

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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FOR RELEASE January 12, 1961

HOTEL CORP. OF AMERICA FILES STOCK PLAN. Hotel Corporation of America, 883 Avenue of the Americas, New York, today filed a registration statement (File 2-17463) with the SEC seeking registration of 100,000 shares of common stock, to be offered under the company's Stock Option Plan for Certain Key Employees.

MINITONE ELECTRONICS SHARES IN REGISTRATION. Minitone Electronics, Inc., 55 West 13th Street, New York, filed a registration statement (File 2-17461) with the SEC on January 11, 1961, seeking registration of 249,333-1/3 shares of common stock. Such stock includes (1) 17,000 shares which have already been issued to Allen H. Kent, president, and two other initial stockholders in exchange for cancellation, at the rate of \$3.00 per share, of \$51,000 of debt previously owed them by the company; (2) 20,000 shares which have been sold by the company at \$3 per share to 16 individuals who had no previous relationship with the company, (3) 20,000 shares which are to be offered at \$3 per share to the same 16 individuals, (4) up to 14,000 shares which are to be offered at \$3 per share to key employees, (5) 30,000 shares which are subject to a restricted stock option granted to Kent (the option price being \$3.30 per share), (6) 19,333-1/3 shares which are held by the other two initial stockholders, and (7) 129,000 shares which are to be offered at \$3 per share to business associates, friends, relatives and other acquaintances of officers, directors, stockholders and employees of the company and to the public generally. No underwriting is involved. According to the prospectus, Kent and the other two initial stockholders (as to the aggregate of 66,333-1/3 shares they have or are to receive) and the 16 individuals (as to the 20,000 shares they have already purchased), may sell such shares from time to time at then prevailing prices on the over-the-counter market.

The company was organized under Delaware law in March 1960 for the purpose of designing, developing, manufacturing and selling miniature battery-run DC motors, as well as small consumer products (including an electric men's shaver and an electric pencil sharpener) incorporating such motors. The company's products are said not to require the use of cord that must be plugged into an electrical outlet; and it has adopted for its products the trade name "Kent Kordless". The net proceeds from the company's sale of additional stock when added to the \$111,000 already realized by sale of the 20,000 shares and by cancellation of the \$51,000 of debt will be \$582,000, which will be used as follows: (a) \$75,000 to repay a short-term loan from Irving Trust Company, (b) \$49,950 to pay a short-term promissory note to Noma Lites, Inc., and (c) the balance of \$457,050 has been or will be used to pay various trade accounts and for other general purposes, including design, packaging and production tooling, and the remainder will be added to working capital.

In addition to the notes, the company has outstanding 137,000 shares of common stock, of which Kent owns 35,666-2/3 shares, Comac Associates, of New York, owns 41,333-1/3 shares, Lawrence S. Mayers owns 23,333-1/3 shares, and management officials as a group own 87,666-2/3 shares.

LEASEWAY TRANSPORTATION FILES FOR OFFERING AND SECONDARY. Leaseway Transportation Corp., 11700 Shaker Blvd., Cleveland, Ohio, filed a registration statement (File 2-17462) with the SEC on January 11, 1961, seeking registration of 150,000 shares of common stock, of which 75,000 shares are to be offered for public sale by the company and 75,000 shares, being outstanding stock, by the present holders thereof. Hayden, Stone & Co. heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in November 1960, and in January 1961 acquired or will acquire directly or indirectly all or substantially all of the outstanding stock of 81 corporations. It will be primarily engaged in the long-term leasing of trucks and other commercial vehicles and the intrastate operation of trucks as a local contract carrier. These operations are carried on throughout the area east of the Mississippi River and on the Pacific coast, and intrastate contract carriage is conducted in various localities in the eastern and midwestern United States. The net proceeds from the company's sale of additional stock will be added to its general funds to augment working capital. Such increase in working capital is deemed desirable by the company to expand its operations by acquisition or otherwise and to enhance its borrowing power.

In addition to certain indebtedness, the company has outstanding 1,200,000 shares of common stock, of which Francis J. O'Neill, board chairman, owns 249,928 shares and proposes to sell 18,400 shares and William J. O'Neill, president, owns 241,395 shares and proposes to sell 18,401 shares. Twenty-one other selling stockholders own an aggregate of 436,744 shares and propose to sell 38,199 shares. Management officials as a group own 51.9% of the outstanding stock.

NOT GUILTY VERDICT RETURNED. The Denver Regional Office announced January 9th (LR-1879) that a Federal jury (USDC U.) returned a verdict of not guilty on each count of a 14-count indictment which charged Clifford A. Greenman of violating the anti-fraud provisions of the Federal securities laws.

DELISTING OF COLUMBIA TITLE INS. APPROVED. The SEC has issued an order (Release 34-6448) granting an application of the Philadelphia-Baltimore Stock Exchange to delist the common stock of American Title Insurance Company, 90% of which has been acquired by American Title Insurance Company.

OVER

J. PHIL BURNS CONVICTION AFFIRMED. The SEC Fort Worth Regional Office announced January 6th (LR-1880) that the Tenth Circuit Court of Appeals (Denver) had affirmed the conviction of J. Phil Burns, who was sentenced at Oklahoma City in April 1959 to serve five years on the first fifteen counts of an indictment charging fraud in the sale of Selected Investments Trust Fund certificate-bonds. Burns was the only one of several convicted defendants to appeal.

R. J. SOUTHWELL ENJOINED. The SEC New York Regional Office announced January 10th (LR-1881) that a Federal court order of preliminary injunction had been issued (USDC NJ) directing Robert J. Southwell, doing business as R. J. Southwell Co., Jersey City, N. J., to make his books and records available for SEC inspection and to file promptly amendments to his registration application to keep current the information contained therein, and enjoining the defendant from continuing as a broker-dealer until he complies with the court order.

SHOW CAUSE ORDER ISSUED AGAINST H. S. SIMMONS & CO. The SEC New York Regional Office announced January 10th (LR-1882) the issuance of a Federal court order (USDC SDNY) directing H. S. Simmons & Co., Inc., and its president, Harry Simmons, to show cause on January 12th why they should not be preliminarily enjoined from conducting a securities business while in violation of the SEC net capital rule, when the firm's liabilities exceed its current assets, and while failing to advise customers of such fact, and from appropriating fully-paid securities of customers. Defendants also ordered to show cause why a receiver of the assets of the firm should not be appointed. Firm's assets "frozen" pending court hearing.

EFFECTIVE SECURITIES ACT REGISTRATIONS: January 12: Peerless Tube Company (File 2-17322); Gulf & Western Industries, Inc. Stock Purchase Plan (File 2-17283). Registrations withdrawn, January 12: Slick Airways, Inc. (File 2-17243).

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