

# 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 November 3, 1960

**INDUSTRIAL CONTROL PRODUCTS PROPOSES OFFERING.** Industrial Control Products, Inc., 78 Clinton Road, Caldwell Township, N. J., filed a registration statement (File 2-17265) with the SEC on November 2, 1960, seeking registration of 125,000 shares of Class A stock, to be offered for public sale at \$4 per share. The offering is to be made by Edward Hindley & Co. on a best efforts basis, for which it will receive a selling commission of 60¢ per share plus \$20,000 for expenses. The company has issued to Edward J. Hindley 25,000 shares of Class B stock and has agreed to sell him at one mill each 25,000 five-year warrants to purchase Class A shares at \$4 per share each on the basis of one warrant for each 5 shares sold.

The company is engaged in the design and manufacture of electrical and electro-hydraulic control systems and subcontracted precision machining. It has recently undertaken the manufacture of double-diffused, broad base silicon diodes, but is not yet in commercial production of these items. The company now has outstanding 300,000 shares of Class B stock (convertible into Class A after October 1, 1961, on a share for share basis). Net proceeds of the sale of the Class A stock, estimated at \$365,000, will be used for machinery and equipment, adaptation of leased facilities, and start-up costs for semi-conductor production, for advertising, research, inventory of electro-hydraulic controls, and for working capital.

The prospectus lists John A. Herbst as president, Richard F. Leask as vice president, and William Lax as secretary-treasurer; and they own, respectively, 17.5%, 21.7% and 20% of the outstanding Class B stock. An additional 17.5% is owned by Joseph Grillo.

**MERRIMACK-ESSEX ELECTRIC FINANCING CLEARED.** The SEC has issued an order under the Holding Company Act (Release 34-14302) authorizing Merrimack-Essex Electric Company to issue and sell an additional 125,000 shares of its common stock to its parent, New England Electric System, for a cash consideration of \$2,500,000, and to offer and sell, at competitive bidding, 75,000 shares of \$100 par preferred stock. The net proceeds of the financing will be applied to the payment of the issuer's short-term indebtedness, expected to aggregate \$12,275,000 when the proceeds of the financing are received.

**FRANCIS PETER CROSBY PLEADS GUILTY.** The SEC New York Regional Office announced November 1st (LR-1825) that Francis Peter Crosby pleaded guilty to an indictment (USDC SDNY) charging him with violating the anti-fraud provisions of the Securities Exchange Act and Investment Company Act in connection with his activities involving Jefferson Research Foundation, Inc., and Jefferson Custodian Fund, Inc.

**STANLEY YOUNGER PLEADS GUILTY.** The SEC New York Regional Office announced November 1st (LR-1826) that Stanley Younger pleaded guilty to two counts of an indictment (USDC SDNY) which charged Younger and Richard T. Cardall with conspiracy to violate the registration and anti-fraud provisions of the Securities Act and the transportation in interstate commerce of falsely made, forged and counterfeited securities, namely, stock of a non-existent company, National Photocopy, Inc.

**INDICTMENT NAMES GUTERMA, OTHERS.** The SEC announced November 2d (LR-1827) that a 42-count indictment has been returned (USDC SDNY) charging the following with violating and conspiracy to violate the registration requirements of the Securities Act in the offer and sale of stock of United Dye & Chemical Corp.: Alexander J. Guterma, Samuel S. Garfield, Irving Pasternak, Allen K. Swann, Allard Roen, and Virgil D. Dardi. (A previous indictment charged Guterma and others with fraud in the sale of such stock.)

**STERLING DRUG FILES STOCK PLAN.** Sterling Drug Inc., 1450 Broadway, New York, filed a registration statement (File 2-17267) with the SEC on November 2, 1960, seeking registration of 350,000 shares of common stock, to be offered to key employees of the company and its subsidiaries pursuant to its Incentive Stock Option Plan.

**AMERICA-ISRAEL PHOSPHATE FILES FOR OFFERING.** America-Israel Phosphate Company, Inc., 82 Beaver Street, New York, filed a registration statement (File 2-17266) with the SEC on November 2, 1960, seeking registration of 125,000 shares of common stock, to be offered for public sale at \$4.00 per share through Casper Rogers Company, on a best efforts basis. The underwriter will receive a 60¢ per share selling commission. Also included in the prospectus are 310,900 common stock purchase warrants, 35,900 of which were granted to a promoting group  
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For further details, call WOrth 3-5526

as part of their purchase of original common shares, and 25,000 are part of the underwriter's compensation. Such warrants entitle the holders thereof to purchase a like amount of common shares at \$4.00 per share. The remaining warrants are attached to the 125,000 new shares offered. Each new share will carry two warrants to purchase two shares of common stock at a 25% discount, of the next offering after this one, that may be made by the company for the purpose of carrying on its business.

Organized under Delaware law in March 1960, the company proposes to explore for and exploit phosphate mineral resources existing in the southern part of Israel, in the area known as the Negev. The phosphate rock is to be mined, treated in plants near the mine site, and the beneficiated phosphate is then to be sold for export. The company, with principal offices in New York, has organized America-Israel Phosphate Company, Ltd., a wholly owned subsidiary in Israel. According to the prospectus, the company has entered into contract with the Israel Government under which authorization is granted to prospect and explore for phosphate for one year, with an extension of another year. If the existing phosphate is of suitable quality and adequate quantity the Israel Government will grant a concession of long duration, authorizing the mining and processing of the mineral. The net proceeds from the sale of stock, estimated at \$425,000, will be used for a program of prospecting, exploration, proving reserves in the Negev area and making an economic evaluation.

The company has outstanding 179,500 shares of common stock, of which Albumina Supply Co., of New York, owns 123,000 shares, and management officials as a group own 45,500 shares. Oscar L. Chapman is listed as board chairman and Walter B. Frank (president of Albumina Supply) is listed as president.

CHEMATOMICS FILES FOR OFFERING AND SECONDARY. Chematomics, Inc., 122 East 42nd Street, New York, filed a registration statement (File 2-17268) with the SEC on November 2, 1960, seeking registration of 188,300 shares of common stock, of which 175,000 shares are to be offered for public sale by the company at \$3.00 per share through East Coast Investors Company on a best efforts basis. The remaining 13,300 shares, being outstanding stock, are to be offered for public sale by the present holders thereof through the underwriter after the company's sale of the new shares. The underwriter will receive a \$.45 per share selling commission and shall retain an additional \$.1285 per new share sold and an additional 15¢ per outstanding share sold, for expenses. The underwriter will also receive from the company, as additional compensation, 9,000 common shares if all the new shares are sold, and Richmond Lisle-Cannon, president, will sell to the underwriter at 10¢ per share, one share owned by him for each 19 shares sold for the account of the company, up to a total of 9,000 shares.

The company was organized under Delaware law in February 1960 for the purpose of engaging in research, development, production and distribution of high heat resistant synthetic ion exchange resins and the commercial production of such resins for industrial use (but, according to the prospectus, it has not yet engaged in such business). The net proceeds from the company's sale of the new stock, estimated at \$413,000, will be used as follows: \$175,000 for the purchase of equipment, \$40,000 for development of sales force and advertising, \$40,000 for inventory, \$35,000 for staff and labor, \$48,000 for working capital, and \$75,000 for research and development.

The company has outstanding 157,150 shares of common stock, of which Lisle-Cannon owns 102,000 shares (64.9%), John S. Rogers, a director, owns 18,500 shares (11.8%), and management officials as a group own 91.5%. The selling stockholders are listed as Henry Schlachter, Arrowhead Petroleum Corp. and Isobelle W. S. Rogers, who propose to sell 4,150, 4,150 and 5,000 shares, respectively.

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