

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 September 15, 1960

FIDELITY CAPITAL FUND ACQUISITION CLEARED. The SEC has issued an exemption order under the Investment Company Act (Release 40-3111) authorizing Fidelity Capital Fund, Inc., Boston investment company, to issue its shares at their net asset value for substantially all the cash and securities of H. Gilbert's Sons, Inc.

BROWN, BARTON - ROCKWELL SECURITIES HEARING POSTPONED. Upon request of counsel for Brown, Barton & Engel, Newark, N. J., and Rockwell Securities Corporation, of Huntington, N. Y., the hearing in proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registrations of said firms should be revoked has been postponed from September 15 to September 26, 1960.

SUSPENSION OF TWO OFFERINGS PERMANENT. The SEC today announced that its order temporarily suspending exemptions from registration under the Securities Act of 1933 with respect to offerings by the following have become permanent:

American Oil and Minerals, Inc., Salt Lake City, U.

Two offerings, pursuant to Regulation F notifications filed in October 1959 and March 1960, in the nature of an assessment of 2¢ per share each levied on the 2,750,000 outstanding shares of American Oil common stock (or \$50,000 per assessment)

Cryogenic Engineering Company, Denver, Colo.

Offering, pursuant to a Regulation A notification filed in September 1958, of 150,000 common shares at \$2 per share

Previously, the Commission had granted requests of the respective companies for a hearing on the question whether the suspension orders should be vacated or made permanent. Subsequently, the requests for hearing were withdrawn; and, by operation of provisions of the said Regulations, the suspensions orders have now become permanent.

CARIBBEAN AMERICAN PROPOSES OFFERING. Caribbean American Corporation, 615 Robinson Bldg., 15th and Chestnut Sts., Philadelphia, filed a registration statement (File 2-17042) with the SEC on September 14, 1960, seeking registration of 459,500 shares of capital stock, to be offered for public sale at \$2 per share. The offering is to be made on a best efforts basis by R. P. & R. A. Miller and Co., Inc., for which it will receive a selling commission of 25¢ per share. In addition, the company has agreed to pay the underwriter 5¢ per share sold for expenses; and the underwriter will be entitled to purchase up to 25,000 additional shares at 1¢ per share and to receive five-year warrants for the purchase of a further amount of 25,000 shares at \$2 per share.

The company was organized under Pennsylvania law in March 1960 for the purpose of engaging in a general real estate business, including the purchase of properties in such islands of the Caribbean Group, particularly attractive to tourists, as may be suitable for development and promotion of housing, shopping centers, cooperative apartments, offices and tourist facilities. It also may acquire the La Concha hotel in Atlantic City. The company now has outstanding 70,500 shares of stock, representing a capital investment in the company of \$30,405. Net proceeds of the sale of additional stock will become part of the company's general funds and will be used for its general corporate purposes, as indicated.

The prospectus lists Alex Bonnie as president and Bernard Kessler as treasurer. Each owns 15,000 shares of the outstanding stock.

UNION ELECTRIC BOND OFFERING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14285) authorizing Union Electric Company, St. Louis, to issue and sell at competitive bidding \$50,000,000 of first mortgage bonds due 1990. The proceeds will be applied in part to the payment of some \$31,000,000 of bank loans and the balance used for construction expenditure.

GENERAL ACCEPTANCE PROPOSES DEBENTURE OFFERING. General Acceptance Corporation, 1105 Hamilton Street, Allentown, Penna., filed a registration statement (File 2-17043) with the SEC on September 14, 1960, seeking registration of \$20,000,000 of Senior Debentures due 1976, to be offered for public sale through a group of
OVER

For further details, call WOrth 3-5526

underwriters headed by Paine, Webber, Jackson & Curtis and Eastman Dillon, Union Securities & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company's business, which is conducted directly and through subsidiaries, consists of the making of instalment loans directly to individuals, the retail financing of new and used automobiles for purchasers, the wholesale financing of dealers' inventories of such automobiles, and the rediscounting of receivables, principally of other finance and loan companies. Through its insurance subsidiaries, it writes automobile and allied lines of insurance and also engages in the credit life insurance and general insurance brokerage business. The net proceeds from the debenture sale will be used to increase or maintain the company's working capital, which may be used for the purchase of receivables in the ordinary course of its financing activities; may be advanced to or invested in subsidiaries for such purposes, including the bulk purchase of receivables; may be advanced to or invested in subsidiaries for such other purposes as relate to their respective businesses; or initially may be applied to the reduction of short term loans.

In addition to various indebtedness, three series of preferred stock, and two series of voting preference stock, the company has outstanding 1,626,958 shares of common stock. Management officials as a group own 159,626 common shares.

WABASH-LAKE ASSOCIATES FILES FOR OFFERING. Wabash-Lake Associates, 1451 Broadway, New York, today filed a registration statement (File 2-17045) with the SEC seeking registration of 91 limited partnership interests to be offered for sale at \$5,000 per unit. Associates is a partnership organized by Norman I. Stone, Theodore R. Sayers and Peter Gettinger, as general partners, and Stone, Sayers and Edward Gettinger as limited partners. It holds a contract to purchase the fee title to the premises at 203 North Wabash Ave., in Chicago. The purchase price is \$1,550,000, payable \$550,000 in cash and the balance by taking title subject to a first mortgage in the sum of \$1,000,000. The property is to be leased to the 203 N. Wabash Bldg., Inc., whose principal stockholders, officers and directors are the general partners of Associates, at an annual rental of \$154,500. Total partnership capital will be \$550,000. Each general partner will contribute \$5,000; the limited partners are to contribute \$80,000 (\$70,000 by Stone); and the balance is to be provided through public sale of limited partnership interests in the aggregate amount of \$455,000. The capital will be used to pay the sums due under the purchase contract. All expenses incident to the public offering will be borne by the present beneficial owners of the building, two of whom are general partners and one a limited partner. The purchase agreement is with Peter Gettinger, who with his wife acquired the property in April 1959 at a cost to them of \$1,215,000. Gettinger and his wife purchased the property in their own name subject to an agreement whereby they and Edward Gettinger each have a 25% interest and Theodore R. Sayers has a 50% interest in the property. Improvements in the building are said to have been made since the purchase.

DIROMA, ALEXIK CO. ENJOINED. The SEC Boston Regional Office announced September 12th (LR-1776) the entry of a Federal court order (USDC, Mass.) permanently enjoining DiRoma, Alexik & Co., of Springfield, Mass., and its partners, Agostino DiRoma, Jr., and Edward F. Alexik, from further violations of the SEC net capital rule and the Securities Act anti-fraud provisions. Previously, a receiver was appointed by the court.

MOBILE CREDIT PROPOSES RIGHTS OFFERING. Mobile Credit Corporation, 100 East Michigan Avenue, Jackson, Michigan, filed a registration statement (File 2-17044) with the SEC on September 14, 1960, seeking registration of 25,874 shares of common stock and 1,000 shares of \$100 par 6% cumulative convertible preferred stock. It is proposed to offer said common stock for subscription by shareholders of record on September 1, 1960 on the basis of two new shares for each three shares owned, and to offer said preferred stock for subscription by shareholders of record on September 1, 1960 on the basis of one such share for each 38.81 shares of common stock owned. The public offering price is to be \$10 for the common and \$100 for the preferred. No underwriting is involved. In addition, the company is registering 6,000 common shares, reserved for a restricted stock option.

The company is engaged primarily in the purchase of conditional sales contracts from dealers in property so sold. The majority of such contracts are for mobile homes and vacation type trailers, but contracts for in-board and outboard motor boats and motorcycles also are being acquired. The net proceeds from the stock sale will be used to provide additional working capital for the purchase of vendors' interests in conditional sales contracts and other like evidences of indebtedness.

In addition to indebtedness, the company has outstanding 25,770 shares of common stock; and an additional 13,040 shares have been subscribed for but have not been fully paid and have not been issued. The prospectus lists Richard B. Phillips as president. Management officials and other organizers own or have subscribed for 13,795 shares of stock. Of the total investment represented by the said shares, amounting to \$137,950, a total of \$96,037.85 has been paid in cash; \$6,152.15 is represented by shares issued as stock dividends; unpaid subscription balances amount to \$29,260; and the entire \$6,500 represented by a special subscription remains unpaid.

ROBOSONICS PROPOSES OFFERING. Robosonics, Inc., 22 West 48th St., New York, filed a registration statement (File 2-17046) with the SEC on September 14, 1960, seeking registration of 180,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a best efforts basis by Mandell & Kahn, Inc., which will receive a selling commission of 75¢ per share plus 14¢ per share for expenses. The company has agreed to sell an additional 18,000 shares to the underwriter at \$3 per share at the rate of one share for each ten shares publicly sold. A finders fee of 2½% of the selling price of all shares sold by the underwriter is payable to William Schreer and Irving Tiger.

CONTINUED

The company was organized under Delaware law in May 1958 to engage in the business of developing, manufacturing and distributing electronic equipment. As successor to Robo-Sonic Industries, Inc., it acquired all of that company's right, title and interest to the complete working models, and other properties affecting the use of an automatic telephone answering instrument to be marketed under the name "The Robosonic Secretary." Its principal feature is said to be that it not only automatically answers a telephone in a subscriber's absence and records a message of the conversation but, in addition, it permits the subscriber to call his own number from an outside telephone and after properly identifying an individually pre-set private identification code, to have all prior recorded messages played back to him by the instrument at such outside point, while retaining the message on tape. The company also has developed and patented an automatic intelligence reproduction machine called "The Robosonic Selectronograph," which has applications in the field of magnetic and video tape recording, according to the prospectus. Of the proceeds of this financing, \$400,000 is to be used for initiation of quantity production of The Robosonic Secretary; \$180,000 for public relations, sales and merchandising program, including advertising; \$100,000 for enlarging research and development facilities and the conduct of research and development; and \$20,000 for patent and patent applications on a world basis and related expenses.

The company now has outstanding 311,614 shares of common stock; and warrants to purchase 7,000 shares at \$3 per share were issued to Harold P. Orens, a director. Of the outstanding stock, 131,500 shares (42.1%) are owned by Sidney Ostrager, president; and 86.3% of the outstanding shares are owned by management officials as a group. Assuming the public sale of the 180,000 shares, the purchasers will have acquired a 37% interest in the company for a \$900,000 investment; original stockholders and promoters will have contributed to the company \$20,149.90 in cash as well as the design and working models of The Robosonic Secretary as well as the patents and other properties and will own a 54% interest; and persons taking their shares under private offerings will own a 9% interest in consideration of \$130,050.

SEC TO PARTICIPATE IN CORN BELT PACKING REORGANIZATION CASE. The SEC has filed a notice of appearance in the proceeding under Chapter X of The Bankruptcy Act for the reorganization of Corn Belt Packing Company, Debtor, pending in the United States District Court for the Northern District of Iowa, Western Division.

The Debtor filed a voluntary petition for reorganization on June 24, 1960, approved by Judge Henry N. Craven the same day. An Iowa corporation with its principal place of business in Denison, Iowa, the Debtor's principal asset is a packing plant designed for the slaughter of cattle for sale in a dressed condition to wholesalers through the United States. A balance sheet as of January 31, 1960 showed assets of \$797,015 and liabilities of \$584,492. The capital structure consists of 388 shares of \$100 par, 7% cumulative preferred stock and 253,100 shares of \$1.00 par common stock, which stocks are held by 244 stockholders.

The Commission has intervened in order to urge an objection to the dismissal of the proceeding, as requested by the Trustee. The Commission also has moved for further investigation and report by the Trustee to determine whether a reorganization is possible.

LOUISVILLE GAS AND ELECTRIC FILES FOR BOND OFFERING. Louisville Gas and Electric Company, 311 West Chestnut Street, Louisville, Kentucky, today filed a registration statement (File 2-17047) with the SEC, seeking registration of \$16,000,000 of First Mortgage Bonds, to be offered for public sale at competitive bidding. The net proceeds from the sale of bonds will be used to pay part of the expenditures incurred and to be incurred for additions and betterments to the company's properties. The company estimates its construction expenditures for the period July 1, 1960 to December 31, 1961 at \$36,500,000.

---ooo0ooo---