

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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FOR RELEASE August 22, 1960

Statistical Release No. 1698. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended August 19, 1960, for the composite and by major industry groups compared with the preceding week and with the high and lows for 1960, is as follows:

	1939 - 100		Percent Change	1960	
	8/19/60	8/12/60		High	Low
Composite	404.0	402.0	+0.5	432.5	388.8
Manufacturing	477.7	477.1	+0.1	538.9	458.2
Durable Goods	456.0	453.0	+0.7	521.6	438.8
Non-Durable Goods	488.2	489.9	-0.3	544.4	467.1
Transportation	294.0	292.2	+0.6	329.3	279.4
Utility	244.7*	240.3	+1.8	244.7	216.1
Trade, Finance & Service	462.9	459.9	+0.7	471.8	414.7
Mining	259.5	259.4	0.0	299.7	240.7

*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended August 18th, 36 registration statements were filed, 19 became effective, 1 was withdrawn, and ~~30~~ ³¹ were pending at the week end.

COLORADO DIVERSIFIED INVESTMENT EXEMPTED. The SEC has issued an order granting Colorado Diversified Investment Co., a small, closed-end investment company, of Denver, a conditional exemption from the Investment Company Act (Release 40-3098). Organized in October 1959, the company proposes to make an offer of 39,500 shares of its stock at \$2.50 per share only to residents of Colorado.

ORDER EXEMPTS DETROIT & CLEVELAND NAVIGATION MERGER TRANSACTIONS. The SEC has issued an exemption order under the Investment Company Act (Release 40-3099) authorizing various transactions incident to the merger of Detroit and Cleveland Navigation Company with and into Denver Chicago Trucking Company, Inc. Under the merger agreement, which is subject to stockholder approval, each share of Navigation Company common is to be exchanged for one and two-fifths shares of Trucking Company common. Trucking Company will continue in existence and operate with the same board of directors and officers as at present.

RIDDLE AIRLINES FILES FOR OFFERING AND SECONDARY. Riddle Airlines, Inc., International Airport, Miami, filed a registration statement (File 2-16933) with the SEC on August 19, 1960, seeking registration of \$2,250,000 of 6% Subordinated Convertible Debentures, to be offered for public sale at 100% of principal amount. This offering is to be made on a best efforts basis by James H. Price & Company, of Coral Gables, for which it will receive \$10 for each \$100 debenture sold by it. In addition, the company has agreed to sell to the underwriter, for 1¢ per warrant, five-year warrants entitling the underwriter to purchase 200,000 common shares at 45¢ per share.

In addition, the registration statement includes 1,150,000 of the 11,430,905 outstanding shares of common stock, which 1,150,000 shares are now owned by William R. Price and James H. Price (of New York and Coral Gables, respectively) and are to be sold by them (in the respective amounts of 1,000,000 and 150,000 shares) for their own accounts through the over-the-counter market, for which they may allow various broker-dealers varying amounts as discounts and commissions in connection with these sales. William Price is listed as the owner of 2,680,216 shares and James Price 1,822,216 shares (including 1,670,216 shares each held of record and under a voting trust by Robert M. Hewitt, company president, none of which is being sold by the Messrs. Price).

The company is a scheduled air-cargo air carrier which serves various cities in the United States and Puerto Rico. Net proceeds of its sale of the debentures will be used by the company first as operating capital for the performance of its contract with Military Air Transport Service for operating AW-650 Argosy aircraft between various military bases in the continental United States; and, secondly, for the acquisition of aircraft
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to perform military contracts. The prospectus notes that in the past several years the company's "Logair" (military) contract service has constituted the only major segment of its operations that has been profitable and that the profit therefrom has enabled the company to offset to some degree the losses from its scheduled operations. The company estimates that it will need about \$500,000 as additional working capital for the performance of its present military contract. As it does not know what additional military contracts it may receive, and therefore does not know what equipment may be needed to operate these contracts, the company can make no projection as to the amount of the net proceeds which it will use for the acquisition of additional aircraft. Any funds not so required will be utilized by the company to modernize and operate its present fleet of commercial scheduled common carriage aircraft.

In addition to the 11,430,905 common shares, the company has outstanding 600,000 stock purchase warrants and certain indebtedness. Hewitt is listed as the owner of 2,670,216 shares, or 23.4%.

INVESTCO INC. FILES FOR OFFERING. Investco, Inc., 306 North Richardson, Roswell, N. M., filed a registration statement (File 2-16934) with the SEC on August 19, 1960, seeking registration of 5,000,000 shares of common stock. The company was organized as an investment company under New Mexico law on July 18, 1960. It proposed to purchase and acquire stocks and securities primarily in growth stocks of other companies, particularly in legal reserve life insurance companies. Emanuel B. Smith is listed as president and Securities Management Company as investment adviser as well as underwriter. Smith is listed as board chairman of the latter and W. W. Yarborough as president.

NORTH AMERICAN MTGE. & DEV. FILES FOR OFFERING. North American Mortgage and Development Corporation, 220 K St., N. W., Washington, D. C., filed a registration statement (File 2-16937) with the SEC on August 19, 1960, seeking registration of 412,500 shares of common stock, to be offered for public sale at \$5 per share (without underwriting). The registration statement also includes 18,750 common shares reserved for issuance upon exercise of three-year warrants issued to certain directors and private investors, totaling 15 persons, the exercise price being \$6 per share.

The company was organized in December 1959 for the purpose of acquiring ownership of acreage land for development into sites and lots suitable for construction of individual dwellings, apartment houses, shopping centers, motels, gasoline stations, parking lots, industrial plant sites and other related residential and commercial use. The promoters include Frederic Richmond, president, Donald S. Colby, secretary-treasurer, and F. Mercer Fadeley, vice president. Richmond has purchased 150,000 common shares for \$15,000; the other officers and directors have acquired a total of 16,250 shares at \$4 per share; and two private investors have purchased 2,500 shares at \$4 per share (all in addition to the warrants).

Net proceeds of the stock sale will be added to the general funds of the company and used in accordance with its business purposes.

WEST COAST TELEPHONE PROPOSES OFFERING. West Coast Telephone Company, 1714 California St., Everett, Wash., today filed a registration statement (File 2-16939) with the SEC seeking registration of 125,000 shares of common stock, to be offered for public sale through a group of underwriters headed by Blyth & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company now has outstanding various indebtedness, five series of preferred stock and 1,175,224 shares of common stock. Net proceeds of the sale of the additional common will be used to finance a portion of the 1960-61 construction programs of the company and its subsidiary, West Coast Telephone Company of California. Construction expenditures are estimated at \$10,627,000 for 1960 and in excess of \$11,000,000 for 1961.

LITHIUM CORP. PROPOSES DEBENTURE OFFERING. Lithium Corporation of America, Inc., 500 Fifth Ave., New York, filed a registration statement (File 2-16935) with the SEC on August 19, 1960, seeking registration of \$2,300,000 of Convertible Subordinated Debentures due 1970, to be offered for public sale through a group of underwriters headed by Bear, Stearns & Co. and John H. Kaplan & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment. However, the new debentures will first be offered in exchange for \$925,000 of outstanding 5% Convertible Debentures maturing 1964.

The company's principal business consists of the production and sale of lithium metal and lithium compounds, and its principal sales and research efforts are devoted to the development of new markets and new uses for such products. Its operations are conducted principally in Bessemer City, N. Car. Recently, the company has extended its business into various phases of rocketry and aviation, carried on at Caldwell, N. J. In addition to the debentures maturing in 1964 and other indebtedness, the company now has outstanding 930,696 shares of common stock. To the extent that holders of the debentures due 1964 do not tender them for new debentures, the company intends to apply the proceeds of the cash sale of the new debentures to retire the debentures due 1964. Proceeds remaining after disposition of the debentures due 1964 will be used as follows: \$75,000 for construction of facilities to be used in the production of butyllithium and other organolithium compounds, \$125,000 for purchase of mining equipment to reactivate the company's North Carolina mining operations, and the balance for liquidation of bank debt and replacement of working capital.

The prospectus lists Herbert W. Rogers as board chairman and Harry D. Feltenstein, Jr., as president. About 2.8% of the outstanding common is owned by management officials.

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UNITED ELECTRODYNAMICS FILES FOR OFFERING AND SECONDARY. United ElectroDynamics, Inc., 200 Allendale Road, Pasadena, Calif., today filed a registration statement (File 2-16938) with the SEC seeking registration of 169,500 shares of common stock, of which 156,000 shares are to be offered for public sale for the account of the issuing company and 13,500, being outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. William R. Staats & Co. is listed as the principal underwriter.

The company was inactive until January 1959 when it acquired the assets and business of United Electro-dynamics Division of United Geophysical Corporation. It is engaged primarily in the development and manufacture of electronic measurement instruments, particularly telemetry components and systems; environmental, reliability and qualification testing, and field inspection; and research, seismic instrument production and field services in the earth sciences, primarily nuclear detection. The company now has outstanding 844,000 common shares and certain indebtedness. Net proceeds of the company's sale of additional stock will be used to pay in full \$800,000 of bank indebtedness, and the balance will be added to general funds to be used principally for the carrying of an anticipated increase in inventories and accounts receivable.

The prospectus lists R. G. Sohlberg as president. United Geophysical, of Pasadena, owns 400,000 shares (47.4%) of the outstanding common stock and management officials as a group 60,070 shares (not including 60,628 shares owned by the principal underwriter, of which Donald Royce, a director, is senior partner). Four other stockholders (including Randolph B. Marston) propose to sell 13,500 of their holdings of 22,500 shares.

SUNSET HOUSE DISTRIBUTING FILES FOR SECONDARY. Sunset House Distributing Corporation, 3650 Holdrege Ave., Los Angeles, today filed a registration statement (File 2-16940) with the SEC seeking registration of 150,000 outstanding shares of common stock, constituting all of the common shares of Leonard P. Carlson, company president (who will continue to own 300,000 shares, or 90%, of the outstanding Class B common). The common shares are to be offered for public sale through an underwriting group headed by Crowell, Wcedon & Co., the public offering price and underwriting terms to be supplied by amendment.

The company was organized in February 1957, succeeding to the business of a sole proprietorship established in 1951, and operates a retail mail order business distributing selected general merchandise to customers located throughout the United States. It now has outstanding 166,667 shares of common stock and 333,333 shares of Class B common stock, reflecting a recent recapitalization of all the previously outstanding capital stock into shares of common and Class B common. Carlson now owns 90% of each class of stock. The remaining 10% of each class is owned by Milton Eisenberg, vice president.

AMERICAN PLAYLANDS PROPOSES OFFERING. American Playlands Corporation, 55 South Main St., Liberty, N. Y., today filed a registration statement (File 2-16941) with the SEC seeking registration of 300,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made on a best efforts basis by M. W. Janis Company, Inc., for which a selling commission of 60¢ per share is to be paid plus expense allowances of \$14,000. The company has sold 15,000 shares to the underwriter at 1 mill per share, or \$15, which shares also are included in the registration statement.

The company was organized under New York law on July 1, 1960, and on August 8th it issued 165,000 common shares to stockholders of Walnut Mountain Development Corp. in exchange for its outstanding stock. It thereby acquired all the assets, including about 196 acres of land, and the liabilities of Walnut, which was then liquidated. The company intends to engage primarily in the operation of an amusement and recreation park, to be located on this tract about one-half mile from Liberty and expected to be opened for the 1961 summer season. Net proceeds of the sale of stock will be used for development of the site, including \$142,450 for site preparation including sewerage and electrical, \$135,500 for a game farm, and \$125,000 for a restaurant.

The prospectus lists Fred Rosenberg as president, Sidney Gaines as vice president, Sidney Applebaum as secretary, and Max Jaffee as treasurer. Rosenberg owns 40,000 shares of stock (22.2%), Gaines 20,000, Applebaum 20,000 and Jaffee 30,000. This stock was issued in exchange for 165 shares of Walnut stock, previously acquired by the officers and directors of the company in consideration for \$42,034.51 in cash, and property valued by Walnut at \$40,000 but for which the stockholders paid an aggregate cash consideration of \$35,950 and on which mortgage indebtedness amounted to \$17,966.49. The mortgages were subsequently satisfied by Walnut.

COURT ORDER ENJOINS DIROMA, ALEXIK & CO. The SEC Boston Regional Office announced August 17th (LR-1760) entry of a Federal court order (USDC, Mass.) preliminarily enjoining DiRoma, Alexik & Company and its partners, Agostino DiRoma, Jr., and Edward F. Alexik, from further violations of the SEC net capital rule. Court also appointed Karl A. Grace as receiver for the assets of the firm.

SEC COMPLAINT NAMES INSURANCE STOCK ADVISORY SERVICE. The SEC Denver Regional Office announced August 17th (LR-1761) the filing of court action (USDC, Colo.) seeking to enjoin Robert Carter Allen and Insurance Stock Advisory Service, Inc., from further violating the anti-fraud provisions of the Securities Act and Investment Advisers Act. Hearing September 16, 1960, on motion for preliminary injunction.

ARTHUR J. RAIBLE SENTENCED. The SEC Chicago Regional Office announced today (LR-1762) that Arthur J. Raible, on his plea of guilty to indictment by Federal grand jury in Cincinnati charging violations of Securities Act anti-fraud provisions in connection with transactions in Briggs Manufacturing Company stock, was sentenced to two years' imprisonment, plus \$2,500 fine, on the first count, plus three years on each of the remaining counts to run concurrently with each other but consecutively to the sentence imposed on the first

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count. Sentence was suspended on all but the first count and the defendant was placed on probation for three years to commence upon completion of the prison sentence.

COURT ORDER ENJOINS C H ABRAHAM & CO., INC. The SEC New York Regional Office announced August 19th (LR-1763) the entry of a Federal court order (USDC SDNY) preliminarily enjoining C. H. Abraham & Co., Inc. of New York City and Carl Henry Abraham its president, from further violating the anti-fraud provisions of Securities Exchange Act and SEC net capital rule thereunder.

GLICKMAN FILES EXCHANGE AND OFFERING. Glickman Corporation, 565 Fifth Avenue, New York, filed a registration statement (File 2-16936) with the SEC on August 19, 1960, seeking registration of 4,041,315 shares of Class A common stock, to be offered in exchange for outstanding interests in certain limited partnerships and corporations, and 400,000 shares of Class A common stock, to be offered for public sale at \$10.00 per share. The underwriters for the 400,000 shares and underwriting terms of such public offering are to be supplied by amendment. The company will sell to the underwriters 40,000 shares of Class B stock at \$1.00 per share.

The company, organized in May, 1960, plans to engage in various phases of the real estate business. It proposes to acquire majority interests (not less than 60%) in 13 office buildings and one office and trade show building, located for the most part in downtown areas of major cities, an industrial property (consisting of 22 buildings), 12 service stations and a cold storage warehouse, all located in the U. S. or Canada. This is to be accomplished through an exchange of up to 3,856,020 shares of Class A common for all but not less than a majority of outstanding partners' interests (or assignments thereof) in certain limited partnerships, and outstanding capital stock, debentures and notes (or assignments thereof) held by the stockholders of certain corporations, which have fee or leasehold interests in such properties. The company also proposes to acquire four additional properties for (a) an exchange of 185,295 Class A shares for two of such properties and all of the outstanding stock of a corporation which owns the third, and (b) by payment in cash of \$5,870,860 for the fourth property, the leasehold of the Hotel Commodore in New York. It is estimated that the net proceeds from the public sale of 400,000 shares of Class A common, proceeds from other past and proposed stock sales, and a \$2,000,000 bank loan will aggregate \$7,760,000. A \$500,000 cash deposit for acquisition of the Hotel Commodore has been made, of which \$400,000 was paid by the company out of proceeds of past stock sales and \$100,000 was paid by Glickman Corporation of Nevada, of which, \$98,000 has been repaid. Of the net proceeds, \$5,370,860, excluding the bank loan, will be used to pay the balance of the purchase price of the hotel, an additional \$100,000 will be used to reimburse Glickman Corp. for the deposit made by it, \$211,000 will be used to reimburse Louis J. Glickman, president, for non-interest bearing advances made to the company, and the remaining \$211,000 will be used for working funds.

In addition, the company is registering 200,000 shares of Class A common and 16,300 shares of Class B common, recently sold or agreed to be sold to certain present stockholders for \$10 and \$1, respectively. Such transactions are conditioned upon consummation of the exchange offer. 75,450 new Class B share are also to be offered at \$1 per share to certain employees and other persons. All of said Class B shares are convertible into Class A common after February 1962 and prior to February 1972. 660,000 Class A shares are being registered and reserved for issuance upon conversion of Class B shares.

The company has outstanding 172,500 Class A shares and 513,800 Class B shares, of which Glickman owns 450,000 shares of Class B stock and Harold Brown 56,900 Class A shares. An additional 37,000 Class A shares are owned by Joseph I. Lubin, whose wife owns the leasehold to the Commodore Hotel.

TROUT MINING FILES RIGHTS OFFERING AND SECONDARY. Trout Mining Company, 233 Broadway, New York, today filed a registration statement (File 2-16942) with the SEC, seeking registration of 296,579 shares of common stock (with warrants). The company proposes to offer such stock for subscription by holders of outstanding common stock on the basis of four new shares for each five shares held, at a subscription price of \$1.00 per share. The record date is to be supplied by amendment. No underwriting is involved. The prospectus also includes an additional 50,000 common shares, representing stock owned or to be purchased by American Securities Corporation during the course of its stabilization of the outstanding shares. American Securities now owns 5.4% of the 370,724 outstanding shares.

The company is engaged in the mining of silver, lead, zinc and manganese dioxide. Since inception of its operations in January 1959, the company has not developed any substantial ore reserves and has suffered a net loss of \$269,121 during 1959 and \$71,000 for the first 5 months of 1960; and, according to the prospectus, "it is likely that losses will continue for some time". Of the net proceeds from the rights offering, \$100,000 will be allocated to working capital, \$100,000 will be used to repay a bank loan, and the balance used primarily for exploration and development of ore bodies and capital additions.

The company has outstanding certain indebtedness in addition to the 370,724 common shares. William Rosenwald, board chairman of American Securities, owns 44,027 shares; and Oil Research, Inc. and American Securities Corp., in which he has an interest, own 4,256 shares and 20,020 shares, respectively. An additional 31,700 shares are held by trusts established by Rosenwald. The prospectus lists Charles A. R. Lambly as president.