

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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



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MARKET STUDY REPORT, PART THREE. The third and final segment of the Report of the Special Study of Securities Markets, comprising Chapters X-XIII, will be delivered to Congress on Thursday, August 8th. At 1:00 P.M. that day, a comprehensive summary of the four chapters will be delivered to the National Press Building for IMMEDIATE release. Those members of the Press wishing an opportunity to review the summary (34 pages) and the text of the four chapters (1730 pages) before 1:00 P.M., are invited to come to Room 92 of the Commission's Washington Office (425 Second St., N.W.) at any time after 8:00 A.M. Thursday for "closed-door preview," provided they agree to remain until 1:00 P.M. Reporters should bring their own typewriters. A short, 15-minute briefing session will be conducted by Study Director Cohen and his associates, commencing at 11:00 A.M. The four chapters are as follows: X - Security Credit; XI - Open-End Investment Companies (Mutual Funds); XII - The Regulatory Pattern; and XIII - The Market Break of May 1962.

RUSCO INDUSTRIES FILES FOR SECONDARY. Rusco Industries, Inc., 1409 Lakeside Ave., Cleveland, Ohio, filed a registration statement (File 2-21618) with the SEC on August 1 seeking registration of 150,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through private sales through normal brokerage channels on the American Stock Exchange at \$4 per share net to the sellers. According to the prospectus, if the sellers are unable to sell the shares at a net of \$4 per share they have the right to require certain persons to purchase the 150,000 shares at \$4 per share. The 150,000 shares are part of an aggregate of 550,000 shares which are to be converted from a like number of shares of The Harvard Manufacturing Company upon that company's merger into Rusco in August. The statement also includes 100,000 shares which are reserved for company stock options.

The company is engaged in the manufacture and sale of metal combination screen and storm windows, prime windows, metal combination doors and sliding doors. Harvard is engaged in the manufacture of metal bed frames. According to the prospectus, the proposed merger is in furtherance of the company's program of product and market diversification. Martin Friedman, board chairman (together with his family) owns about 70% of the outstanding stock of Harvard and will receive 331,325 shares of Rusco's common stock which, when added to the 31,127 shares already owned by Friedman, will represent 18.6% of the company's outstanding stock after the merger. Melvin Roche, William Lipton and Esther Apisdorf, presently officers and shareholders of Harvard, will receive 205,500 Rusco shares upon the merger and intend to sell the 150,000 shares to the public. Shares not sold to the public will be purchased by Friedman and Edward Ginsberg, assistant secretary.

KORVETTE FILES FOR SECONDARY. E. J. Korvette, Inc., 1180 Avenue of the Americas, New York, filed a registration statement (File 2-21622) with the SEC on August 2 seeking registration of 36,000 outstanding shares of common stock, of which 27,000 shares are to be offered for public sale by the holders thereof on the New York Stock Exchange in regular-way brokerage transactions (through Carl M. Loeb, Rhoades & Co.). The remaining 9,000 shares are to be offered by the holders thereof from time to time through one or more securities brokers in regular-way transactions on the said Exchange at prevailing prices (maximum \$26.50 per share*).

The company is engaged in the operation of 24 promotional department stores, 11 food supermarkets and three smaller specialty stores. In addition to certain indebtedness, it has outstanding 4,182,807 shares of common stock, of which Eugene Ferkauf, executive committee chairman, owns 12.12% and Estelle Ferkauf (his wife) 14.97%. Management officials as a group own 18.8%. Arthur Schwadron, Jack Schwadron (a vice president) and The Schwadron Foundation, Inc. propose to sell 30,000, 5,000 and 1,000 shares, respectively (of an aggregate of 207,020 shares owned). George Yelen is board chairman and William Willensky is president.

AMERICAN VITRIFIED FILES FOR RIGHTS OFFERING. American Vitrified Products Company, 700 National City Bank Building, Cleveland, filed a registration statement (File 2-21624) with the SEC on August 6 seeking registration of 79,137 shares of common stock. It is proposed to offer such stock for subscription at \$19 per share to common stockholders at the rate of one share for each three shares held. The record date is to be supplied by amendment. No underwriting is involved.

The company is engaged in the manufacture and sale of vitrified clay sewer pipe, flue lining, wall lining, drain tile, concrete sewer pipe, and other clay and cement products. Of the net proceeds from the stock sale, \$1,375,000 will be used to repay a short-term bank loan obtained to provide funds to purchase in July 1963 two vitrified clay products plants from The Clay City Pipe Company; and the balance, together with proceeds of a \$990,000 loan, will be used to finance capital improvements to the two plants and for inventories and accounts receivable to be required in connection with operation of the plants. In addition to certain indebtedness, the company has outstanding 237,413 shares of common stock, of which General Waterworks Corporation owns 56% and management officials as a group 3%. General Waterworks has agreed to purchase all unsubscribed shares at \$19 per share. Edgar L. Miller is president.

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COMPUTER SCIENCES FILES FOR OFFERING AND SECONDARY. Computer Sciences Corporation, 650 North Sepulveda Blvd., El Segundo, Calif., filed a registration statement (File 2-21625) with the SEC on August 6 seeking registration of 200,000 shares of common stock, of which 175,000 shares are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the holders thereof. White, Weld & Co., Inc. 20 Broad St., New York, heads the list of underwriters. The public offering price (maximum \$13 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in providing industry, scientific institutions and government agencies with computer services such as consultation in the use of computers, business and scientific problem analysis and data processing, computer systems programming, systems and project management, and the use of the company's large scale computer. The net proceeds from the company's sale of additional stock will be available for general corporate purposes, including working capital, and whatever additional expenditures management may in the future determine are needed. Such expenditures may include the opening of new offices and development of computer programming systems. The company has outstanding 640,000 shares of common stock, of which Fletcher Jones, president, and Roy Nutt, a vice president, own 416,000 (65%) and 192,000 shares (30%), respectively. They propose to sell 17,000 and 8,000 shares, respectively.

CANADIAN RESTRICTED LIST. The SEC has added 2 and removed 18 names from its Canadian Restricted List, thus bringing to 238 the number of companies whose securities the Commission has reason to believe recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide as follows:

Additions

Sapawe Gold Mines Ltd. (formerly Lindsay Explorations Ltd.)
Native Minerals Ltd. (formerly New Springs Coulee Oil and Minerals Ltd.)
(These two companies are presently on the List under their former names, which have now been removed.)

Deletions

Aldor Exploration and Development Co., Ltd.	Lama Explorations and Mining Co., Ltd.
American Petroleum & Natural Gas Corp., Ltd.	Lavandin Mining Co.
Atlas Gypsum Corp., Ltd.	Marpic Explorations Ltd.
Baranouri Minerals Ltd.	Norsco Mines Ltd.
Casgoran Mines Ltd.	Saskalon Uranium and Oils Ltd.
Continental Consolidated Mines & Oils Corp., Ltd.	Sheraton Uranium Mines Ltd.
Jomac Mines Ltd.	Shoreland Mines Ltd.

Mallen Red Lake Gold Mines, Ltd. (now known as New Mallen Red Lake Mines, Ltd.)
Sudbay Exploration and Mining Ltd. (now known as Sudbay Beryllium Mines, Ltd.)
(While the names of the latter two companies have been removed from the List, they continue to be listed under their new names.)

JOHN DOYLE, OTHERS INDICTED IN CANADIAN JAVELIN CASE. The SEC announced today (LR-2704) the opening of the sealed indictment returned on July 3, 1962 by a federal grand jury (USDC, Conn.) charging John Christopher Doyle (New York City), Robert Maurice Sherwood (Geneva, Switzerland), Milton Berman (New York City), and Arthur I. Korn (New York City), with violating the Securities Act registration and anti-fraud provisions in the distribution of unregistered securities of Canadian Javelin Limited.

SECURITIES ACT REGISTRATIONS. Effective August 6: Fulton Industries (File 2-21362).
Effective August 7: Independent Shoe Discounters Association, Inc. (File 2-21403); Earl Scheib, Inc. (File 2-21540).
Withdrawn August 6: Admiral Business Systems, Inc. (File 2-19879).

*As estimated for purposes of computing the registration fee.

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