trust Co. (File 2-17770); Doughboy Industries, Inc. (File 2-17952); Empire Devices, Inc. (File 2-17909); Enterprise Equipment, Inc. (File 2-17934); The E. F. MacDonald Co. (File 2-17950); Illinois Bell Telephone Co. (File 2-18106); King Kullen Grocery Co., Inc. (File 2-17817); Magnefax Corp. (File 2-17943); Missouri Edison Co. (File 2-18052); San Diego Gas and Electric Co. (File 2-18049); Virginia Electric and Power Co. (File 2-18109).