

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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TRADING IN APEX MINERALS STOCK SUSPENDED. The SEC announced May 11th (Release 34-6556) that it had ordered the temporary suspension of trading on the San Francisco Mining Exchange and in the over-the-counter market in the common stock of Apex Minerals Corp., Reno, Nev., for the ten-day period May 11 to 20, 1961. The suspension is based upon the lack of publicly-available information concerning Apex, its operations and financial condition, and the resulting inability of investors to make an informed analysis and evaluation of its shares. The deficiencies in information relate in particular to the recent issuance of 1,500,000 shares for the properties and business of Interstate Oil & Development Co. and Churchill Exploration Co., approved by stockholders on March 20, 1961, and the absence of current financial statements for any of the three companies.

BLACK BEAR INDUSTRIES TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act of 1934 suspending trading on the San Francisco Mining Exchange and the over-the-counter market in the common stock of Black Bear Industries, Inc. (Formerly Black Bear Consolidated Mining Co.) for a further ten-day period May 14 to 23, 1961, inclusive.

TELECTRO INDUSTRIES TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act of 1934 suspending trading on the American Stock Exchange and the over-the-counter market in the common stock of Telectro Industries Corp., for a further ten-day period May 14 to 23, 1961, inclusive.

ALSIDE FILES FOR SECONDARY. Alside, Inc., 3773 Akron-Cleveland Road, Akron, Ohio, filed a registration statement (File 2-18097) with the SEC on May 11, 1961 seeking registration of 200,000 outstanding shares of common stock (to be converted from a like amount of Class B common shares), to be offered for public sale by the holders thereof on an all or none basis through underwriters headed by Reynolds & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company manufactures and distributes aluminum lap siding and vertical paneling in a baked enamel finish and a wide variety of related aluminum accessories. Its products are used primarily for improvement of existing residential structures and, to a growing extent, for new construction. They are also used for commercial and industrial structures. The company's recently organized subsidiary, Alside Acceptance Corporation, is engaged in the purchase of consumer installment obligations arising out of the sale of the company's products and other building materials. Also, the company proposes to manufacture on a mass-produced basis and distribute "all aluminum" homes in the near future.

In addition to certain indebtedness, the company has outstanding 500,000 common shares and 1,364,480 Class B shares (after giving effect to conversion of the 200,000 Class B shares). Of the outstanding Class B stock, JJK Corporation (a family company beneficially owned by Jerome J. Kaufman, president, Janet Kaufman, his wife, and three trusts for the benefit of their sons) owns 1,157,600 shares and proposes to sell 151,600 shares to the underwriters; Manual M. Kaufman, vice president, and Ruth Manes own 164,720 and 91,000 shares, respectively, and propose to sell 21,000 shares each; and Eleanor T. Mentall owns 24,000 shares and proposes to sell 6,400 shares. After the sale of said shares, JJK Corp. will own 53.6% of the outstanding voting stock and management officials about 11%. The underwriters will convert the 200,000 Class B shares into a like number of common shares for public offering and sale.

NATIONAL SEMICONDUCTOR FILES FOR STOCK OFFERING. National Semiconductor Corporation, Mallory Plaza Bldg., Danbury, Conn., filed a registration statement (File 2-18098) with the SEC on May 11th seeking registration of 75,000 shares of capital stock, to be offered for public sale through underwriters headed by Lee Higginson Corp. and Piper, Jaffray & Hopwood. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes (1) 172,500 capital shares to be sold to officers and employees upon exercise of options granted or to be granted under the company's Employees' Restricted Stock Option Plan, (2) 15,000 capital shares for subscription by officers and employees under its Employees' Stock Purchase Plan, and (3) 210,085 capital shares to be issued upon conversion of outstanding 6% convertible subordinated notes.

Organized under Delaware law in 1959, the company has been in the development stage for the greater part of its existence, having been in commercial production since the fall of 1960. It is engaged in the design, development, manufacture and sale of quality transistors for military and industrial use. Its products (silicon alloy transistors and diffused silicon mesa transistors) are used primarily in electronic control, instrument and computer circuitry. Of the net proceeds from the stock sale, \$280,000 will be used for the acquisition of capital equipment for production and testing; \$125,000 for improvements to leased production facilities; \$250,000 for working capital requirements to expand inventories; and the balance for general corporate purposes, principally the augmentation of research and development staff and equipment.

In addition to certain indebtedness, the company has outstanding 605,500 shares of capital stock, of which Marsay & Co. (of Minneapolis) holds of record 126,400 shares, Midwest Technical Development Corporation (also of Minneapolis) owns 108,181 shares, and management officials as a group own 69,340 shares. Arnold J. Ryden is listed as board chairman of the company and president of Midwest Technical and Bernard J. Rothlein

as president of the company. The beneficial ownership of the stock held by Marsay & Co. is as follows: Ryden, 14,000 shares; officials of Midwest Technical (other than Ryden) 32,000 shares; and five other individuals, 80,400 shares. The company is said to be negotiating agreements with holders of its \$1,035,500 of 6% convertible subordinated notes for the conversion of such notes concurrently with the sale of 75,000 shares to the public.

P. LORILLARD PROPOSES DEBENTURE OFFERING. P. Lorillard Company, 200 East 42nd Street, New York, filed a registration statement (File 2-18100) with the SEC on May 11th seeking registration of \$40,000,000 of sinking fund debentures due June 1, 1986, to be offered for public sale through underwriters headed by Lehman Brothers and Smith, Barney & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the business of manufacturing and selling cigarettes, smoking and chewing tobacco and little cigars. Net proceeds from the debenture sale will be added to general funds and applied to reduction of short-term bank loans, the proceeds of which, together with other general funds, were used to finance the company's purchase of tobacco and for other corporate purposes.

In addition to certain indebtedness and preferred stock, the company has outstanding 6,564,248 shares of common stock, of which management officials as a group about 1.5%. Lewis Gruber is listed as board chairman and Harold F. Temple as president.

U. S. HOME & DEVELOPMENT PROPOSES STOCK OFFERING. U. S. Home & Development Corporation, 52 Neil Ave., Lakewood, N. J., filed a registration statement (File 2-18096) with the SEC on May 11th seeking registration of 300,000 shares of Class A capital stock, to be offered for public sale through Auchincloss, Parker & Redpath. The public offering price and underwriting terms are to be supplied by amendment. Also included in the registration statement are an additional 20,000 Class A shares issuable upon exercise of 5-year warrants which the company has agreed to sell the underwriter for \$2,000.

The company was organized under Delaware law in August 1959 and was the successor by merger to Accurate Const. Co., a New Jersey company. The principal business of the company and its subsidiaries is the planning, development and marketing of large scale, low to medium priced (\$8,000-\$20,000) single-family-home communities in New Jersey. All construction is done by sub-contractors under the company's supervision. Since 1954, over 750 such homes have been built or are under construction in six developments; and as of March 31st the company had contracts for the purchase of 135 homes, of which 60 were under construction. Net proceeds to be received from the proposed sale of additional Class A stock will be added to the general funds of the company; and out of such funds the company expects to retire \$65,356 of loans from management officials, to apply \$700,000 to the development of properties presently owned and to apply \$235,000 for the completion of acquisition of land for existing projects and the development of such additional properties. The developments under construction or planned are located in the Howell, Freehold, Brick and Jackson Townships of New Jersey.

In addition to indebtedness, the company has outstanding 99,933 shares of Class A stock and 265,000 shares of Class B stock, of which management officials own 21% and 97%, respectively. Robert H. Winnerman, company president, owns 17% of the Class A and 97% of the Class B stock.

ROWE PRICE NEW HORIZONS FUND PROPOSED OFFERING. Rowe Price New Horizons Fund, Inc., Baltimore investment company, filed a registration statement (File 2-18099) with the SEC on May 10th seeking registration of 1,000,000 shares of capital stock, to be offered for public sale at their net asset value, without a sales charge or underwriting commission. The shares will not be redeemable until the total assets of the Fund shall aggregate \$10,000,000 or on January 1, 1962, whichever is earlier. The Fund was organized under Maryland law in May 1960. As of March 31, 1961, 350,640 shares were outstanding of which 2,500 were owned by T. Rowe Price and Associates, Inc., a corporation in which T. Rowe Price, president, and three other company officers own more than a majority of the voting stock. Rowe Price Management Company, Inc., is investment advisor; and all of its voting stock is owned by Price and his wife.

MASS. ELECTRIC PROPOSES BOND OFFERING. Massachusetts Electric Company, Worcester, has filed a proposal with the SEC under the Holding Company Act for the issuance and sale at competitive bidding of \$17,500,000 of first mortgage bonds, Series F due 1991; and the Commission has issued an order (Release 35-14437) giving interested persons until June 12th to request a hearing thereon. As previously reported (SEC News Digest of 4/25/61), the net proceeds of the bond sale will be applied to the payment of \$6,100,000 of debenture bonds due October 1962 and of short-term notes (outstanding in the amount of \$10,190,000 as of December 31, 1960); and any balance will be used for the company's construction program.

OHIO FRANKLIN FUND SEEKS ORDER. Ohio Franklin Fund, Inc., Columbus investment company, has applied to the SEC for an order under the Investment Company Act providing an exemption from Section 14(a) of that Act; and the Commission has issued an order (Release IC-3247) giving interested persons until May 24th to request a hearing thereon. The Fund has filed a registration statement proposing the offering of 1,000,000 common shares to investors in exchange for such investors' securities having a market value of at least \$5,000,000. It seeks an exemption from the prohibition of Section 14(a) that no registered investment company shall make a public offering of its securities unless it has a net worth of at least \$100,000.

VIC TANNY ENTERPRISES FILES FOR STOCK OFFERING AND SECONDARY. Vic Tanny Enterprises, Inc., 375 Park Ave., New York, filed a registration statement (File 2-18101) with the SEC on May 11th seeking registration of 320,000 shares of Class A common stock, of which 120,000 shares are to be offered for public sale by the issuing company and 200,000 by Victor A. Tanny, president and sole stockholder. The offering is to be made through underwriters headed by S. D. Fuller & Co.; and the public offering price and underwriting terms

are to be supplied by amendment. Also included in the registration statement are an additional 85,000 Class A shares issuable upon the exercise of five-year warrants which the company has agreed to sell Fuller & Co. for \$850.

The company was organized under Delaware law on April 10, 1961, to succeed to a business founded by Tanny; and it and its subsidiaries operate nationally a chain of gymnasiums and health centers engaged in the rendering of body development and health services to men and women. According to the prospectus, 85 gymnasiums are now operating, 4 are presently being constructed and it is planned that about 20 additional gymnasiums will be constructed during 1961. On May 22d, the company will acquire all of the stock of the subsidiaries from Tanny and, in consideration therefor, will issue to Tanny 200,000 Class A and 880,000 Class B shares (convertible on a share for share basis into Class A stock) constituting all the then-outstanding stock of the company (which also has outstanding \$920,015 of sundry indebtedness).

Of the net proceeds of the company's sale of additional Class A common stock, the company plans to spend about \$750,000 to finance the construction and opening of new gymnasiums. The balance of the proceeds will be available for general corporate purposes, including the development, promotion and sale of exercise equipment for home use.

Sale of the 200,000 Class A shares by Tanny will leave him with the ownership of 100% of the outstanding Class B stock. He has agreed that he will discharge his indebtedness to the company from the proceeds of such sale, which indebtedness as of February 26, 1961, amounted to \$743,957.

SEC TO PARTICIPATE IN TOWNSEND GROWTH FUND CASE. The SEC today announced that it had filed a notice of appearance in Chapter X proceedings for the reorganization of Townsend Growth Fund, Inc., an investment company with offices in Short Hills, N. J. (Release CR-147). The debtor filed a voluntary petition for reorganization on May 10th (USDC SDNY) and the court appointed Leslie Kirsch as Trustee. On May 3d the Debtor suspended redemptions of its stock for a period of seven days as permitted by the Investment Company Act. Approximately 65% of its portfolio consists of securities not readily marketable. There were 302,090 shares of stock outstanding on May 5th, held by about 1500 public shareholders. As of April 30, 1961, the Debtor's unaudited balance sheet showed assets totaling \$2,584,874, which included investments valued at \$2,413,730 and cash of \$32,339. As of the same date, liabilities were shown in the amount of \$316,239, which included the aforementioned note for \$300,000. The net assets applicable to the outstanding capital stock were stated in the amount of \$2,268,635.

A T & T PROPOSES DEBENTURE OFFERING. American Telephone and Telegraph Company, 195 Broadway, New York, today filed a registration statement (File 2-18105) with the SEC seeking registration of \$250,000,000 of debentures due 1998, to be offered for public sale at competitive bidding. Net proceeds of the sale of debentures will be added to the company's general corporate funds. Such funds are used for general corporate purposes, including advances to subsidiary and associated companies; the purchase of stock offered for subscription by such companies; extensions, additions and improvements to the company's own telephone plant; and other corporate purposes. The company is unable to determine the amount of the proceeds which will be devoted to any of the foregoing purposes. The company intends to call for redemption on or about July 10, 1961 its Twenty-Seven Year 5-3/8% debentures, due November 1, 1986, outstanding in the principal amount of \$250,000,000, at 107.75% of their principal amount. The redemption payment will be made from the general corporate funds of the company.

ILLINOIS BELL TELEPHONE PROPOSES RIGHTS OFFERING. Illinois Bell Telephone Company, 212 W. Washington St., Chicago, today filed a registration statement (File 2-18106) with the SEC seeking registration of 4,190,652 shares of common capital stock. The company proposes to offer this stock for subscription at \$20 per share by shareholders of record at the close of business on May 29, 1960, in the ratio of one new share for each eight shares then held. The offering is not to be underwritten.

Net proceeds of the stock sale, estimated at \$83,600,000 if all subscription rights are exercised, will be applied toward repayment of advances from American Telephone and Telegraph Company (parent) for general corporate purposes, including property additions and improvements. After such repayment of advances, it is estimated that advances in the amount of about \$18,000,000 will be outstanding.

According to the prospectus, A T & T owns 99.32% (33,297,055 shares) of the outstanding stock of the company. The parent has informed the company that it intends to subscribe for the 4,162,131 shares which represent its pro rata portion of the stock offering.

SECURITIES ACT REGISTRATIONS. Effective May 12: Clark Equipment Company (File 2-17758); American Gas Company (File 2-17765); Equity Fund, Inc. (File 2-17812); An-Son Petroleum Corp. (File 2-17893); Michigan Consolidated Gas Co. (File 2-17966); Abbott Laboratories (File 2-18002); Chemical Bank New York Trust Co., ADR's of United Wine Traders, Ltd. (File 2-18058); Morgan Guaranty Trust Company of New York, ADR's of Source Ferrier S.A. (File 2-18064).