

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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JEFFERSON CONSTRUCTION FILES FOR STOCK OFFERING AND SECONDARY. Jefferson Construction Co., 75 First St., Cambridge, Mass., filed a registration statement (File 2-18091) with the SEC on May 10th seeking registration of 340,000 shares of common stock, of which 110,000 shares are to be offered for public sale by the company and 230,000 shares, being outstanding stock, by Abraham Schultz, president and principal stockholder. The shares will be offered at \$5.50 per share through Pistell, Crow, Inc., which will receive a 55¢ per share commission. The registration statement also includes 25,000 outstanding shares which Schultz sold the underwriter for 10¢ per share.

The company has been engaged principally in competitive bid building construction contracts for federal, state and local governments or governmental agencies on a lump sum or unit price basis, and competitive bid or negotiated construction contracts for private commercial interests on a lump sum or a cost-plus-fixed-fee basis. It has also undertaken an increasing amount of earth-moving construction of civil-type projects such as roads, dams, airstrips, and canals, in which building construction is not a major factor. The company owns real estate in Florida, a portion of which it intends to develop through a 51% subsidiary, the remainder being held for sale without improvement. The estimated \$531,000 net proceeds from the company's sale of additional stock will be used to acquire earth-moving and building equipment, the major portion of which will be used primarily in the company's civil projects.

The company has outstanding 644,015 shares of common stock, of which Schultz owns 614,750 shares (95%) and proposes to sell the 230,000 shares. After his sale of shares to the public and underwriter, Schultz will own about 51% of the company's outstanding stock.

TURBODYNE FILES FOR STOCK OFFERING. The Turbodyne Corporation, 1346 Connecticut Avenue, N. W., Washington, D. C., filed a registration statement (File 2-18092) with the SEC on May 10th seeking registration of 200,000 shares of common stock, to be offered for public sale at \$2 per share. The offering will be made on a best efforts basis through T. J. McDonald & Co., which will receive a 30¢ per share selling commission and \$20,000 for expenses. The registration statement also includes (1) 192,750 outstanding common shares previously issued to various persons for property, and services, (2) 7,500 shares to be issued to each of two persons for legal services in connection with this offering, (3) 22,250 shares to be offered to ten management officials at 10¢ per share, and (4) 20,000 shares which are subject to a 5-year option held by the underwriter exercisable at \$2 per share.

The company was organized under Maryland law in December 1960 for the general purposes of researching, developing, manufacturing and marketing air breathing engines, rocket propulsion engines, engines which would use heat as a resource of prime power for reactive propulsion, or space engines using space nuclear resources for reactive propulsion in outer space and areas of product and technological development related thereto. The company's activities to date have been entirely organizational. The company's present business consists in perfecting a new type of gas turbine engine with a combined heat exchanger, said to be improved, which is the invention of Dusan Premovic, a vice president, for which patent applications have been filed and on which further extensive research and development are required. All rights covered by the patent appli-

cation on the invention are owned by the company's 51% subsidiary, Turbo-Space, Inc., although Turbodyne has the power for five years to manage, use, encumber and dispose of all rights in the patent application. Lawrence A. Atwell, president, and Thomas J. McDonald, board chairman, two of the founders of the company, each received 75,000 shares of company stock in exchange for 25% each of the outstanding stock of Turbo Space, plus their services as founders. The remaining stock interest in Turbo Space is owned by Premovic (24%) and Precision Engineering & Machine Tool Co. (25%). Any income realized from the invention will inure to the benefit of Turbo Space. Hence, the company will have a 51% interest in such proceeds, if any, through its ownership of Turbo Space stock. In the event that the Premovic invention is developed jointly by the company and an existing gas turbine manufacturer (as to which negotiations are now in progress), the net proceeds from the sale of stock will be used for operating capital and research facilities and salaries; and if the invention is developed without any such relationship or assistance, the net proceeds will be used principally for research and development (\$250,000) and working capital (\$58,510).

The company has outstanding 207,750 shares of common stock, of which McDonald and Atwell own 75,000 and 80,000 shares, respectively. The prospectus states that the present stockholders of the company, its management and the underwriters, will have common stock or rights totaling 250,000 shares, representing 55.55% of the voting power of the company at a cash cost of \$44,500 and loans of \$45,500, while public investors will have 200,000 shares, representing 44.45% of the voting power at a cash cost of \$400,000.

WESTBURY FASHIONS FILES FOR STOCK OFFERING AND SECONDARY. Westbury Fashions, Inc., 1400 Broadway, New York, filed a registration statement (File 2-18093) with the SEC on May 10th seeking registration of 120,000 shares of common stock, of which 68,000 shares are to be offered for public sale by the company and 52,000 shares, being outstanding stock, by the present holders thereof. The offering will be made on an all or none basis through underwriters headed by McDonnell & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in the design, manufacture and sale of "Westbury" and "Pace-maker" lines of casual dresses for women and girls of all ages. The net proceeds from the company's sale of

additional stock will be used as follows: \$300,000 to pay current bank loans incurred to meet working capital and other working capital requirements; \$120,000 to construct additional plant space and to purchase machinery and equipment, a portion of which will be required to enable the company to enter production of knit dresses; \$50,000 to expand the New York showrooms and offices; and the balance to be added to working capital and available to finance increased inventories and accounts receivable, larger payrolls and other demands on working capital.

In addition to certain indebtedness, the company has outstanding 288,000 shares of common stock, of which Hy Rabin, president, and Marcus Rabin, executive vice president, own 111,780 shares each and propose to sell 26,000 shares each, and Samuel L. Schwartzman, a vice president, owns 33,600 shares.

MICH. WIS. PIPE LINE FILES FINANCING PROPOSAL. Michigan Wisconsin Pipe Line Company, Detroit subsidiary of American Natural Gas Company, has joined with its parent in the filing of a financing proposal with the SEC under the Holding Company Act; and the Commission has issued an order (Release 35-14436) giving interested persons until May 29th to request a hearing thereon.

According to the application, the Pipe Line Company proposes to issue and sell at competitive bidding \$30,000,000 of first mortgage pipe line bonds due 1981, and to issue and sell to its parent an additional 30,000 common shares for \$3,000,000. Net proceeds of the financing will be used to retire outstanding bank notes of the subsidiary maturing in July 1961.

SUPERMARKETS OPERATING CO. FILES FOR OFFERING. Supermarkets Operating Co., 1416 Morris Avenue, Union, N. J., filed a registration statement (File 2-18094) with the SEC on May 10th seeking registration of 125,000 shares of common stock, to be offered for public sale on an all or none basis through Robert Garrett & Sons and G. H. Walker & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries operate a chain of supermarkets under the franchise name "Shop-Rite" and also operate a commercial baking business distributing its bread and bakery products under the trade name "Huber's Sunbeam." The net proceeds from the stock sale will be added to general funds, will be used for working capital and to improve the company's current ratio, and will be available for general corporate purposes, including the opening of new stores. The company estimates that \$250,000 of the net proceeds will be used in connection with the opening of two new stores now under lease or construction, such sum representing principally the cost of equipment, furnishings and inventory.

In addition to certain indebtedness, the company has outstanding 643,750 shares of common stock (after giving effect to a 125 for 1 split in March, 1961), of which Alex Aidekman, board chairman, Herbert Brody, president, and Milton Perlmutter, a vice president, own 182,500 shares each.

GIMBEL BROTHERS PROPOSES DEBENTURE OFFERING. Gimbel Brothers, Inc., Broadway & 33rd Street, New York, filed a registration statement (File 2-18095) with the SEC on May 10th seeking registration of \$25,000,000 of Sinking Fund Debentures due 1981, to be offered for public sale on an all or none basis through underwriters headed by Lehman Brothers and Goldman, Sachs & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company conducts a general department store business in four states and, through Saks & Company, a wholly-owned subsidiary, operates departmentalized specialty stores in ten states. Of the net proceeds from the debenture sale, \$7,850,000 will be used to redeem as of July 25, 1961 the outstanding shares of the \$4.50 cumulative preferred stock of the company at \$100 per share plus cumulated dividends, and the balance for completion of the construction of three additional branch stores, the construction of additional branch stores and for other general corporate purposes.

In addition to various indebtedness and preferred stock, the company has outstanding 1,954,600 shares of common stock, of which management officials as a group own 6.2%. Bruce A. Gimbel is president and Bernard L. Gimbel is board chairman.

SECURITIES ACT REGISTRATIONS. Effective May 11: Filtrors, Inc. (File 2-17739); Airwork Corporation (File 2-17746); Grosset & Dunlap, Inc. (File 2-17890). Withdrawn May 11: Mobile Credit Corporation (File 2-17044).