

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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SEC ORDER CITES INTERNATIONAL SECURITIES. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether an application for broker-dealer registration filed by International Securities, Inc., 4934 Park Road, Charlotte, N. Car., should be denied.

The registration application was filed by International on February 21, 1962, and its effective date was postponed to April 22, 1962, by Commission order. The application lists Richard R. Lisk as president and Diane A. Dickinson as secretary-treasurer; and each is listed as a director and owner of 10% or more of International's outstanding stock. The Commission's order recites charges of its staff that information developed in an investigation tends to show that during the period July 6 to August 2, 1961, Lisk and Dickinson offered and sold stock of Hydramotive Corporation in violation of the registration requirements of the Securities Act of 1933.

A hearing for the purpose of taking evidence on the foregoing will be held in the Commission's Atlanta Regional Office, commencing April 27, 1962. The hearing will first concern itself with the question whether to further postpone the effective date of International's registration application pending determination of the question whether said application should be denied.

KREEDMAN REALTY FILES FINANCING PLAN. Kredman Realty & Construction Corp., 9350 Wilshire Blvd., Beverly Hills, Calif., filed a registration statement (File 2-20263) with the SEC on April 19th seeking registration of \$5,000,000 of convertible subordinated debentures due 1982 and 200,000 shares of common stock, to be offered for public sale in units consisting of \$25 of debentures and one common share. Lee Higginson Corporation, 20 Broad Street, New York, heads the list of underwriters. The interest rate on the debentures, public offering price of the units (maximum \$27 per unit*) and underwriting terms are to be supplied by amendment.

The company (formerly Investment Properties, Inc.) was organized under Delaware law on April 6, 1962 and intends to acquire the stock of two corporations owned by S. Jon Kredman, president, and all of the partnership interests in three limited partnerships which had been organized by Kredman. The company will engage in the planning, construction and operation for its own account of office buildings and other income-producing properties and, as a general contractor, in the construction of buildings for others. A major portion of the net proceeds from this financing will be used to repay current indebtedness incurred or to be incurred in connection with the company's construction of the United California Bank Building, Beverly Hills, and the Crenshaw Medical Arts Centre, Los Angeles. Pursuant to said acquisitions, the company will issue 601,152 common shares to Kredman in exchange for all of the outstanding stock of S. Jon Kredman & Co., a California company, and all of the outstanding stock of an Arizona corporation owned by him. The former owns the National General Corporation Building, Beverly Hills, the Kaiser Health Foundation Building, Los Angeles, the Plush Horse Inn, Redondo Beach near Los Angeles, two other sites in downtown Los Angeles, a 73% interest in California-Wilshire Co., which owns the United California Bank Building, Beverly Hills, a 47% interest in Wilpalm Co., which owns the C-E-I-R Building, Beverly Hills, and a 71% interest in Crenshaw Plaza Medical Center, which owns the Crenshaw Medical Arts Centre (including, in each case, the entire general partnership interest). The company will also issue an aggregate of 298,848 common shares to the limited partners of said three partnerships for the remaining interests therein. The prospectus states that at February 28, 1962, the corporations acquired from Kredman had an aggregate capital deficit of \$743,628 and the interests in said three partnerships had an aggregate book value of \$1,501,782. The company now has outstanding (prior to the acquisitions) 85,000 shares of common stock (purchased at \$2 per share), of which Lee Higginson Corp. owns 30,000 shares, Benjamin Company (a partnership) 30,000 shares, and certain employees of S. Jon Kredman & Co. 25,000 shares. The net equity of the company in the underlying assets and cash received upon sale of such shares is \$758,154, equivalent to 84¢ per share for each of the 900,000 to be issued as consideration for the said acquisitions.

MEAD JOHNSON FILES STOCK PLAN. Mead Johnson & Company, Evansville, Ind., filed a registration statement (File 2-20267) with the SEC on April 19th seeking registration of 180,805 shares of common stock, to be offered pursuant to its Employees Restricted Stock Option Plan B.

DOMAN HELICOPTERS PROPOSES RIGHTS OFFERING AND SECONDARY. Doman Helicopters, Inc., Municipal Airport, Danbury, Conn., filed a statement (File 2-20264) with the SEC on April 19th seeking registration of 418,680 shares of common stock, to be offered by the company for subscription by common stockholders at the rate of two such shares for each three shares held. The record date and subscription price (maximum \$1.25 per share*) are to be supplied by amendment. The statement also includes (1) 74,000 outstanding shares to be offered for public sale by the holders thereof from time to time at the then prevailing market prices and (2) 189,201 shares to be offered by the company to certain creditors (including management officials) in order to reduce current liabilities.

Organized in 1945, the company until 1957 was primarily engaged in research, development and construction of early experimental models and production of prototype helicopters embodying certain inventions of Glidden S. Doman, president. The resulting model (LZ-5) was type-certified by the FAA in 1955. The prospectus states that since 1957 the company has attempted unsuccessfully to secure markets either military or

commercial for its helicopters and to secure adequate financing; and the company is not now and has never been engaged in any substantial manufacturing activities. Improvements to the LZ-5 type are said to have been in design since January 1961, and with those improvements, the helicopter now proposed to be sold is known as the Doman-Ambrosini D-10B, for which the company has applied to the FAA for an amendment to its type certificate. The company was reorganized in 1960 pursuant to Chapter XI of the Bankruptcy Act and since has continued its efforts largely through loans or the sale of stock or convertible obligations to management officials, employees and friends of the company. Through the fiscal year ended September 30, 1961, consolidated losses were \$5,715,076, of which the company estimated \$3,500,000 is attributable to development of the D-10B helicopter; and for the year ended on that date the net loss was \$341,405, and, according to the prospectus, the company is now insolvent. The company has an agreement with an Italian manufacturer to produce the D-10B helicopter in Italy. The company, however, will purchase in the United States or produce its own rotor blades and will purchase engines in the United States and expects to do final assembly work at its own plant and to handle sales itself. The net proceeds from the company's sale of additional stock will be used to obtain the amended type certification from the FAA, to obtain and train field service personnel, for salaries for one year (\$133,000), for an expanded sales program, for tooling in preparation for helicopter rotor blade production, for a deposit to procure delivery of engines, to assemble initial production models of the D-10B, to discharge existing obligations, and for working capital and inventories. The company estimates that it will take up to eight months to obtain certification from the FAA, 10 months to receive deliveries of airframes from the Italian manufacturer, and two additional months for transportation and final assembly by the company.

In addition to certain indebtedness, the company has outstanding 627,858.9 shares of common stock, of which management officials as a group own about 10%. The prospectus lists 17 holders of the 74,000 outstanding shares including Joseph J. Lann and Stephen de Pont, who propose to sell 8,000 and 6,000 shares, respectively. Others propose to sell amounts ranging from 1,000 to 5,000 shares. Such shares were acquired at \$1.25 per share cash or in consideration at \$1 per share for services rendered or in satisfaction of outstanding obligations.

PRECISION MICROWAVE TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Precision Microwave Corp. on the American Stock Exchange and over-the-counter market for a further ten-day period April 24 to May 3, 1962, inclusive.

MOUNTAIN STATES PETROLEUM, OTHERS ENJOINED. The SEC Denver Regional Office announced April 17th (Lit-2243) the entry of a Federal court order (USDC U.) permanently enjoining Mountain States Petroleum Corp., John W. Taylor, David E. Halford and Wayne B. Garff from further violating the Securities Act registration and anti-fraud provisions in the offer and sale of the said Petroleum Corp. stock. Motion for preliminary injunction scheduled for hearing April 30th with respect to other defendants.

SECURITIES ACT REGISTRATIONS. Effective April 20: Loral Electronics Corp. (File 2-19928); Tennessee Gas Transmission Co. (File 2-20168); Vulcan Materials Co. (File 2-20064).

*As estimated for purposes of computing the registration fee.

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