

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 October 6, 1961

FREEDMAN NAMED ASSOCIATE DIRECTOR; LEVY ASSISTANT DIRECTOR. Chairman William L. Cary of the SEC today announced the promotion of Solomon Freedman to the position of Associate Director of the Division of Corporate Regulation, to succeed W. Allen Johnson who is resigning October 20, 1961, to return to the private practice of law in Chicago.

A career employee, Mr. Freedman was appointed as an attorney in the Commission's Division of Public Utilities (now Corporate Regulation) in July, 1942. He has been promoted to progressively more responsible positions in that Division, and since 1952 he has served as Assistant Director with primary responsibility for the work program under the Public Utility Holding Company Act of 1935. Born in Philadelphia, Pa., on November 8, 1909, Mr. Freedman received a B. S. Degree from the Wharton School, University of Pennsylvania, in 1931 and his law degree from the University of Pennsylvania Law School in 1934. He was associated with a law firm in Philadelphia from 1935 to 1937, and from 1938 until he joined the Commission's staff he was a member of the Law Bureau Staff of the Pennsylvania Public Utility Commission. Mr. Freedman is married to the former Gladys Schwartz of Philadelphia, Pa., and they have two sons and a daughter.

Aaron Levy, a career employee, who joined the Commission's staff in 1942, will succeed Mr. Freedman as Assistant Director in the Division of Corporate Regulation. Mr. Levy initially was assigned to the Legal Division (now Office of General Counsel) and held progressively more responsible positions in that office until 1958 when he was assigned to his present position of Assistant Chief Counsel of the Division of Corporate Regulation.

BROKER-DEALER RECORD-KEEPING RULES AMENDED. The SEC today announced the adoption of amendments to its Rules 17a-3 and 17a-4 under the Securities Exchange Act governing the books and records which must be maintained by certain members of national securities exchanges and other broker-dealers. The amendment of Rule 17a-3 provides that each member, broker or dealer subject to the rule shall maintain a questionnaire or application for employment executed by each "associated person", as that term is defined in the rule. This questionnaire or application must contain certain specified information and be approved in writing by an authorized representative of the member, broker or dealer. Under the amendment of Rule 17a-4, this information would have to be maintained until at least three years after such associated person terminates his employment and any other connection with the member, broker or dealer. The amendments are to become effective November 10, 1961. However, since the Commission is aware that it may take time for brokers and dealers to obtain such information from persons already in their employ, the Commission has given such brokers and dealers until January 1, 1962, to obtain the information with respect to such persons. (See Release 34-6646).

UNLISTED TRADING PRIVILEGES SOUGHT. The SEC has issued orders (Release 34-6647) giving interested persons until October 20th to request hearings on (1) an application filed by the Boston Stock Exchange for unlisted trading privileges in the common stocks of California Packing Corporation, Stokely-Van Camp, Incorporated, and Texas Eastern Transmission Corp. and (2) an application filed by the Cincinnati Stock Exchange for unlisted trading privileges in the common stocks of Associated Dry Goods Company, El Paso Natural Gas Company, Royal Dutch Petroleum Company, and Texas Gulf Sulphur Company.

DELISTING OF COCA-COLA INTERNATIONAL SOUGHT. The New York Stock Exchange has filed an application with the SEC to delist the common stock of Coca-Cola International Corporation, and the Commission has issued an order (Release 34-6647) giving interested persons until October 20th to request a hearing thereon. According to the application, the stock has only limited distribution and there have been no sales on the Exchange since December 23, 1957.

APEX MINERALS TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Apex Minerals on the San Francisco Mining Exchange and in the over-the-counter market for a further ten-day period, October 8 to 17, 1961, inclusive.

CANADIAN RESTRICTED LIST. The SEC has removed Vanguard Explorations Limited from its Canadian Restricted List, reducing to 256 the number of Canadian companies whose securities recently have been or currently are being distributed in the United States in violation of the Securities Act registration requirement (Release 33-4420). No stock of Vanguard Explorations is known to have been offered for sale in the United States during the past year, and the company has complied with the procedures for deletion of its name from the list, including appropriate undertakings and financial information.

INTERNATIONAL IRON ENJOINED. The SEC Fort Worth Regional Office announced September 29th (Lit-2111) the entry of a Federal court order (USDC, Houston) permanently enjoining International Iron, Inc., A. W. Dugan and Cloyce F. Chandler, Jr., from further violations of the registration and anti-fraud provisions of the Securities Act of 1933. In a separate order the Court entered a permanent injunctive order restraining the defendant John A. Croom from further violations of the registration provisions of the Securities Act. All of the defendants consented to the entry of the permanent injunction.

INTERNATIONAL IRON OF COSTA RICA ENJOINED. The SEC Fort Worth Regional Office announced September 29th (Lit-2113) the entry of a Federal court order (USDC, Houston) permanently enjoining International Iron of Costa Rica, Inc., International Iron, Inc., A. W. Dugan, Cloyce F. Chandler, Jr., and Andrew C. SoRelle, Jr. from further violations of the registration and anti-fraud provisions of the Securities Act of 1933. The court also entered an order permanently restraining John A. Croom from further violations of the registration provisions of the Securities Act.

ELECTRONICS SECURITY AND SIMEON MILLER ENJOINED. The SEC Chicago Regional Office announced September 29th (Lit-2114) the entry of a Federal court order (USDC, Minneapolis) of a preliminary injunction order enjoining Electronics Security Corporation and its president, Simeon Miller, from further violating the anti-fraud provisions of the Securities Act of 1933, enjoining Electronics Security from further violating certain of the anti-manipulative provisions of the Securities Exchange Act of 1934, and enjoining Miller from further aiding and abetting in any such violations of the anti-manipulative provisions. The defendants stipulated to the entry of the court's order. The Commission's motion for the appointment of a receiver to take over the assets of the defendant corporation was continued until the hearing on the question of the entry of a permanent injunction.

FOOD CORP. OF AMERICA FILES FINANCING PLAN. Food Corporation of America, Inc., 1207 Foshay Tower, Minneapolis, Minn., filed a registration statement (File 2-19098) with the SEC on October 5th seeking registration of 50,000 shares of common stock, to be offered for public sale (without underwriting) at \$2.50 per share. The registration statement also includes 750,000 shares which the company proposes to offer to holders of its 5% promissory notes due 1962, outstanding in the aggregate amount of \$1,500,000, in payment thereof, at the rate of 1,250 shares for each \$5,000 of notes held. In addition, the registration statement includes (1) \$800,000 of 6% registered convertible debentures due 1971 previously issued to a limited number of individuals and institutions, (2) 50,000 shares to be sold pursuant to the company's Employees' Restricted Stock Option Plan, and (3) 320,000 shares underlying said debentures.

The company was organized under Minnesota law in May 1961 to acquire enterprises engaged in the food processing industry. To date, the company has acquired, through its wholly owned subsidiary, Plymouth Rock Provision Co., Inc., all of the assets of a New York company of the same name engaged in the meat processing and provision business, primarily in the New York State trade area. Part of the purchase price (\$5,000,000 plus an amount equivalent to the seller's liabilities) was obtained by the company by the sale of \$1,500,000 of its 5% notes and \$800,000 of the debentures. The balance of the purchase price was derived from sale of certain real estate and lease-back, mortgage of machinery and equipment, and accounts receivable financing. Any net proceeds from this financing will be used to pay interest on the notes and debentures, and the balance for working capital.

In addition to certain indebtedness, the company has outstanding 5,000 shares of common stock, of which management officials as a group own 3,100 shares. They also own, directly or indirectly, \$325,000 of 5% notes which may be exchanged for a maximum of 162,500 common shares. Frank A. Warner is listed as board chairman and A. M. Brisbois as president.

WINN-DIXIE STORES FILES STOCK PLANS. Winn-Dixie Stores, Inc., 5050 Edgewood Court, Jacksonville, Fla., filed a registration statement (File 2-19099) with the SEC on October 5th seeking registration of 75,000 shares of common stock, to be offered pursuant to its Stock Purchase Plan for employees and 50,000 shares to be offered pursuant to its Executive Incentive Stock Option Plan.

NATIONAL PROPANE FILES FOR SECONDARY. National Propane Corporation, 600 Old Country Road, Garden City, New York, filed a registration statement (File 2-19100) with the SEC on October 5th seeking registration of 60,000 outstanding shares of common stock, to be offered for public sale by the holders thereof from time to time at prices related to the then prevailing market price. In October, 1960, the company sold 30,000 shares to The Putnam Growth Fund, 20,000 to Fidelity Capital Fund, Inc., and 10,000 to Carl M. Loeb, Rhoades & Co., all at \$15.50 per share. The proceeds of \$915,000 will be used to pay part of the cash purchase price of \$3,400,000 for the proposed acquisition in November 1961 of substantially all of the assets of The Home Gas Corporation and Adirondack Bottled Gas Corporation. The additional funds required in said acquisitions will be or were obtained by the sale of \$2,500,000 6% promissory note to Mutual Life Insurance Company of New York. In addition to indebtedness and three series of preferred stock, the company has outstanding 859,113 shares of common stock, of which Carl M. Loeb, Rhoades & Co. holds of record 14.5%. Carl A. Jacobson and John O. Thompson are listed as vice presidents (the president having resigned in June 1961).

ZIM ISRAEL NAVIGATION FILES FOR STOCK OFFERING. Zim Israel Navigation Company, Ltd., Haifa, Israel, filed a registration statement (File 2-19101) with the SEC on October 5th seeking registration of 20,000 shares of 7% preferred, cumulative, participating stock, \$500 par, to be offered for public sale (without underwriting) at \$500 per share payable in cash or certain State of Israel bonds.

The company's principal business is providing scheduled common carrier passenger services and dry-cargo freight services. The company is controlled, through the ownership of its voting shares, to the extent of about one-third each by the Government of Israel, The Jewish Agency for Israel, Jerusalem, and the General Federation of Jewish Labor in Israel. Net proceeds from the stock sale will be applied to the company's construction program and to working capital. The company's plans for fleet expansion include the construction of a trans-Atlantic luxury passenger liner costing about \$15,000,000, six dry cargo vessels costing about \$2,600,000 per vessel, and two bulk carriers at \$4,500,000 per vessel. In addition to certain indebtedness and preferred shares, the company has outstanding 1,433,052 ordinary shares, owned to the extent of about one-third each by the said holders. Jacob Arnon, of Jerusalem, is listed as board chairman.

DIXON CHEMICAL & RESEARCH FILES STOCK PLAN. Dixon Chemical & Research, Inc., Broad Street and Hepburn Road, Clifton, N. J., filed a registration statement (File 2-19103) with the SEC on October 5th seeking registration of 10,000 shares of common stock, to be offered pursuant to its Employees' Stock Purchase Plan.

WHITE ELECTROMAGNETICS FILES FOR STOCK OFFERING. White Electromagnetics, Inc., 4903 Auburn Avenue, Bethesda, Md., filed a registration statement (File 2-19104) with the SEC on October 5th seeking registration of 65,000 shares of common stock, to be offered for public sale at \$3.75 per share. The offering will be made by Weil and Company, Incorporated, which will receive a 45¢ per share commission and \$6,000 for expenses. The registration statement also includes 6,000 shares underlying 3½-year warrants to be sold to the underwriter for \$60, exercisable at \$4.15 per share. The company will issue 600 shares and pay \$750 to Kenneth I. Brown, as a finder's fee.

The company was organized under Maryland law in July 1961 as the successor in interest to a business engaged in rendering consulting services pertaining to electronic system analysis, evaluation and design, known as Don White Associates, that had been started in March 1961 as a sole proprietorship by Donald R. J. White, company president. The prospectus states that neither the company nor the predecessor have had profitable operations to date. The \$200,000 estimated net proceeds from the stock sale will be used for the expansion of present library facilities, to purchase additional office equipment, for graphic arts and reproductive facilities, the publication of WEI Technical Bulletins, brochures and fliers, for reprints of technical papers presented by company personnel, for marketing, sales and proposal preparations, the development of certain original company concepts, for leasehold improvements and additional capital items to support an expanded staff, and as additional operating capital.

The company has outstanding 200,150 shares of common stock, of which White (and Colleen S. White) owns 76%, and management officials as a group 83%. Such shares were issued to White in return for all of the assets and liabilities of the predecessor proprietorship, which at that time had a net worth of \$2,251.32. August 15, 1961 book value of 31¢ per share will be increased to \$1 per share after the sale of the new shares.

PCS DATA PROCESSING FILES FOR OFFERING AND SECONDARY. PCS Data Processing, Inc., 75 West Street, New York, today filed a registration statement (File 2-19105) with the SEC seeking registration of 100,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 50,000 shares, being outstanding stock, by the present holders thereof. The offering will be made \$3.75 per share by Harry Odzer Company and Lenchner, Covato & Co., Inc., which will receive a \$.46875 per share commission and \$4,000 for expenses. The registration statement also includes (1) 15,000 shares underlying five-year warrants to be sold to the underwriters at 1¢ each, exercisable initially at \$4.125 per share, (2) 10,000 outstanding shares sold to the underwriters at 1¢ per share by the previous holders thereof, (3) 20,000 outstanding shares purchased from the selling stockholders by Rosenthal, Shepard & Cobern, and 10,000 shares by Fisher, Gleiberman & Ezrine, all at 20¢ per share, which shares may be sold from time to time by such firms at prices related to the prevailing market price at the time of sale.

The company (formerly Punch Card Services, Inc.) is engaged in the business of furnishing statistical information for its customers by the utilization of data processing equipment. The \$125,000 estimated net proceeds from the stock sale will be used to cover costs (including salaries) of training personnel, developing new applications and converting existing programs to the use of the "1620" IBM data processing system, for equipping expanded leasehold, including specialized type of facilities required to house the new data processing equipment, for expansion of existing sales force and the company's advertising program, and for working capital.

The company has outstanding 400,000 shares of common stock (after giving effect to a recent recapitalization whereby the 90 shares previously outstanding were changed into the 400,000 shares), of which Melvin Forman, president, and Stanley Berger, a vice president, own 180,000 shares each, and propose to sell 25,000 shares each. After the sale of the new shares, present book value of 15¢ per share will be increased to 41¢ per share. Forman and Berger received the original 90 shares upon organization in 1958 in exchange for (1) the net assets (including good will of \$4,423) of a sole proprietorship operated by Forman under the name Actuarial Statistical Services Company and (2) the sum of \$3,500 in cash and an equity of \$1,000 in an automobile from Berger.

SECURITIES ACT REGISTRATIONS. Effective October 6: St. Moritz Hotel Associates (File 2-18695). Withdrawn October 6: Wyoming Wool Processors, Inc. (File 2-18250).