

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington 25, D.C.

(In ordering full text of Releases from Publications Unit, cite number)

FOR RELEASE December 12, 1961

COASTAL ACCEPTANCE FILES FOR OFFERING AND SECONDARY. Coastal Acceptance Corporation, 36 Lowell Street, Manchester, N. H., filed a registration statement (File 2-19441) with the SEC on December 11th seeking registration of 80,000 shares of Class A common stock, of which 68,000 shares are to be offered for public sale by the company and 12,000 shares, being outstanding stock, by the holders thereof. The offering will be made at \$12.50 per share on an agency best efforts basis by Eastern Investment Corporation, which will receive a \$1.25 per share selling commission on company shares sold and \$.625 per share on outstanding shares sold. The underwriter will also receive \$4,500 for expenses.

The business of the company and its subsidiaries is substantially that of a finance company engaged in the making of small loans. Another subsidiary is engaged in the solicitation and placing of property, casualty and credit life insurance. The company recently acquired all of the stock of Gordon McCown Realty Corporation which is engaged in activities associated with the operation of a realty office. All of the \$735,000 estimated net proceeds from the company's sale of additional stock will be used to reduce its indebtedness to Bankers Commercial Corporation, of New York.

In addition to certain indebtedness, the company has outstanding 32,000 Class A and 100,000 Class B shares (after giving effect to a recent recapitalization whereby the 100 common shares then outstanding were changed into the 100,000 Class B shares, and the sale of 20,000 Class A shares at \$1 per share and 12,000 shares at \$11.875 per share). Of such outstanding stock, Gordon McCown, board chairman and president, and Phillip J. Elias, vice president, own 35,000 Class B shares each and 8,000 Class A shares each, and they propose to sell 3,000 Class A shares each. Two others owning 8,000 Class A shares each also propose to sell 3,000 shares each.

AMERICAN STEEL FOUNDRIES FILES STOCK PLANS. American Steel Foundries, Prudential Plaza, Chicago, filed a registration statement (File 2-19442) with the SEC on December 11th seeking registration of 240,398 shares of common stock, to be offered pursuant to its 1957 and 1962 Restricted Stock Option Incentive Plan for Key Employees.

HARGROVE ENTERPRISES FILES FOR STOCK OFFERING. Hargrove Enterprises, Inc., 3100 Tremont Avenue, Cheverly, Md., filed a registration statement (File 2-19444) with the SEC on December 8th seeking registration of 160,000 shares of common stock, to be offered for public sale at \$5 per share. The offering will be made on a best efforts basis by Switzer and Company, Inc., which will receive a 50¢ per share selling commission and \$16,000 for expenses. The underwriter has the options to purchase 5,000 shares at 10¢ each when and if the 160,000 shares are sold, and an additional 5,000 shares at 10¢ each between 13 months and 3 years after the date the stock is first offered to the public.

The company was organized under Maryland law in August 1958 for the purpose of owning and operating amusement parks. It has not as yet, however, done any business, nor had any earnings. The company's specific purpose at present is to build and operate a modern amusement park, appealing primarily to youngsters, to be known as "Adventure City" and to be located either in Prince Georges or Howard Counties in Maryland. The company has entered into a contract, contingent on zoning, for the purchase of an 84-acre tract in Prince Georges County. The contract was entered into between the company and A. Keene Bowie and Ethel S. Bowie, his wife, for purchase of the land at \$120,000, of which \$20,000 is payable in cash at time of settlement and the balance is to be secured by a 5-1/2% deferred purchase money mortgage. Of the \$694,000 estimated net proceeds from the stock sale, \$350,000 will be used for development of the park, including exhibits, roads, parking, etc., \$40,000 for promotion and advertising, \$233,959.92 for operating capital, and the balance for certain other expenses.

The company has outstanding 40,000 shares of common stock, all of which are owned by Earl C. Hargrove, Sr., president. He received such shares and 13-month warrants to purchase 20,000 additional shares at 10¢ each as remuneration.

JOHN FLUKE MFG. FILES FOR OFFERING AND SECONDARY. John Fluke Mfg. Co., Inc., 7100-220th Street, S. W., Mountlake Terrace, Washington, filed a registration statement (File 2-19445) with the SEC on December 11th seeking registration of 170,000 shares of common stock, of which 135,000 shares are to be offered for public sale by the company and 35,000 shares, being outstanding stock, by the holders thereof. The offering will be made on an all or none basis through underwriters headed by White, Weld & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the design, development, manufacture and sale of precision electronic instruments; power supplies used in the fields of production testing, general laboratory development, and nuclear research; potentiometers; and related components and assemblies. A portion of the net proceeds from the stock sale will be used to discharge \$950,000 of demand notes (and interest thereon), incurred for expansion of plant and equipment and for working capital purposes, and the balance will be added to working capital and used for general corporate purposes and for additional plant and equipment.

In addition to certain indebtedness, the company has outstanding 498,158 shares of common stock (after giving effect to a recent 2-for-1 stock split), of which John M. Fluke, president, and Lyla A. Fluke, his wife, own 197,588 shares each, and propose to sell 17,500 shares each.

OVER

AMERICAN TRAILER RENTALS FILES FOR OFFERING. American Trailer Rentals Company, 1123 Delaware St., Denver, Colo., filed a registration statement (File 2-19446) with the SEC on December 11th seeking registration of \$4,000,000 of Fleet Participation Contracts and \$2,000,000 of Trailer Investment Contracts, to be offered for public sale at from \$370 to \$1,080 per contract, depending on type. The offering will be made by company officers and salesmen whom the company may employ. The selling commission is 20% of the face amount of the contracts, aggregating \$1,200,000 if all are sold.

The business of the company is that of providing management, operational services and accounting for the owners of utility trailers in the renting of the trailers to the public for either local use or one-way trips throughout the United States. The company does not own any trailers, but purchases the trailers for the owners, secures their licensing, and places the trailers with one of its station operators for rental to the public under the name "American Trailers." Of the net proceeds from the sale of the contracts, \$3,900,000 will be applied to the purchase of trailers; and of the \$900,000 proceeds to the company, \$242,683 will be used to pay certain obligations, \$135,000 for cost of replacement and repair, \$100,000 for cost of transportation of trailers to the station operators, \$88,317 for working capital and administrative expenses, and the balance for certain other expenses. The Fleet Participation Contract provides that the trailer owners will participate in 35% of the monthly gross rental income of the fleet of trailers operated by the company after payment of fleet operational expenses, in the proportion which the cost of their Fleet Participation Contracts bears to total contracts sold. The Trailer Investment Contract provides that the trailer owner will be paid monthly 1-1/2% of the cost of his contract, such amount being payable irrespective of the rental income produced by the trailers. The purchase price of either contract includes the cost of the trailer, the 20% underwriting commission and proceeds to the company. Between the period of January 1, 1959 to April 12, 1961, the company entered into trailer rental agreements relating to about 5,866 trailers and the trailer rental agreements had a total value of \$3,587,439.02. The prospectus states that none of these agreements were registered under the Securities Act of 1933, and the company may have a contingent liability (\$2,400,000 as of September 30, 1961) with respect to a portion of such agreements.

In addition to certain indebtedness, the company has outstanding 438,000 shares of common stock, of which James H. Daly, president, and James W. Monsour, a director, own 23.1% and 10.2%, respectively, and management officials as a group 45.9%. Daly also owns 5-year options to purchase 30,000 shares at 50¢ per share. DeMar, Inc., which has exclusive right to manufacture trailers for the company, has an option for an indeterminate time to purchase 50,000 shares at \$1 per share; and Hammond Brothers, a partnership composed of Clark E. Hammond, secretary, and his brother, own a 5-year option to purchase 45,000 shares at 50¢ per share. According to the prospectus, the company suffered net losses for the years ended September 30, 1959, 1960, and 1961 (\$238,486). As of June 30, 1961, the company was committed to the payment to trailer owners for the ensuing year ending June 30, 1962, in the amount of \$894,457.40.

NATIONAL GYPSUM FILES STOCK PLAN. National Gypsum Company, 325 Delaware Avenue, Buffalo, New York, filed a registration statement (File 2-19447) with the SEC on December 11th seeking registration of 121,418 shares of common stock, to be offered pursuant to its Employees' Common Stock Purchase Plan.

TORK TIME CONTROLS FILES FOR STOCK OFFERING. Tork Time Controls, Inc., 1 Grove Street, Mount Vernon, New York, today filed a registration statement (File 2-19448) with the SEC 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 Godfrey, Hamilton, Taylor & Co., and Magnus & Co. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes (1) 12,000 outstanding shares sold to the underwriters by certain stockholders at 50¢ per share, and (2) 20,000 outstanding shares which may be sold later by the holders thereof from time to time at such prices as may prevail for such stock in the over-the-counter market.

The company designs and manufactures time controlled switches for use in a wide variety of commercial, industrial, agricultural and residential applications. The switches, when wired into an electrical circuit, provide for the automatic on-off control of lighting, heating, refrigeration, traffic controllers, industrial processes and other equipment. Net proceeds from the stock sale will be used to establish a new department to manufacture metal housings for the company's products, to reduce outstanding long term notes, to purchase new tools, machinery and equipment, and to increase working capital to be used in part to expand the recently established research and development department.

In addition to certain indebtedness, the company has outstanding 242,250 shares of common stock (after giving effect to a recent 8-1/2-for-1 stock split), of which Cyril J. White, president, Dorset J. White, vice president, and Elizabeth Riddell White, own 25.5%, 18.7% and 26.7%, respectively. As indicated, Cyril J. and Elizabeth Riddell White may sell 10,000 shares each.

SHAMROCK OIL AND GAS PROPOSES DEBENTURE OFFERING. The Shamrock Oil and Gas Corporation, First National Bank Bldg., Amarillo, Texas, today filed a registration statement (File 2-19449) with the SEC seeking registration of \$25,000,000 of sinking fund debentures due 1987, to be offered for public sale on an all or none basis through underwriters headed by The First Boston Corporation. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the production and purchase of natural gas; the processing of natural gas and the recovery and sale of natural gasoline and other liquid hydrocarbons; the sale of gas primarily to natural gas pipeline companies and industrial users; and the production, purchase and refining of crude oil and the sale of refined products. Of the net proceeds from the debenture sale, \$20,000,000 will be applied to prepayment, without premium, of outstanding bank loan notes, and the balance will be added to general funds and will be available, together with retained earnings and other funds, for working capital and general corporate purposes, including capital expenditures. Gross capital expenditures for the fiscal year ended November 30, 1961 are expected to aggregate \$19,000,000, and total capital expenditures presently authorized for the next fiscal year are estimated at \$19,500,000.

In addition to certain indebtedness, the company has outstanding 4,926,993 shares of common stock, of which management officials as a group own 3.66%. J. H. Dunn is board chairman and C. A. Cash is president.

ALLEGHENY POWER SYSTEM FILES EXCHANGE PROPOSAL. Allegheny Power System, Inc., New York, has filed a proposal with the SEC under the Holding Company Act to acquire Cumberland Valley Electric Company, of Mercersburg, Pa.; and the Commission has issued an order (Release 35-14544) giving interested persons until December 27th to request a hearing thereon. Cumberland is owned by Republic Service Corporation. Allegheny proposes to issue to Republic 62,589 shares of Allegheny common for all the 33,500 shares of outstanding Cumberland stock and 90-day U. S. Treasury bills in the amount of \$217,500 (less a \$85,000 adjustment for capital contributions by Republic to Cumberland). Republic will distribute the Allegheny shares to its stockholders, except for 2,000 shares to be deposited in escrow.

EQUITY CORP. SEEKS ORDER. The Equity Corporation, New York investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to future loans by a bank controlled by Equity to officers, employees or directors of such bank; and the Commission has issued an order (Release IC-3379) giving interested persons until December 28th to request a hearing thereon. The bank in question is Central National Bank and Trust Company of Des Moines, Iowa. Equity owns about 50% of the outstanding voting securities of Bell Intercontinental Corporation, which in turn owns more than 50% of the stock of the bank. Because of such affiliation, loans by the bank to its officers, employees or directors is prohibited absent an order granting the requested exemption. The bank contemplates that any such loans will be made in accordance with applicable state or federal banking laws.

CENTRAL AND S.W. FILES PROPOSAL. Central and South West Corporation, Chicago, has filed a proposal with the SEC under the Holding Company Act for acquisition of Transok Pipe Line Company; and the Commission has issued an order (Release 35-14545) giving interested persons until December 27, 1961, to request a hearing thereon. Transok is engaged in the purchase, transmission and sale of natural gas to Public Service Company of Oklahoma, a subsidiary of Central, and to another company. Its stock is owned by Oriole Oil Company. Central proposes to issue to Oriole 9,500 shares of its common stock in exchange for all the outstanding common stock (100 shares) of Transok. At August 31st, Transok had outstanding, in addition to its stock, \$21,675,000 of bonds issued in connection with the construction of its pipeline system.

DAVID LLOYD GEORGE FILES GUILTY PLEA. The SEC Seattle Regional Office announced December 8th (Lit-2151) that David Lloyd George filed a plea of guilty (USDC, Billings, Mont.) to two counts of mail fraud and one of conspiracy and had received a one-year prison sentence, after which he would be on five-year probation. The indictment charged George, Charles F. Cleman and National Tractor Rentals, Inc., with fraud in the sale of tractors under a lease-back arrangement. Cleman has posted \$2500 bail but has not been arraigned.

COURT NAMES RECEIVER FOR COLO. TRUST DEED FUNDS AND MTGE. UNDERWRITING. The SEC Denver Regional Office announced December 6th (Lit-2152) that the U. S. District Court in Denver had appointed Robert Swanson as receiver for Colorado Trust Deed Funds, Inc., and Mortgage Underwriting Corporation of Denver, subject to understanding the receiver will not undertake liquidation until conclusion of appeal from court dismissal of Chapter X petition.

SECURITIES ACT REGISTRATIONS. Effective December 12: American Data Machines, Inc. (File 2-18705); Challenger Products, Inc. (File 2-18444); Kendall Industries, Inc. (File 2-18863); Major Finance Corp. (File 2-18715); The Meehan-Tooker Company, Inc. (File 2-18851); Monmouth Electric Company, Inc. (File 2-18771); Pacific Lighting Corp. (File 2-19266); Valley Forge Products, Inc. (File 2-18899); Wards Company, Inc. (File 2-18898).

---ooo0ooo---