

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 March 29, 1961

FRANK PAXTON LUMBER FILES FOR SECONDARY. Frank Paxton Lumber Company, 6311 St. John Ave., Kansas City, Mo., filed a registration statement (File 2-17814) with the SEC on March 28, 1961, seeking registration of 83,389 outstanding shares of Class A Non-voting common stock, to be offered for public sale on an all or none basis through underwriters headed by Stern Brothers & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the business of buying and distributing selected hardwood and softwood lumber, plywood and millwork, primarily for use in residential construction and for diversified industrial uses. It now has outstanding 313,344 shares of Class A Non-voting common stock and 313,344 shares of Class B common stock. The prospectus lists 21 selling stockholders, who own an aggregate of 303,743 Class A and 303,743 Class B shares. Marjorie L. Paxton, board chairman, owns the largest blocks of the two classes of stock, 125,294 shares of each; and she proposes to sell 25,058 Class A shares. Robert Paxton proposes to sell 9,695 of his holdings of 32,318 Class A shares; John L. Paxton, 12,000 of his holdings of 28,496 Class A shares; James V. and Madeline A. Coleman, all of their holdings of 9,200 Class A shares; and Frank Paxton, Jr., president, 9,000 of his holdings of 32,865 Class A shares. John L. Paxton and Coleman also are officers and directors.

MORTON MANUFACTURING FILES FOR SECONDARY. Morton Manufacturing Corporation, 2101 Hudson Street, Lynchburg, Va., filed a registration statement (File 2-17815) with the SEC on March 28, 1961, seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering will be made on an all or none basis through underwriters headed by Smith, Barney & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged principally in the manufacture and sale and in the distribution of a broad line of medicated proprietary items, cosmetics, toiletries and fragrances. In addition to certain indebtedness, it has outstanding 409,640 shares of common stock, of which John T. Morton, board chairman, and members of the Morton family own 21.5%, and L. B. Whithouse, Jr., a vice president, and members of the Whitehouse family own 17%. The list of 16 selling stockholders includes Morton, Mrs. Florence M. Morton, and Whitehouse, who propose to sell 19,000, 12,000 and 5,000 shares, respectively, of their holdings of 28,359, 24,043 and 17,500 shares, respectively. Other holders propose to sell amounts ranging from 1,700 to 10,900 shares. After the sale of the outstanding shares, members of the Morton and Whitehouse families will own 9.7% and 8.2%, respectively, of the outstanding shares.

SCOT LAD FOODS FILES FOR OFFERING. Scot Lad Foods, Inc., 1500 East 97th Street, Chicago, Ill., filed a registration statement (File 2-17818) with the SEC on March 28, 1961, seeking registration of 250,000 shares of common stock, to be offered for public sale through underwriters headed by Hayden, Stone & Co. The public offering price and underwriting terms are to be supplied by amendment.

Organized under Delaware law in January 1961 as Roy Miner Corp., the company, through a series of recent or proposed acquisitions, has or will form a Grocery Products Division and Dairy Products Division. The former packages and has packaged for it a variety of food items which are sold under the label "Scot Lad" to some 175 supermarket customers. The business of that Division, which had been conducted by H. S. Davies, Inc. since 1921, includes extensive marketing services for said supermarkets. The Dairy Division, which will be composed of 5 predecessor companies, processes and sells fluid milk, cream and cultured milk products, such as cottage cheese, buttermilk, sour cream and yogurt. Of the \$2,185,000 estimated net proceeds from the stock sale, \$1,500,000, together with \$500,000 of the proceeds from a \$650,000 term loan, will be applied to the retirement of three 15-day promissory notes aggregating \$2,000,000 delivered as partial consideration for the company's acquisition of H. S. Davies, Inc. Three 6% term notes aggregating \$750,000 were also given to Davies' stockholders in the transaction. Of the remaining \$685,000 of net proceeds, about \$300,000 will be used to retire the outstanding notes of Davies presently held by Mr. and Mrs. B. W. Hall; \$194,220 to retire outstanding debentures of Davies presently held by certain employees of Davies; and the balance will be added to working capital.

According to the prospectus, Roy B. Miner, company president, and Hayden, Stone & Co. organized the company with a view to attempting to acquire and amalgamate the businesses of Davies and the group of Meadowmoor companies; and they contributed, together with certain employees of Davies, \$50,000 in cash for 50,000 shares of common stock. At the conclusion of the proposed acquisitions, Miner, Hayden, Stone, the Davies employees, and the shareholders of the Meadowmoor companies (after their dissolution) will own a total of 235,000 shares of common stock or about 48% of the shares to be outstanding upon completion of this offering. The 185,000 shares issued to the Meadowmoor companies will represent about 38% of the total shares to be outstanding.

CAROLINA POWER & LIGHT FILES STOCK PLAN. Carolina Power & Light Company, 336 Fayetteville Street, Raleigh, N. C., filed a registration statement (File 2-17819) with the SEC on March 28, 1961, seeking registration of 50,000 shares of common stock, to be offered to employees pursuant to the company's Stock Purchase Savings Program For Employees.

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SOUTHLAND LIFE INSURANCE PROPOSES RIGHTS OFFERING. Southland Life Insurance Company, Southland Center, Dallas, Texas, filed a registration statement (File 2-17820) with the SEC on March 28, 1961, seeking registration of 80,000 shares of common stock. It is proposed to offer such stock for subscription by stockholders on the basis of one new share for each five shares held. Equitable Securities Corp. heads the list of underwriters. The record date, subscription price and underwriting terms are to be supplied by amendment.

The company is engaged in the writing of life, health, accident and hospitalization insurance in 22 states and the District of Columbia. The company has recently acquired about 44% of the outstanding common stock of Carolina Life Insurance Company, of Columbia, S.C., and has a contract to purchase 280,602 additional shares of Carolina, representing about 55% of its outstanding stock. The net proceeds from the company's stock sale will be applied toward the purchase of the remaining 55% of the outstanding stock of Carolina.

The company has outstanding 400,000 shares of capital stock, of which The Crockett Company, of Dallas, owns 95,428 shares, and management officials as a group 30,071 shares. Ben H. Carpenter is listed as board chairman and Dan C. Williams as president. All the outstanding stock of Crockett Company is held in an irrevocable trust, of which the children of Mr. and Mrs. Carpenter and Mr. and Mrs. Williams are the beneficiaries.

VIRGINIA CAPITAL SEEKS ORDER. Virginia Capital Corporation, Richmond investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to a proposed transaction with affiliates; and the Commission has issued an order (Release IC-3220) giving interested persons until April 13, 1961, to request a hearing thereon.

According to the application, Major League Bowling and Recreation, Inc., proposes to sell to Virginia Capital 22,608 shares of common stock. Virginia Capital now owns one-half of the \$150,000 outstanding 7% Subordinated Convertible Debentures due 1970 of the Bowling company; and it proposes to convert its holdings of debentures into stock by surrendering the debentures in exchange for 22,608 shares of stock. According to the application, Dover Corporation owns 19% of the outstanding voting securities of Virginia Capital and 8.68% of the outstanding voting securities of the Bowling company.

GENERAL PRECISION EQUIPMENT FILES FOR OFFERING. General Precision Equipment Corporation, 50 Prospect Ave., Tarrytown, N. Y., filed a registration statement (File 2-17816) with the SEC on March 28, 1961, seeking registration of 150,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by The First Boston Corp. and Tucker, Anthony & R. L. Day. The public offering price will be related to the current market price on the New York Stock Exchange at the time of offering. The underwriting terms are to be supplied by amendment.

The company is a holding company whose subsidiaries are engaged principally in the development and production of electronic and electro-mechanical components, sub-systems, systems and equipment for military aircraft, submarines and other naval vessels, missiles and space vehicles. Other products include data processing and display systems for air traffic control, group instrument flight trainers and simulators, industrial controls and other products. The net proceeds from the stock sale will be used for repayment of any outstanding portion of the company's \$5,000,000 of short-term borrowings and for reduction of its indebtedness under its existing revolving credit. The balance of said indebtedness will be repaid out of the proceeds of borrowings under a new Revolving Credit.

In addition to certain indebtedness and four issues of preferred stock, the company has outstanding 1,131,539 shares of common stock, of which The Martin Company owns 19.27% and management officials as a group 8.94%. James W. Murray is listed as board chairman and Donald W. Smith as president.

ELGEET OPTICAL PROPOSES OFFERING. Elgeet Optical Company, Inc., 838-846 Smith St., Rochester, N. Y., filed a registration statement (File 2-17795) with the SEC on March 28, 1961, seeking registration of 180,000 shares of common stock, to be offered for public sale at \$6.50 per share through underwriters headed by Troster, Singer & Co. The underwriters will receive a commission of 65¢ per share, plus \$12,500 for expenses. Also included in the registration statement are 20,020 common shares sold to Troster, Singer for \$52,232.18.

The company is principally engaged in the business of designing and producing precision photographic objectives, lens systems and optical assemblies and other equipment of many varieties for camera manufacturers, who are its major customers. It also designs and produces precision lens systems and optical assemblies to specification, as well as a line of precision scientific instruments and assemblies which include stereo microscopes, metallurgical microscopes and other microscope assemblies. Net proceeds of the stock sale will be applied as follows: \$195,000 to repay bank loans; \$275,000 for acquisition of new machinery; \$300,000 for research and development; and \$258,000 for general corporate purposes.

According to the prospectus, the company now has outstanding 250,000 common shares, of which 112,190 shares are owned by David Goldstein, president and board chairman, and 95,540 by Peter Terbuska, secretary-treasurer.

"ISRAS" ISRAEL-RASSCO INVESTMENT PROPOSES OFFERING. "Isras" Israel-Rassco Investment Company, Ltd., 1 Har Sinai St., Tel-Aviv, Israel, filed a registration statement (File 2-17811) with the SEC on March 27, 1961, seeking registration of 30,000 Ordinary Shares, to be offered for public sale at \$62 per share. The company may, but is not obligated to, accept State of Israel Bonds in payment therefor.

The company was formed by "Rassco" Rural & Suburban Settlement Company Ltd., of Tel-Aviv, and Sabego S.A., of Geneva. The Settlement Company is engaged in Israel in the construction of residential quarters in urban and rural areas, and the foundation of new suburban settlements and the establishment of agricultural villages. It is also engaged in the erection of industrial buildings, commercial centers, office buildings and general contracting works for government, municipal and public institutions. The Investment Company makes funds available for land development, housing projects, office buildings, commercial centers, hotels, super-market buildings, and the ownership and maintenance of citrus plantations. In furtherance thereof it acts

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from time to time as a promoter, real estate operator and grower. It is a subsidiary of the Settlement Company, all of whose outstanding voting shares is owned by the Jewish Agency for Israel, a non-profit public body in Israel. The prospectus indicates that the Investment Company may have sold 16,255 Ordinary Shares in possible violation of the Securities Act registration requirement, and may be contingently liable to purchasers of such shares in the amount of \$902,965. Net proceeds of the sale of the 30,000 shares will be used for development, building and housing projects, commercial centers, hotel buildings and office buildings.

The Company now has outstanding, in addition to certain indebtedness, 100,000 Founders' Shares, held by the Settlement company, and 25,023 Ordinary Shares. The prospectus lists Mordechai Ch. Stern as board chairman and Erich Roth as managing director.

CANADIAN RESTRICTED LIST. The SEC has added The Fort Hope Grubstake, Maple Leaf Investment Corp. Ltd., New Mallen Red Lake Mines Ltd., and Spartan Air Services Ltd. to its Canadian Restricted List. The list now contains the names of 250 Canadian companies whose securities 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.

U. S. STEEL PROPOSES DEBENTURE OFFERING. United States Steel Corporation, 71 Broadway, New York, filed a registration statement (File 2-17821) with the SEC on March 28, 1961, seeking registration of \$300,000,000 of Sinking Fund Debentures due 1986, to be offered for public sale through underwriters headed by Morgan Stanley & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The net proceeds from the debenture sale will be added to the general funds to restore in part working capital expended in the company's expansion and modernization program and will be used for corporate purposes, including future expenditures for property additions and replacements. At December 31, 1960, the estimated amount required to complete all replacements and additions then authorized was about \$500,000,000.

SECURITIES ACT REGISTRATIONS. Effective March 29: Metropolitan Development Corporation (File 2-16677); The Shoup Voting Machine Corporation (File 2-17526); The Winter Park Telephone Company (File 2-17592); Stelma, Incorporated (File 2-17594); Michigan Gas Utilities Company (File 2-17626); Inter-Mountain Telephone Company (File 2-17630).

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