

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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LYNTEX FILES FINANCING PLAN. Lyntex Corporation, 40 East 34th Street, New York, filed a registration statement (File 2-20547) with the SEC on June 29th seeking registration of \$600,000 of 6½% sinking fund debentures due 1977 and 120,000 shares of common stock, to be offered for public sale in units consisting of \$500 of debentures and 100 common shares. The offering will be made on an all or none basis through underwriters headed by P. W. Brooks & Co., Inc., 120 Broadway, N. Y. The public offering price of the units (maximum \$720 per unit*) and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in April 1962 to acquire the business and certain of the assets of its predecessor which has been engaged in the manufacture of light gauge virgin vinyl plastic film and sheeting for sale primarily to manufacturers of finished consumer products. The business of the predecessor was purchased for \$850,000. Of such amount, \$100,000 has been paid, \$350,000 is due at closing, and the balance is due in monthly payments over a 6-year period. Of the net proceeds from the sale of the units, \$350,000 will be applied to the acquisition of the predecessor, and the balance for working capital principally to purchase raw materials and to carry accounts receivable. In addition to certain indebtedness, the company has outstanding 325,000 shares of common stock, of which Saul Goldstein, president, and Gustave Schieman, vice president, own 19.1% each, and three other directors in excess of 13% each. Such holders received their shares in consideration of the assignment to the company of their interests in the agreement to purchase the predecessor company and a cash payment of 28¢ per share. The company also sold to certain management officials and employees of the underwriter an aggregate of 42,500 shares at 50¢ per share.

RAPID-AMERICAN FILES FOR SECONDARY AND STOCK PLAN. Rapid-American Corporation, 711 Fifth Avenue, New York, filed a registration statement (File 2-20548) with the SEC on June 29th seeking registration of 49,422 outstanding common shares to be offered for public sale by the holders thereof from time to time on the American Stock Exchange, or otherwise, at prices current at the time of sale (maximum \$24 per share*). The statement also includes 100,000 shares to be offered pursuant to the company's December 1961 Restricted Stock Option Plan.

The company is engaged in various activities including the operation of national variety, men's-wear and women's and children's wear stores (National Shirt Shops and Lerner Stores); and a platemaking business, catalog mail order operations, the manufacture of metal signs and displays, the manufacture and marketing of sundry plastic toys and novelties, the citrus business in Florida, and the manufacture of paints, lacquers and varnishes. In addition to various indebtedness and preferred stock, the company has outstanding 5,497,455 shares of common stock, of which management officials as a group own 27.1%. Meshulam Riklis is board chairman and president. The prospectus lists 13 selling stockholders including Charles H. Sheldon who proposes to sell 23,486 shares. Others propose to sell amounts ranging from 200 to 6,400 shares.

ABBOTT REALTY FUND FILES FOR STOCK OFFERING AND EXCHANGE PLAN. Abbott Realty Fund, Inc., 292 Madison Ave., New York, filed a registration statement (File 2-20549) with the SEC on June 29th seeking registration of 380,000 shares of Class A common stock, to be offered for public sale at \$10 per share. The offering will be made by Morris Cohon & Co., 19 Rector St., and Street & Co., Inc., 44 Wall St., both of New York, which will receive a 95¢ per share commission and \$35,000 for expenses. The statement also includes 366,218 Class A shares to be offered in exchange for stock and notes of stockholders in three corporations and outstanding interests of partners in two partnerships. The company has agreed to sell to the underwriters 2-year options to purchase 15,000 Class C shares at an aggregate price of \$7,500, and 2-year options to purchase 25,000 Class A shares at \$11 per share.

The company was organized under Delaware law in June 1962 to own, operate and manage income producing real estate. Upon completion of the exchange offer, the company will own interests in one office building, three apartment buildings and three restaurant buildings. Of the estimated \$3,244,000 net proceeds from the stock sale (and sale of Class B and C stock), \$2,348,379 will be used to pay indebtedness incurred or to be incurred in connection with the company's acquisition of three additional office buildings and one loft building, \$100,000 for conversion of elevators in one of the company's buildings, and the balance for general corporate purposes including possible acquisition of additional properties. Assuming 100% acceptance of the exchange offer and the public offering, H. Robert Mandel, president, and Leonard Feldman and Morris Mitchell, directors, will own respectively, 5.59%, 7.61% and 3.64% of the outstanding Class A common stock, and 34.19%, 34.19% and 26.07% of the Class B common stock, for an aggregate cash consideration paid by them of \$347,274. In addition, Abbott & Adams, Inc., an affiliate of Mandel and Feldman, will own of record and beneficially 15,125 shares (2.02%) of Class A common stock for a cash consideration of \$1,375. All officers and directors as a group (including the shares to be owned by Abbott & Adams, Inc.) will hold of record, and own of record and beneficially, 18.86% of the Class A common stock and 94.45% of the Class B common stock for an aggregate cash consideration paid by them and an affiliate of \$369,899. The purchasers of Class A common stock pursuant to the public offering will own 50.92% of the Class A common stock for an aggregate cash consideration of \$3,800,000. The officers and directors of the company own substantially all of the outstanding 45,000 shares of Class B common stock which they purchased at a cash price of 50¢ per share. By virtue of their holdings

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of Class B common stock, Mandel, Feldman and Mitchell, have the right to elect two-thirds of the directors of the company for a period which may be as long as ten years.

ST. REGIS PAPER FILES FOR EXCHANGE OFFER. St. Regis Paper Company, 150 East 42nd Street, New York, filed a registration statement (File 2-20541) with the SEC on June 29th seeking registration of 25,000 shares of common stock to be issued to the four holders of the outstanding stock of Andre Paper Box Company, together with a payment of \$200,000 in cash, for all of the stock of Andre. All or part of such shares may be sold by the holders thereof from time to time on the New York Stock Exchange or in the over-the-counter market, at prices prevailing on the Exchange, or in an off-the-Exchange secondary offering or in private sales at negotiated prices.

St. Regis is a manufacturer of paper and paper products. Andre, a California company, which leases plants in San Leandro, San Francisco, and Los Angeles, converts paper, paper board and foil into folding cartons and other packaging materials for sale to soft drink bottlers, brewers, department stores, gift shops, florists and super markets. Its products are distributed in eleven western states through its own sales representatives and jobbers.

In addition to certain indebtedness and preferred stock, St. Regis has outstanding 12,027,111 shares of common stock, of which management officials as a group own 3.31%. R. K. Ferguson is board chairman and W. R. Adams is president.

GENERAL DEVELOPMENT PROPOSES DEBENTURE SECONDARY. General Development Corporation, 2828 S.W. 22nd St., Miami, filed a registration statement (File 2-20550) with the SEC on June 29th seeking registration of \$2,545,500 of outstanding 6% convertible subordinated debentures due 1975, to be offered for public sale by the holders thereof from time to time on the American Stock Exchange or in the over-the-counter market, or by private sale at prices related to the market. The statement also includes 30,000 shares of common stock underlying an option previously granted to H. A. Yoars, president, exercisable at \$15.62 per share.

The company is engaged in the sale of low and medium priced homesites and houses in large volume in development communities. In addition to various indebtedness, the company (as of March 1962) has outstanding 6,898,756 shares of common stock, of which Chesler Investments, Inc. and Chesler Operations, Inc. (both wholly-owned by Louis Chesler, chairman of the executive committee, as trustee for his children) own about 13% and management officials as a group 9.88%. Chesler owns directly an additional 3% of the common. The prospectus lists the selling debentures holders as The Winfield Baird Foundation, Louis Chesler, Trusts for the benefit of Chesler's children, and Chesler Operations, Inc. They propose to sell debentures in the principal amounts of \$1,500,000, \$620,500, \$275,000 and \$150,000, respectively. Gardner Cowles is board chairman.

TENAX FILES FOR SECONDARY. Tenax, Inc., 850 Third Avenue, New York, filed a registration statement (File 2-20551) with the SEC on June 29th seeking registration of \$1,500,000 of outstanding 5-3/4% subordinated notes due 1971, outstanding warrants to purchase at \$15 per share 100,000 common shares, and 148,905 outstanding shares of common stock. Such securities are to be offered for public sale by the holders thereof from time to time at par or at the market price (in the case of the notes and warrants), and in the over-the-counter market at prices prevailing thereon at the time of sale (in the case of the shares).

The company and its recently acquired subsidiaries operate a diversified business that manufactures and sells, or distributes, (1) a line of coin-operated dry cleaners, washing machines, coin changers and related accessories thereto, (2) a variety of dried beef products, (3) processed and frozen food products intended for use in conjunction with home freezer units and (4) a line of popularly-priced furniture designed for sale through retail outlets and on contract order for hotels and motels. In addition to certain indebtedness, the company has outstanding 644,742 shares of common stock, of which Leon C. Hirsch, president, owns 20%. The prospectus lists 14 holders of the notes and warrants, including Laird, Bissell & Meeds (\$400,000 of notes and 26,666 warrants), and 50 holders of the common shares, including Alan Foster and Glenway Sheet Metal Company, Inc. They propose to sell all of their holdings of 37,050 and 27,950 shares, respectively, and others propose to sell holdings ranging from less than 600 to 10,000 shares.

SEABOARD LIFE INSURANCE PROPOSES RIGHTS OFFERING. Seaboard Life Insurance Company of America, 1451 North Bayshore Drive, Miami, filed a registration statement (File 2-20552) with the SEC on June 29th seeking registration of 1,280,483 shares of common stock (with rights) which the company is offering on a share for share basis in exchange for the 1,280,483 common shares now outstanding. It is proposed to offer 256,097 additional common shares for subscription by the holders of the new common stock with rights at the rate of one new share for each five shares held. The subscription price is to be supplied by amendment. No underwriting is involved. Of the 1,280,483 shares, 204,293 are issuable upon exercise of various stock option plans.

The company is engaged in writing life and accident and health insurance in 21 states and Puerto Rico and the Virgin Islands. Of the net proceeds from the stock sale, \$450,000 will be used to reimburse the treasury for expenditures in connection with the proposed purchase of a new building in Beverly Hills, Calif., \$1,500,000 to increase reserves, \$300,000 to establish additional regional agencies and branches and to increase sales force, \$500,000 for possible acquisition of other insurance companies, and the balance will be added to general funds. The company has outstanding 1,076,190 common shares (to be exchanged for an equal number of common share with rights), of which management officials as a group own 10%. Samuel Kosman is board chairman and president.

CAREER ACADEMY FILES FOR STOCK OFFERING. Career Academy, Inc., 135 West Wells St., Milwaukee, Wisc., filed a registration statement (File 2-20553) with the SEC on June 29th seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by Divine & Fishman, Inc., 134 S. LaSalle St., Chicago. The public offering price (maximum \$3.25 per share*) and underwriting terms

are to be supplied by amendment. The statement also includes 25,000 shares underlying a 5-year option to be sold to the principal underwriter for \$250, exercisable at a price to be supplied by amendment.

The company and its subsidiaries are engaged in the business of conducting schools offering courses of instruction to prepare students to pursue occupations in various fields, including medical assisting, dental assisting, electronic technology, radio and television repair, drafting, and air conditioning, refrigeration, and major appliance repair. The net proceeds from the stock sale will be used to complete the preparation, development and promotion of a home study course to train medical assistants; to retire all existing short term bank loans; to enlarge the supply of teaching materials and add additional courses to the curriculum at the Milwaukee schools; and the balance for the acquisition of other schools, lease of additional facilities and for general corporate purposes. The company has outstanding 150,000 shares of common stock, of which Wesley D. Pavalon, board chairman and president, and Adrienne J. Pavalon, his wife, own 53.5% and 24.1%, respectively. Book value of stock now outstanding is 81¢ per share.

BASIC PROPERTIES FILES FOR STOCK OFFERING. Basic Properties, Inc., 521 Fifth Avenue, New York, filed a registration statement (File 2-20554) with the SEC on June 29th seeking registration of 400,000 shares of Class A common stock, to be offered for public sale through underwriters headed by Hornblower & Weeks, 1 Chase Manhattan Plaza, New York. The public offering price (maximum \$12 per share*) and underwriting terms are to be supplied by amendment.

The company was organized in September 1961 to acquire interests in income-producing real estate. Pursuant to an exchange offer which became effective on January 23, 1962, the company issued shares of its capital stock in exchange for interests in ten joint ventures and one limited partnership which then had interests in eleven office and commercial buildings, eight shopping centers and nineteen garden apartment buildings. As a result of the exchange offer, the concurrent purchase of the fee in the nineteen garden apartment buildings and the subsequent acquisition of minority joint venture interest, the company now owns in fee all of said properties except for one office building as to which it has a beneficial interest in approximately 95% of the partnership which owns the fee. Since the exchange offer became effective, the company has acquired the fee to one commercial building and one office building and is in the process of acquiring fee ownership to two office buildings and an 85% interest in the fee ownership to the site of a motel now under construction. Of the net proceeds from the stock sale, \$2,816,500 will be used to repay short term bank loans and a mortgage incurred to meet a portion of the costs of acquisitions since the effective date of the said exchange offer; \$1,100,000 to complete the acquisition of the Corning "Tower of Glass" and Columbia Pictures Building (both in New York City); and the balance for general corporate purposes. In addition to certain indebtedness, the company has outstanding 898,691 Class A and 582,752 Class B common shares, of which Alvin M. Greenstein, president, Solomon Klausner, board chairman, and Shep Lieberman, vice president, own 12.7%, 23.9% and 10.6%, respectively, of the Class B. Management officials as a group own 14.3% of the outstanding Class A and 67.3% of the Class B shares.

UNIVERSAL OIL PRODUCTS FILES STOCK PLAN. Universal Oil Products Company, 30 Algonquin Road, Des Plaines, Ill., filed a registration statement (File 2-20555) with the SEC on June 29th seeking registration of 47,000 shares of capital stock, to be offered pursuant to its 1962 Restricted Stock Option Plan.

GAMMA CORP. FILES FOR STOCK OFFERING. Gamma Corporation, 288 Plymouth Avenue, Fall River, Mass., filed a registration statement (File 2-20556) with the SEC on June 29th seeking registration of 80,000 shares of common stock and 80,000 5-year warrants to purchase an additional 20,000 common shares (initially at \$5 per share), to be offered for public sale in units consisting of one share and one warrant (four warrants entitling the holder to purchase one additional share). The offering will be made at \$4.50 per unit through underwriters headed by Hampstead Investing Corp., 70 Pine Street, N. Y., which will receive a 45¢ per unit commission and \$11,500 for expenses. The statement also includes 100,000 like warrants sold to the underwriter for \$2,500, and 36,250 common shares underlying 145,000 like warrants issued to present stockholders in May 1962.

The company (formerly Gamma Leather Goods Corporation) designs, manufactures and sells a popular priced line of ladies' handbags and related items. Of the \$288,500 estimated net proceeds from the stock sale, \$100,000 will be used to acquire and equip new and expanded plant facilities, \$153,500 for working capital, and the balance to retain additional sales personnel. The company has outstanding 145,000 shares of common stock, of which Irving Levine, president, Joan Kurfirst (wife of Nat Kurfirst, vice president), and Sophie Taylor, secretary, own 53.29%, 12.31% and 12.31%, respectively.

MONTANA POWER FILES STOCK PLAN. The Montana Power Company, 40 East Broadway, Butte, Montana, filed a registration statement (File 2-20557) with the SEC on June 29th seeking registration of 6,667 shares of common stock, to be offered pursuant to its Employees' Stock Purchase Plan.

IOWA PUBLIC SERVICE PROPOSES RIGHTS OFFERING. Iowa Public Service Company, Orpheum Electric Building, Sioux City, Iowa, filed a registration statement (File 2-20559) with the SEC on July 3rd seeking registration of 320,468 shares of common stock. It is proposed to offer such stock for subscription by common stockholders at the rate of one new share for each 10 shares held on August 28, 1962. The subscription price is to be supplied by amendment. Unsubscribed shares are to be offered for public sale at competitive bidding. The net proceeds from the stock sale will be used to pay off the real estate and chattel mortgage assumed by the company upon the acquisition of the assets of the Frances-Orpheum Building Company (final payment of \$154,473 due October 1, 1962); to pay off any temporary bank loans which may be incurred prior to the sale of the common stock to secure funds for construction purposes (which are not expected to exceed \$700,000); and the balance to provide a portion of the funds required for the construction or acquisition of permanent improvements, extensions and additions to the company's property. Present plans call for the expenditure by the company of \$13,795,000 during 1962 and an estimated expenditure of \$17,900,000 in 1963 for the construction or acquisition of property additions. In addition to certain indebtedness and preferred

stock, the company has outstanding 3,204,686 shares of common stock. G. A. Neal is board chairman and E. M. Raun is president.

C. E. BURLINGAME CORPORATION FILES DISSOLUTION PLAN. C. E. Burlingame Corporation, a registered holding company, has filed a plan with the SEC under the Holding Company Act to simplify the holding-company system of which the corporation is the top company, to effect certain operating economies, and to provide the estate of Clarence E. Burlingame (deceased) with funds with which to pay Federal and State estate taxes and the costs of administration of the estate, estimated at in excess of \$1,000,000. The Commission has issued an order (Release 35-14663) giving interested persons until July 23, 1962, to request a hearing on the plan.

Burlingame Corp. is solely a holding company, the outstanding capital stock of which is held by the executor under and subject to the terms of the will of Clarence E. Burlingame. The holding-company system includes eight gas utility subsidiary companies, all or nearly all of whose common stocks are owned by Burlingame Corp. Total consolidated assets at December 31, 1962, less reserves for depreciation, aggregated about \$3,809,000; consolidated revenues for 1961 amounted to about \$2,196,000, and net income was about \$169,000.

Under the plan Burlingame Corp. and one non-utility company will be dissolved, and the net underlying assets, consisting principally of the common stocks of subsidiaries, will be transferred to a testamentary trustee for disposition in accordance with the terms of the will of Clarence E. Burlingame.

INVESTORSERVICE HEARING SCHEDULED. The SEC has scheduled a hearing for July 16, 1962, in its New York Regional Office in the consolidated proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registrations of Elizabeth Harris, doing business as Investaservice, and Albert Harris, doing business as Investorservice, both of 11 West 42nd Street, New York City. The Commission's order of June 6, 1961 authorizing these proceedings recites charges of its staff that Harris and his wife violated the Commission's record-keeping requirements and failed to make their books and records available for inspection by its staff.

WRIGHT, MYERS & BESSELL HEARING SCHEDULED. The Commission also has scheduled a hearing for July 16 in its Washington Office in the proceedings under the Securities Act of 1934 pending in respect of Wright, Myers & Bessell, Inc., 1616 Eye Street, N.W., Washington, D. C. Jack Clifford Wright, president, Jimmy Clark Myers, secretary-treasurer, Gerald Leon Bessell, vice president, and B. Russell Atwood, registered representative (or salesman) of registrant have previously consented to revocation of their broker-dealer registrations and to being named as causes of such revocation. This hearing will be for the limited purpose of taking evidence on the remaining questions on staff charges of violations of the anti-fraud provisions of the Federal Securities laws by Charles E. Redden, listed as a former secretary of registrant, Lawrence Betzler, office manager, and Paul M. Wakeman, registered representative (or salesman).

EDWARD M. GILBERT INDICTED. The SEC New York Regional Office announced on July 28 (Lit-2300) the return of a 15-count indictment (USDC SDNY) charging Edward M. Gilbert with violations of the anti-fraud and registration provisions of the Securities Act and violations of the insider reporting provisions of the Securities Exchange Act in connection with his transactions in the stock of E. L. Bruce Co. (Incorporated). Additionally, Gilbert was charged with violating the federal wire and mail fraud statutes in a scheme to convert to his own use funds of E. L. Bruce Co. (Incorporated) aggregating \$1,953,000.

L. TRAVERS PRETTYMAN INDICTED. The SEC Fort Worth Regional Office announced on July 26 (Lit-2301) the return of a 23-count indictment (USDC Kansas) charging L. Travers Prettyman with violations of the Securities Act, the mail fraud statute, and the conspiracy statute in the offer and sale of preorganization certificates and subscriptions for capital stock, and capital stock, of Thunderbird Development Corporation. Robert L. Beckwith previously, on June 18, 1962, entered a plea of guilty to three counts of the indictment.

WHITE CAPS GOLD MINING AND OTHERS ENJOINED. The SEC San Francisco Regional Office announced on June 28 (Lit-2302) that Judge Lloyd H. Burke of the United States District Court for the Northern District of California has signed final judgments of permanent injunction against White Caps Gold Mining Company, Hercules Mines Company of Nevada, Fred Vollmar and William R. Noack, permanently enjoining said defendants from selling securities of White Caps Gold Mining Company and Hercules Mines Company of Nevada in violation of the registration provisions of the Securities Act.

SECURITIES ACT REGISTRATIONS. Withdrawn July 5: Atlantic Research Corp. (File 2-19590); Bestform Foundations, Inc. (File 2-19828); Harrington and Richardson, Inc. (File 2-19908); Lenox Inc. (File 2-20128); Norton Company (File 2-19025); Solon Industries, Inc. (File 2-19546). Effective July 5: Clark Cable Corp. (File 2-20316).

*As estimated for purposes of computing the registration fee.

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