

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 January 8, 1962

Statistical Release No. 1801. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended January 5, 1962, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1961 - 1962 is as follows:

	1957-59 = 100		Percent Change	1961 - 1962	
	1/5/62	12/29/61		High	Low
Composite	141.7	145.7	-2.7	146.5	118.3
Manufacturing	132.0	135.9	-2.9	136.0	113.0
Durable Goods	134.6	138.7	-3.0	138.9	117.0
Non-Durable Goods	129.7	133.2	-2.6	133.7	109.2
Transportation	108.0	108.0	0.0	111.0	97.8
Utility	182.9	186.7	-2.0	190.8	144.4
Trade, Finance & Service	178.0	187.3	-5.0	193.0	132.5
Mining	99.7	100.6	-0.9	102.0	83.3

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended January 4, 1962, 16 registration statements were filed, 21 became effective, 5 were withdrawn, and 744 were pending at the week-end.

MIDWEST EXCHANGE DELISTING APPROVED. The SEC has issued an order under the Securities Exchange Act (Release 34-6702) granting an application of the Midwest Stock Exchange to delist the common stock of Gamble-Skogmo, Inc., effective January 19th, because of inactive trading in the shares on that Exchange, the stock remaining listed on the New York Stock Exchange.

DELISTING OF HONOLULU OIL PROPOSED. The New York and Pacific Coast Stock Exchanges have filed applications with the SEC to delist the capital stock of Honolulu Oil Corporation, which has sold its operating properties and is in the process of dissolution; and the Commission has issued orders (Release 34-6702) giving interested persons until January 19th to request a hearing thereon.

SEC ORDER CITES CONTINENTAL BOND & SHARE. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Continental Bond & Share Corporation, 1728 Springfield Avenue, Maplewood, N. J., violated the record-keeping provisions, net capital requirements and anti-fraud provisions of the said Act and, if so, whether its broker-dealer registration should be revoked and whether it should be suspended or expelled from membership in the National Association of Securities Dealers, Inc.

Continental has been registered with the Commission as a broker-dealer since December 1960. Jerry L. Gale is president and Sonya Ostrow vice president. The Commission's order recites charges by its staff that information developed in its investigation tends if true to show (1) that from May 26, 1961, to date, Continental failed to make and keep current certain books and records and to preserve other records, as required by Commission rules; (2) that during November 1961 Continental engaged in the conduct of a securities business in violation of the Commission's net capital rule; and (3) that Continental induced certain persons to purchase securities from and sell securities to Continental and accepted money and securities from such persons upon the representation that it was solvent and ready and able to discharge its liabilities when, in fact, Continental's liabilities exceeded its current assets and it was unable to meet its current liabilities in the ordinary course of business, which practice operated as a "fraud and deceit" upon the purchasers in violation of the anti-fraud and anti-manipulative provisions of the Act. Gale and Ostrow are said to have participated in or induced the violations.

A hearing will be held in the Commission's New York Regional Office on January 24, 1962, at 2:30 P.M., to take evidence with respect to the foregoing.

D. H. VICTOR & CO. REGISTRATION REVOKED. The SEC has issued an order (Release 34-6700) under the Securities Exchange Act revoking the broker-dealer registration of D. H. Victor & Company, Inc., 32 Broadway, New York, for violations of the anti-fraud provisions of the Federal securities laws in the offer and sale of stock of Trans Central Industries, Inc. In connection with those transactions, the Commission ruled, Victor & Co., together with David H. Victor, president and sole stockholder, and Norman Miller, a salesman, made false and misleading representations concerning the future market prices of the stock and the issuer's earnings, dividends, products, and present and proposed subsidiaries. Victor & Co. also was expelled from National Association of Securities Dealers, Inc. membership and Victor and Miller were each found to be a cause of the order of revocation and expulsion.

OVER

TRADING IN BLACK BEAR INDUSTRIES SUSPENDED. The SEC has issued an order under the Securities Exchange Act temporarily suspending trading in the common stock of Black Bear Industries, Inc., on the San Francisco Mining Exchange and over-the-counter market, for a further ten-day period January 9 to 18, 1962, inclusive.

INCORPORATED INVESTORS ACQUISITION CLEARED. The SEC has issued an exemption order under the Investment Company Act (Release IC-3402) permitting Incorporated Investors, Boston investment company, to issue its shares at their net asset value in exchange for substantially all the cash and securities of Christjane Corporation.

YANKEE ATOMIC ELECTRIC TO REACQUIRE SHARES. Yankee Atomic Electric Company, Boston subsidiary of New England Electric System, has applied to the SEC for an order under the Holding Company Act authorizing it to reacquire 46,600 shares of its \$100 par stock upon the cash payment for the stock at par to its stockholder companies; and the Commission has issued an order (Release 35-14557) giving interested persons until January 24th to request a hearing thereon. Commencing in 1955, the Commission authorized Yankee Atomic Electric to issue \$20,000,000 of common stock, \$17,000,000 of notes, and \$20,000,000 of bonds to provide funds equal to its capital requirements estimated at \$57,000,000 to construct and operate a nuclear power plant. The company's plant was completed and placed in operation in July 1961; and the cost thereof proved to be less than the amount originally estimated. Securities actually issued and sold involved \$15,330,000 of bonds, \$13,031,000 of notes and \$20,000,000 of stock. Furthermore, of the proceeds of the sale of bonds and notes \$4,670,000 was not needed for construction purposes; and it is now proposed that such excess cash be used by the company (to the extent of \$4,660,000) to reacquire the 46,600 common shares from the stockholder companies which participated in the organization of the company in 1954.

FIRST (N.J.) REAL ESTATE TRUST FILES FOR OFFERING. The First Real Estate Investment Trust of New Jersey, 477 Main St., Hackensack, filed a registration statement (File 2-19609) with the SEC on January 4th seeking registration of 67,750 shares of common stock. The Trust shares are to be offered for public sale at \$10 per share, without underwriting. The Trust was organized in November 1961 and expects to qualify as a "Real Estate Investment Trust" under the Internal Revenue Code of 1954, as amended January 1, 1961. It will engage primarily in the business of investing in interests in real estate, primarily in New Jersey; and the net proceeds of this financing will be so used. The Trust has outstanding 8,062.5 shares and the trustees and promoters have subscribed for an additional 24,187.5 shares. Samuel Hekemian, Sr., is chairman and principal shareholder (11,750 shares) and Wilton T. Barney, president. An additional 32,250 shares are under ten-year option to the trustees and promoters at \$10 per share.

AMERICAN CARDBOARD PROPOSES OFFERING. American Cardboard & Packaging Corporation, 2900 North 11th St. Philadelphia, filed a registration statement (File 2-19610) with the SEC on January 5th seeking registration of 150,000 shares of common stock, to be offered for sale at \$3.50 per share. The offering will be made on an all or none basis through underwriters headed by Milton D. Blauner & Co. and three other firms, which will receive a commission of 35¢ per share plus \$15,000 for expenses. Also included in the statement are 15,000 outstanding shares acquired by Milton D. Blauner from a company officer at \$1 per share.

The company and its subsidiaries are engaged in the manufacture and sale of a wide variety of cardboard items, including folding boxes, display boards, and cardboard components for the toy and hobby industries. It also is engaged in laminating and plastic packaging. The \$435,000 estimated net proceeds from the stock sale will be used to purchase new laminating equipment and automate existing laminating equipment, to purchase additional die-cutting and plastic equipment, to automate and improve existing printing equipment, to move the cardboard division to new plant facilities, to expand sales force and engage in expanded sales promotion and advertising program, and for general corporate purposes. The company recently acquired from Murray Toll, president, and Pauline Toll, all of the outstanding stock of three Pennsylvania companies in exchange for 55,000 common shares of the company.

In addition to certain indebtedness, the company has outstanding 255,000 shares of common stock (after giving effect to said acquisitions and a recent 250-for-1 stock split), of which Toll owns 49%; and David Gordon, a director, and Aaron Toll, vice president, own 24.5% and 14.7%, respectively. Sale of the new stock to the public at \$3.50 per share will result in an increase in the book value of stock now outstanding from \$1.01 to \$1.71 per share and a corresponding dilution of \$1.79 per share in the book equity of stock purchased by the public.

STELBER CYCLE FILES FINANCING PLAN. Stelber Cycle Corporation, 744 Berriman Street, Brooklyn, N. Y., filed a registration statement (File 2-19611) with the SEC on January 5th seeking registration of \$240,000 of 8% convertible debentures due 1972 and 60,000 shares of common stock, to be offered for public sale in units, each consisting of one \$200 debenture and 50 common shares. The offering will be made at \$500 per unit on an all or none basis by Lloyd Securities, Inc. and Richard Bruce & Co., Inc., which will receive a \$60 per unit commission and \$18,000 for expenses. The statement also includes 10,000 outstanding shares purchased from the principal stockholders by the underwriters at 10¢ per share, and 1,000 outstanding shares sold to Leonard Geffner for services as a financial consultant.

The principal business of the company is the manufacture and sale of bicycles and tricycles, and it has recently commenced tooling for the manufacture and sale of a line of toy automobiles. Of the \$476,500 estimated net proceeds from this financing, \$400,000 will be used to reduce 12% loans from a factor, \$50,000 to move the storage and manufacturing facilities located at the company's Jamaica plant to its Brooklyn plant, and the balance to expand the design and production of a proposed line of toys and children's play equipment.

In addition to certain indebtedness, the company has outstanding 300,000 shares of common stock (after giving effect to a recent recapitalization whereby such shares were issued in exchange for the 150 common shares, no par value, and the 500 common shares, \$100 par value, then outstanding), of which Philip Steller, president, and Jack Berkowitz, vice president, own 32% each, and their wives own 8.2% each. Sale of the units to the public will result in an increase in the book value of stock now outstanding from 98¢ to \$1.47 per share and a corresponding dilution of about \$4.53 per share in the book equity of common stock included in the units purchased by the public.

DURO PEN FILES FOR STOCK OFFERING. Duro Pen Company, Inc., 573 Broadway, New York, filed a registration statement (File 2-19612) with the SEC on January 5th seeking registration of 125,000 shares of common 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 Godfrey, Hamilton, Taylor & Co., which will receive a 40¢ per share commission and \$10,000 for expenses. The statement also includes 11,000 outstanding shares to be purchased from the principal stockholder by the underwriter, and 3,000 outstanding shares by Charles Kandel, for services in arranging this financing, all at 75¢ per share.

The company is engaged in the manufacture and sale of inexpensive (5¢ to 29¢ retail) ball point pens. Of the net proceeds from the stock sale, \$67,500 will be used to retire notes incurred to purchase automatic machinery, \$71,968 to retire indebtedness due Irwin Ross, president and principal stockholder, representing advances since 1956 on open account, \$150,000 to purchase additional automated equipment, molds and other production equipment, and the balance will be added to working capital. In addition to certain indebtedness, the company has outstanding 317,800 shares of common stock (after giving effect to a recent 1,953-for-1 stock split), of which Ross owns 98%.

DUKE POWER PROPOSES BOND OFFERING. Duke Power Company, 422 South Church Street, Charlotte, N. C., filed a registration statement (File 2-19613) with the SEC on January 5th seeking registration of \$50,000,000 of first and refunding mortgage bonds due 1992, to be offered for public sale at competitive bidding. Net proceeds from the bond sale will be applied to finance in part the cost of the company's continuing construction program. The amount expended from September 1 to November 30, 1961 for such program was \$13,953,000, and such expenditures for 1962 are estimated at \$53,036,000.

WHITAKER-ZAPPA & CO. ENJOINED. The SEC New York Regional Office announced January 4th (Lit-2169) the entry of a Federal court order (USDC SDNY) permanently enjoining C. B. Whitaker, A. J. Zappa & Co., Inc., of New York, Clarence B. Whitaker, its president, and Anthony J. Zappa, secretary-treasurer, from further violations of the SEC net capital rule.

SEC REPORT ON AMERICAN STOCK EXCHANGE INVESTIGATION. The Staff report on the organization, management and regulation of the conduct of members of the American Stock Exchange, announced late Friday, January 5th, is being printed by the Government Printing Office. Copies may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., in about two weeks. (Release SMS 2).

SECURITIES ACT REGISTRATIONS. Effective January 5: Systematic Plans, Inc. (File 2-18463). Effective January 8: Alloys Unlimited, Inc. (File 2-19040); Chester Electronic Laboratories, Inc. (File 2-19019); Pancoastal Petroleum Company (File 2-18459); Super Valu Stores, Inc. (File 2-19176). Withdrawn January 8: Lehigh Acres Utilities and Investment Co. (File 2-18984).

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