

NEWS DIGEST

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



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REGIONAL EXCHANGES STUDIED. The SEC Special Study of Securities Markets announces (for Friday newspapers) that a questionnaire (designated Form EX-4) is being distributed to each of the members and member organizations of the Boston, Midwest, Philadelphia-Baltimore and Pacific Coast Stock Exchanges. In 1961 these exchanges accounted for approximately 90% of the dollar volume of trading on all regional exchanges and about 6% of total dollar volume on all exchanges. The purpose of the questionnaire is to obtain information as to the various functions and activities of individuals and firms who are members of regional exchanges. Members are asked to state, among other things, the composition of their total gross income derived from transactions on the particular exchange, the relationship of their total business on the particular exchange to their New York Stock Exchange business (if any) and their other business, the terms of certain reciprocal arrangements or understandings, and, in the case of members who are also New York Stock Exchange members, their reasons for executing orders in dually-traded stocks on the particular exchange and the types of business being generated by their offices in the vicinity of such exchange. In addition, odd-lot dealer-specialists of each exchange are asked to provide information with respect to their financing arrangements, their dealer transactions for three one-week periods in 1961, and for May 28, 29, and 31, 1962, and the state of their "book" (i.e., limit orders held by the odd-lot dealer-specialist for customers or other brokers where the prices are away from the market) in certain stocks on a selected day in July 1962. The completed questionnaire is to be submitted to the Special Study by July 27, 1962.*

TRANSIT INVESTMENTS FILES EXCHANGE PLAN. Transit Investments, Inc., 2631 West Superior Street, Duluth, Minn., filed a registration statement (File 2-20505) with the SEC on June 22nd seeking registration of 837,870 shares of common stock. It is proposed to offer such stock to the common stockholders of the company's parent, Duluth-Superior Transit Company (DST), in exchange for the outstanding stock of DST, at the rate of 40 shares of the company for each share of DST. The 837,870 shares include 151,000 outstanding shares of the company now owned by DST (to be issued to the shareholders of DST in the exchange) and 686,870 shares to be issued to DST's shareholders in consideration of the transfer to the company of certain assets presently owned by DST said to have a fair and reasonable market value of \$686,870 (including a stock certificate evidencing ownership of 7,500 capital shares of DST issued in the name of the company and apportioned from the treasury shares of DST). DST will also transfer to the company 1,271 capital shares of Flight Service, Inc. and deliver to the company \$101,970 in cash. The purpose of the Exchange is to simplify the existing corporate structure of the companies which are parties to the exchange by having a substantially non-operating company (the company) as the parent and operating companies (DST and Flight Service) as subsidiaries.

The company is engaged generally in various investment activities, its primary investments being in improved and unimproved real estate and in the stock of companies owning real estate. DST (and a majority owned subsidiary) operates an urban mass transit system in Duluth and Superior (Wisconsin) areas. After completion of the exchange, Rodaly Investment, Inc. (owned by Julius E. Davis, treasurer, and two of his partners), Norman K. Winston, board chairman, and Herschel B. Fryberger, Jr., a vice president, will own 22.86%, 13.72%, and 10.28%, respectively, of the outstanding stock of the company. Stanton D. Sanson is president.

ARIES CORP. FILES FOR STOCK OFFERING. Aries Corporation, 7722 Morgan Avenue South, Minneapolis, Minn., filed a registration statement (File 2-20506) with the SEC on June 27th seeking registration of 200,000 shares of common stock, to be offered for public sale at \$1.15 per share. The offering will be made on a best efforts basis by Bratter and Company, Inc., Soo Line Bldg., Minneapolis, which will receive a 15¢ per share selling commission. Three officers of Bratter now own 9,900 shares purchased at \$1 per share.

The company was organized under Minnesota law in January 1962 and proposes to provide consulting services to industry and governmental agencies in the areas of programming services, applications engineering, operations analysis, and assistance in the marketing of affiliated products. The net proceeds from the stock sale will be added to working capital to be used for general corporate purposes, initially in connection with furnishing consulting services for data processing systems to equipment manufacturers, industry and government. In addition to certain indebtedness, the company has outstanding 100,000 shares of common stock (purchased at \$1 per share), of which Frederick W. Lang, president, Richard P. Daly, vice president, and Erwin Tomash own 17%, 16.5% and 15%, respectively.

GENERAL SECURITIES HEARING POSTPONED. The Commission has granted a request of counsel for an indefinite postponement of the hearing scheduled for June 28, 1962, in the Commission's Washington Regional Office to determine whether to revoke the broker-dealer registration of General Securities Corporation, of Washington, D. C. The postponement was granted to allow counsel additional time to complete a stipulation of the facts to serve in lieu of an evidentiary hearing.

*(Copies of Release and Questionnaire also available in SEC Boston, Chicago, Los Angeles, New York and San Francisco Offices.)

OVER

SEC DENVER OFFICE HOURS CHANGED. During the next two months, July and August, the SEC Denver Regional Office and its Salt Lake City Branch Office will advance their working hours one-half hour so as to operate on an 8:00 A. M. to 4:30 P. M. (MST) business-hour schedule.

SEC COMPLAINT NAMES TITAN MINES, OTHERS. The SEC Denver Regional Office announced June 26th, (Litigation Release 2298) the filing of a complaint (USDC, Denver) seeking to enjoin Titan Mines, Inc., Henry Oren Aaberg and Stella R. Aaberg from violating the Securities Act registration and anti-fraud provisions in the sale of stock and notes of Titan Mines. The complaint also requests appointment of a receiver for Titan Mines.

RIDGWAY ENTERPRISES FILES FOR OFFERING AND SECONDARY. L. L. Ridgway Enterprises, Inc., 5711 Hillcroft Avenue, Houston, Texas, filed a registration statement (File 2-20507) with the SEC on June 27th seeking registration of 155,000 shares of common stock, of which 130,000 shares are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by Louis L. Ridgway, board chairman. Underwood, Neuhaus & Co., Inc., 724 Travis Street, and Rotan, Mosle & Co., Bank of the Southwest Building, both of Houston, head the list of underwriters. The public offering price (maximum \$10 per share*) and underwriting terms are to be supplied by amendment.

The company, through its subsidiaries, is engaged in making commercial reproductions including blueprints, direct prints, photocopies, darkroom reproductions, and offset prints; the manufacture and sale of sensitized papers, cloths, and films for use in blueprinting and direct printing; and the sale of architectural, engineering, and commercial reproduction equipment and supplies. Of the net proceeds from the company's sale of additional stock, \$300,000 will be applied to the expansion of the company's manufacturing plant in Irvington, N. J., \$100,000 for the replacement and modernization elsewhere of existing equipment, and the balance for working capital and general corporate purposes including carrying of increased inventories and receivables. In addition to certain indebtedness, the company has outstanding 319,284 shares of common stock, of which Ridgway (individually and as trustee for his two children) owns 54.9% (and proposes to sell the 25,000 shares for his own account); and William S. Blaylock, president, and Dick Berry, executive vice president, own 13.3% each.

CROWELL-COLLIER PUBLISHING FILES FOR SECONDARY. The Crowell-Collier Publishing Company, 640 Fifth Avenue, New York, filed a registration statement (File 2-20508) with the SEC on June 27th seeking registration of 17,685 outstanding shares of common stock, to be offered for public sale by the holders thereof from time to time on the New York or Midwest Stock Exchanges, or otherwise, at prices current at the time of sale (maximum \$21.625 per share*). Such shares are a portion of 36,517 shares issued by the company to the selling stockholders in connection with the acquisition by the company in May 1962 of all of the outstanding capital stock of Scientific Materials, Inc.

The company is engaged in the publication and sale of subscription books, elementary, high school and college text books and related educational material, trade and technical books and in the operation of a home study school and radio broadcasting station. In addition to certain indebtedness, the company has outstanding 3,134,518 shares of common stock, of which management officials as a group own 4.5%. W. D. Cole is board chairman and Raymond C. Hagel is president. The selling stockholders are Arthur J. Rosenthal, Herbert Nagourney and Narragansett Capital Corporation, and they propose to sell 7,200, 1,000 and 9,485 shares, respectively.

VIRGINIA ELECTRIC AND POWER FILES FOR STOCK OFFERING. Virginia Electric and Power Company, 700 East Franklin Street, Richmond, Va., filed a registration statement (File 2-20509) with the SEC on June 27th seeking registration of 300,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine Street, and Stone & Webster Securities Corp., 90 Broad Street, both of New York. The dividend rate, public offering price (maximum \$105 per share*) and underwriting terms are to be supplied by amendment. The net proceeds from the stock sale will be used to provide for construction expenditures (estimated at \$82,500,000 for 1962) or to reimburse the treasury therefor. In addition to certain indebtedness and preferred stock, the company has outstanding 14,910,000 shares of common stock. Erwin H. Will is board chairman and Alfred H. McDowell, Jr. is president.

KALTMAN PROPOSES DEBENTURE RIGHTS OFFERING. D. Kaltman & Co., Inc., 425 Park Avenue, New York, filed a registration statement (File 2-20511) with the SEC on June 28th seeking registration of \$1,650,000 of convertible subordinated debentures due 1977. It is proposed to offer such debentures for subscription by common stockholders at 100% of principal amount and at the rate of \$100 of debentures for each 100 shares held. The record date is to be supplied by amendment. No underwriting is involved.

The company is principally engaged in the wholesale drug business, selling a full line of ethical and proprietary pharmaceuticals, chemicals, cosmetics, toiletries, personal health products, and drug sundries to customers located principally in New York, New Jersey, southeastern Pennsylvania and a portion of northern Delaware. The net proceeds from the debenture sale will be used to repay outstanding short-term indebtedness to banks (incurred for working capital purposes) and for general working capital. In addition to certain indebtedness, the company has outstanding 1,646,913 shares of common stock, of which management officials as a group own 3%. Claude A. Giroux is board chairman and president.

SECURITIES ACT REGISTRATIONS. Effective June 28: Alcoa Savings Plan For Salaried Employees (File 2-20467); Alumatron International, Inc. (File 2-19287); Wade, Wenger Service Master Co. (File 2-19543). **Withdrawn June 28:** Consolidated Chemical and Paint Corporation (File 2-18804); Virco Mfg. Corporation (File 2-20269).

*As estimated for purposes of computing the registration fee.