

NEWS DIGEST

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



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OVER-THE-COUNTER STUDY PROPOSED. Milton H. Cohen, Director of the SEC Special Study of Securities Markets, announced today that a questionnaire, designated OTC-3, is being mailed to all members of the National Association of Securities Dealers and all other broker-dealers registered with the Commission. The purpose of the questionnaire and attached forms A through E is to obtain general information about the growth and size of the over-the-counter market and specific data as to transactions in that market. The questionnaire contains questions about the size and nature of the business of each broker-dealer firm and the growth of its over-the-counter activity since 1949.

Another group of questions seeks information about industry-wide over-the-counter transactions in specific securities, for a single day in the case of 115 securities and for a three-week period in the case of 85 other securities. The securities on each list were selected for study on a random sampling basis and their selection in no way implies any question about the particular securities or the trading activities of broker-dealers in them. Other questions concern practices with respect to entering listings in the "sheets" of the National Quotation Bureau, "making markets" in stocks of companies in which partners or officers of broker-dealers are directors, and balances in margin accounts.

Replies to the questionnaire are to be submitted by all broker-dealers not later than April 9, 1962.

BARUCH & CO. HEARING POSTPONED. On request of counsel for R. Baruch and Company, Washington, D. C., the Commission has authorized a postponement from March 19 to April 10, 1962, of the hearing in proceedings to determine whether to revoke the broker-dealer registration of R. Baruch and Company, Sutro Bros. & Co., of New York, A. T. Brod & Company, New York, Fairfax Investment Corporation and Seraphim & Company, Inc., both of Washington, D. C., for alleged violations of the Federal securities laws in the offer and sale of stock of Agricultural Research & Development, Inc.

ARCADY CORP. EXEMPTED FROM REPORTING. The Commission has granted an application of The Arcady Corporation, of Chicago, for exemption from the requirement for filing annual and other periodic reports with the Commission. According to Arcady's application, all of its 86,676 outstanding common shares are owned by 45 holders, and all but 1,021 of such shares are owned by management officials, their families and business associates.

TWO REG. A SUSPENSION ORDERS PERMANENT. The SEC today announced that its prior orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to proposed public offerings of stock by Allied Metals Company (Albuquerque, N. Mex.) and Uran Mining Corporation (Rochester, N.Y.) have become permanent.

The suspension order with respect to Allied Metals became permanent following that company's withdrawal of its request for hearing thereon, scheduled for March 22d in the Commission's Denver Regional Office. The hearing with respect to Uran Mining also was scheduled for the same date and place; but Uran Mining failed to file an answer to the allegations set forth in the suspension order, thereby being considered in default and the suspension order became permanent.

ALUMINUM SPECIALTY FILES FOR FINANCING AND SECONDARY. Aluminum Specialty Company, 16th & Wollmer Sts., Manitowoc, Wisc., filed a registration statement (File 2-19944) with the SEC on March 15th seeking registration of (1) \$1,000,000 of convertible subordinated debentures due 1980 to be offered for public sale by the company and (2) 90,000 shares of common stock, of which 45,000 shares are to be offered for public sale by the company and 45,000 shares, being outstanding stock, by the holders thereof. Such securities are to be offered through underwriters headed by Paine, Webber, Jackson & Curtis, 25 Broad Street, New York, and Loewl & Co., 225 East Mason Street, Milwaukee. The interest rate on the debentures, public offering price of both issues (maximum \$13 per common share*) and underwriting terms are to be supplied by amendment. The statement also includes \$100,000 of like debentures to be sold to the company's employees Profit Sharing Trust.

The company designs, manufactures and markets proprietary lines of aluminum housewares under the trade names "Chilton Ware" and "Alumode" and toy miniature housewares and Christmas decorations. It also fabricates items under contract with home appliance and auto manufacturers. Of the net proceeds from the company's sale of debentures and additional stock, \$400,000 will be used to finance the construction of two plant additions, \$102,500 to redeem outstanding Series B preferred stock (all held by said Profit Sharing Trust), up to \$580,000 to redeem outstanding Series A and C preferred stock, and the balance for working capital. Said Trust will use the funds received upon redemption of the Series B preferred stock for purchase of the \$100,000 of debentures.

In addition to certain indebtedness and the preferred stock, the company has outstanding 221,433 shares of common stock, of which Mary S. Torrison (a company director and wife of John W. Torrison, president) owns 19.1% and management officials as a group 35.9%. Martha R. Spindler, a director, receives the income from a trust which holds an additional 16.6%, and Mary S. Torrison is the beneficiary of such trust. The prospectus lists eight selling stockholders owning an aggregate of 124,119 shares, including Mary S. Torrison who proposes to sell 18,606 shares. Others (including the president) propose to sell amounts ranging from 1,000 to 6,000 shares.

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BARKER BROS. FILES FOR STOCK OFFERING. Barker Bros. Corp., 818 West Seventh Street, Los Angeles, filed a registration statement (File 2-19945) with the SEC on March 15th seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by William R. Staats & Co., 640 South Spring Street, Los Angeles. The public offering price (maximum \$16 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 6,000 outstanding shares underlying 5-year options to be sold by the shareholders to the principal underwriter for \$3,000 exercisable initially at 115% of the public offering price.

The company is engaged principally in the merchandising of home, commercial and institutional furnishings throughout 20 store locations in Southern California. The net proceeds from the stock sale will be used to establish or acquire (and to stock) additional branch stores and to expand some existing branch locations; and proceeds not needed for such purposes will be used to reduce short term borrowings. In addition to certain indebtedness, the company has outstanding 520,000 shares of common stock (after giving effect to a proposed 10-for-1 stock split), of which Morris Gold, board chairman, Richard E. Gold, president, and Charles I. Gold, executive vice president, own 16.6%, 29.4% and 8.3%, respectively; and the remaining outstanding stock is owned by members of the immediate families of said three officers.

TRANSOGRAM CO. FILES FOR SECONDARY. Transogram Company, Inc., 200 Fifth Avenue, New York, filed a registration statement (File 2-19946) with the SEC on March 15th seeking registration of 156,000 outstanding shares of common stock, to be offered for public sale by Charles S. Raizen, president and principal stockholder. The offering will be made by Lehman Brothers, One William Street, New York. The public offering price (maximum \$12 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the design, assembly, manufacture and sale of toys, games, doll and children's playroom furniture, coloring and craft sets, and sport sets for indoor and outdoor use. It also produces and markets a number of toys and games under the names of well-known personalities in television programs under license from such programs and their sponsors (including Disneyland). In addition to certain indebtedness, the company has outstanding 987,571 shares of common stock (after giving effect to a recent recapitalization whereby 981,248 shares were issued in exchange for the 1,935 preferred, 9,065 Class A and 8,000 common shares then outstanding, and the issuance of 6,323 shares in exchange for the 50% interest not already owned by the company in Toy Research Institute, Inc.). Of such outstanding stock, Raizen owns 81.2% (and proposes to sell the 156,000 shares) and Emroy Investors, Ltd. (owned by Raizen and his family) owns 12.7%.

WEST CHEMICAL PRODUCTS FILES FOR SECONDARY. West Chemical Products, Inc., 42-16 West Street, Long Island City, N. Y., filed a registration statement (File 2-19947) with the SEC on March 15th seeking registration of 41,000 outstanding shares of common stock, to be offered for public sale by the holders thereof by E. F. Hutton & Co., 1 Chase Manhattan Plaza, and Coffin & Burr, 70 Pine Street, both of New York. The public offering price (maximum \$35 per share*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the manufacture and sale on a nationwide basis of an extensive range of sanitation products, including deodorants, disinfectants, germicides, specialized cleansers, hand soaps, protective creams and protective garments, insecticides and raticides, paper goods and floor maintenance products, which are sold principally to commercial, industrial and institutional consumers. It is also engaged in the manufacture and sale of pharmaceuticals, including vitamins, food supplements and injectable specialties. In addition to certain indebtedness, the company has outstanding 385,279 shares of common stock, of which James E. Marcuse, board chairman and president, owns 11.02% and management officials as a group 22.61%. Marcuse, Doris K. Marcuse and Sol S. Ross, a vice president, as executors under the will of Marion R. S. Marcuse, hold 21,000 shares and propose to sell all such shares; and Marcuse and Ross, as surviving trustees under a certain portion of the will of Moses M. Marcuse, hold an additional 20,000 shares and propose to sell all such shares. In addition to said beneficial holdings, Marcuse has indirect beneficial interests as a residuary legatee or remainderman under wills and trusts in an aggregate of 33,908 shares, and members of his immediate family have similar interests in 19,362 shares.

BLANCHE & ASSOCIATES FILES FOR STOCK OFFERING. Ernest E. Blanche & Associates, Inc., 10419 Fawcett Street, Kensington, Md., filed a registration statement (File 2-19948) with the SEC on March 15th seeking registration of 80,000 shares of Class A common stock, to be offered for public sale at \$3 per share. The offering will be made on a best efforts basis by Jones Kreeger & Co., 1625 I Street, N. W., and First Investment Planning Co., 1500 Massachusetts Ave., N. W., both of Washington, D. C. The underwriters will receive a 30¢ per share selling commission and \$4,800 for expenses. The company has agreed to sell to the underwriters 5-year warrants at 1¢ each, to purchase 20,000 Class A shares at \$3 per share.

The company is principally engaged in applying electronic and mechanical data processing techniques to the solution of problems for government and industry. It also provides statistical, mathematical, and economic research services on a consulting basis, and as an adjunct to its data processing services. The \$200,000 estimated net proceeds from the stock sale will be used to purchase data processing equipment which the company now leased from International Business Machines Corporation, and to promote sales and to finance expansion of operations. In addition to preferred stock, the company has outstanding 40,000 Class A and 160,000 Class B common shares, of which Ernest E. Blanche, president and board chairman, owns 98% of each class. Sale of new stock to the public at \$3 per share will result in an increase in the book value of stock now outstanding from 23¢ to 88¢ per share and a corresponding dilution of \$2.12 per share in the book equity of stock purchased by the public.

GENERAL MOTORS FILES STOCK PLANS. General Motors Corporation, 1775 Broadway, New York, filed registration statements (Files 2-19949 and 2-19950) with the SEC on March 15th seeking registration of (1) 1,071,149 shares of common stock, to be offered to executives pursuant to its Stock Option Plan, and (2) \$48,125,000 of participations in its Savings-Stock Purchase Program for Salaried Employees in the United States, and 1,750,000 common shares which may be acquired pursuant thereto.

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QUEENSWAY MINES FILES FOR STOCK OFFERING. Queensway Mines Limited, Suite 1212, 55 York Street, Toronto, Canada, filed a registration statement (File 2-19951) with the SEC on March 15th seeking registration of 150,000 shares of capital stock, to be offered for public sale at \$1 per share. The offering will be made on a best efforts basis by Asta Corporation Limited, of the York Street address, which will receive a 20¢ per share selling commission.

The company was organized under Ontario law in March 1961 and shortly thereafter acquired from Ruby Gwendolyn Lewis, of Ontario, 18 unpatented mining claims located in the Township of Horwood, Sudbury Mining Division, Ontario. The \$100,000 estimated net proceeds from the stock sale will be used to repay an outstanding loan, to carry out a geological survey and exploratory work on the mining properties, and for general corporate purposes and such further exploratory work as may be recommended by the company's engineers. The prospectus states that the former owners of the claims did considerable trenching and stripping, and also sank two test pits and two short drill holes, the showings from which work were apparently insufficient to produce mineable ore bodies. Since acquisition of the claims the company has carried out some sampling and preliminary surface examination at a cost of \$300, the results of which were said to be inconclusive. The prospectus further states that the company has no knowledge of any mineable ore bodies on its property.

The company has outstanding 800,005 shares of capital stock, of which Ruby Lewis and Truman Edward Kelly, president, own 600,000 and 150,001 shares, respectively. Of such outstanding stock, 750,000 shares were originally issued to Ruby Lewis for the property and, by her direction, 100,000 of such shares were issued to Kelly and 50,000 shares to William Cecil Arrowsmith, secretary-treasurer. After the stock sale to the public, present stockholders will own 84.2% of the outstanding stock purchased at an average cost of 7¢ per share, and the public will own 15.8% at a cost of \$1 per share. Ruby Lewis is the wife of the principal stockholder of Asta Corporation Limited, the underwriter.

GENERAL TELEPHONE & ELECTRONICS PROPOSES DEBENTURE OFFERING. General Telephone & Electronics Corporation, 730 Third Avenue, New York, filed a registration statement (File 2-19952) with the SEC on March 15th seeking registration of \$50,000,000 of sinking fund debentures due 1987, to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 25 Broad Street, New York, and two other firms. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company's subsidiaries provide domestic and foreign telephone service and manufacture telephone equipment. Through other subsidiaries, including Sylvania Electric Products, Inc., its largest manufacturing subsidiary, the company is also a manufacturer in the fields of lighting, television and electronics. Sales, finance and service subsidiaries complement its basic activities. The net proceeds from the debenture sale will be added to general funds. The company expects to invest \$53,400,000 during 1962 in common stock of its telephone subsidiaries to finance, in part, their construction programs. Gross additions to telephone plant scheduled for 1962 are estimated at \$263,000,000, resulting in estimated net additions of about \$207,000,000. In addition to certain indebtedness and preferred stock, the company has outstanding 74,212,170 shares of common stock. Donald C. Power is board chairman and Leslie H. Warner is president.

THOM-TEX PAPER FILES FOR STOCK OFFERING. Thom-Tex Paper Converting Corporation, Highway 3, Rio Grande, Puerto Rico, filed a registration statement (File 2-19953) with the SEC on March 15th seeking registration of 70,000 shares of common stock, to be offered for public sale at \$4 per share. The offering will be made by Meade & Co., 27 William Street, New York, which will receive a 48¢ per share commission and \$9,000 for expenses. The statement also includes 6,000 shares underlying 3-year warrants sold to the underwriter at 1 mil per warrant, exercisable at \$4 per share, and 3,000 shares underlying like warrants sold to present stockholders.

The company is engaged in the manufacture and sale of ruled and unruled, bound and unbound, writing paper items which it distributes primarily in Puerto Rico. The net proceeds from the stock sale will be used in part to retire a long-term note secured by a chattel mortgage on the company's equipment (incurred in part to retire the balance of a previous note similarly secured and for working capital), and the balance will be added to general funds for working capital. In addition to certain indebtedness, the company has outstanding 130,000 shares of common stock, of which Benito Texidor, Jr., president, Marvin S. Flowerman, vice president, Paul T. Greene, treasurer, and Benito B. Texido, secretary, own 25% each.

ELFUN TRUSTS FILES FOR OFFERING. Elfun Trusts, 570 Lexington Avenue, New York, filed a registration statement (File 2-19954) with the SEC on March 15th seeking registration of 250,000 Elfun Trust Units, to be offered (together with 22,615 units remaining to be issued under a registration statement filed in March 1961), to executives, officials, leading employees, persons on retainer and former employees of the General Electric Company and/or its subsidiary or controlled companies, to the spouse or children of such persons, and to the trustees of Executives Investment Trusts and certain profit-sharing trusts which have been or will be created by General Electric.

CENTRAL AND SOUTH WEST LOANS APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14600) authorizing Central and South West Corporation, Chicago holding company, to purchase notes of its subsidiaries, Central Power and Light Company and West Texas Utilities Company (of Corpus Christi and Abilene, Texas, respectively) during 1962, in amounts not to exceed \$3,500,000 of notes outstanding at any time for each subsidiary. The funds will be used by the subsidiaries to finance temporarily a portion of their construction programs.

CAPITAL CONTRIBUTIONS BY G.P.U. APPROVED. The SEC has issued orders under the Holding Company Act (Release 35-14601 and 35-14602) authorizing General Public Utilities Corporation, New York holding company, to make cash capital contributions during 1962 in amounts not exceeding \$19,000,000 to Jersey Central Power

& Light Company and \$1,000,000 to New Jersey Power & Light Company. The former will use the funds to pay bank notes (amounting to \$14,995,000 as of November 30, 1961) and for other corporate purposes; and the latter to reimburse its treasury for construction expenditures.

TRADING SUSPENDED IN APEX MINERALS. The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Apex Minerals Corporation on the San Francisco Mining Exchange and over-the-counter market, for a further ten-day period March 17 to 26, 1962, inclusive.

A. W. DUGAN ENJOINED. The SEC Fort Worth Regional Office announced March 12th (Lit-2214) the entry of a Federal court order (USDC, SD Tex.), enjoining A. W. Dugan from further violations of the Securities Act registration and anti-fraud provisions. Previously, in the same action, Dynamic Metals, Inc., of Houston, Norval Schneringer and Jack McCordic were similarly enjoined.

COMING WEEK ARGUMENTS. Amos Treat & Co. (New York), March 19th; Fidelity Securities Corporation (Glen Burnie, Md.), March 22d.

SECURITIES ACT REGISTRATIONS. Effective March 2: White Electromagnetics Inc. (File 2-19104). Effective March 16: Best Plastics Corp. (File 2-18973); Cavitron Ultrasonics, Inc. (File 2-18839); The Educator & Executive Co. (File 2-19400); Great Southern Real Estate Trust (File 2-19406); Miss Eliette, Inc. (File 2-19117). Withdrawn March 16: First Continental Real Estate Trust (File 2-17448).

*As estimated for purposes of computing the registration fee.

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