

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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Minerals
TAOS MINING CO. STOCK OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Taos Mining Company, Inc., of North Pueblo Road, Taos, New Mexico. The order provides an opportunity for hearing, on request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed January 29, 1959, Taos Minerals proposed the public offering of 236,377 common shares at \$1 per share. The Commission's suspension order asserts that the aggregate public offering price of the securities, when computed in accordance with the requirements of the Regulation, exceed the \$300,000 limitation; that the company's offering circular is false and misleading in respect of certain material facts; and that, by reason thereof, the stock offering would violate Section 17 (the anti-fraud provision) of the Securities Act.

The alleged misrepresentations in the Taos Minerals offering circular relate to the following: (1) the failure to summarize adequately the net proceeds to promoters and management officials from the sale of securities of the company and its predecessor; (2) the statement that the proceeds of sales of securities of predecessors were all transmitted directly to the predecessor concerned whereas some of such proceeds went directly to officers of such predecessor; (3) the failure to show the status of payments required to be made for certain interests in mining properties; (4) the failure to show the status of performance of assessment work on unpatented mining claims held by the issuer; (5) the failure to reflect the fact that the issuer no longer owns any royalty rights relating to perlite claims leased to others; (6) the failure to reflect the terms of settlement of law suits against directors and promoters of the company alleging mismanagement in violation of securities laws; and (7) the failure to describe accurately the nature and extent of the company's interest in various oil properties. (Note to Press. Copies of foregoing also available in SEC Denver Office).

MODEL VENDING FILES FOR STOCK OFFERING. Model Vending, Inc., 4830 N. Front Street, Philadelphia, Pa., filed a registration statement (File 2-18017) with the SEC on April 27th seeking registration of 150,000 shares of common stock, to be offered for public sale on an all or none basis through Milton D. Blauner & Co., Inc. and two other underwriters. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 15,000 outstanding common shares which Milton D. Blauner & Co., Inc. purchased from officers of the company for \$1.25 per share.

The company and subsidiaries are engaged principally in the business of operating vending machines for the retail sale of cigarettes and cigars, confectioneries and a variety of food and drink products, as well as coin-operated phonograph machines and amusement machines. The company also sells and leases certain of its music and vending machines. In addition, it is a wholesale distributor of cigarettes. Of the net proceeds from the stock sale, \$150,000 will be used for the purchase of new vending equipment during the next year, \$30,000 for improvement and modernization of accounting procedures through the purchase of business and accounting machines, and the balance will be added to working capital and will be available for general corporate purposes, including the acquisition of new locations, either by development or purchase from other vending concerns. According to the prospectus, it is contemplated that a portion of the balance of the proceeds may be used for acquisition of other vending companies.

In addition to certain indebtedness, the company has outstanding 255,000 shares of common stock, of which Edward Balin, president, Marvin Heisman, vice president, William Slawe, secretary, and Sidney Balin, treasurer, own 21.2%, 15.1%, 18.6% and 18.2%, respectively.

BOLT BERANEK AND NEWMAN FILES FOR STOCK OFFERING AND SECONDARY. Bolt Beranek and Newman Inc., 50 Moulton St., Cambridge, Mass., filed a registration statement (File 2-18018) with the SEC on April 27th seeking registration of 160,000 shares of common stock, of which 90,140 shares are to be offered for public sale by the company and 69,860 shares, being outstanding stock, by the present holders thereof. The offering will be made on an all or none basis through underwriters headed by Hemphill, Noyes & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is a group of scientists and engineers engaged in research, consultation, and product development in the fields of architectural acoustics and noise control, applied physics, instrumentation, psychoacoustics, bio-medical technology, man-machine systems and information systems. While the company does no manufacturing, it continues to receive income from patented and patentable products and processes developed by it which it licenses or sells to others. The net proceeds from the company's sale of additional stock will be applied first to the repayment of \$325,000 of bank loans incurred during the past three years for working capital to expand activities, and the balance will be used as working capital to finance in part the company's proposed expansion of its internal product development program.

In addition to certain indebtedness, the company has outstanding 909,200 shares of common stock, of which Leo L. Beranek, president and board chairman, Samuel Lebate, executive vice president, Robert Newman and Jordan J. Baruch, vice presidents, and Richard H. Bolt own 111,972 shares each and propose to sell 13,972 shares each.

OVER

CLARKSON LABORATORIES FILES FOR STOCK OFFERING. The Clarkson Laboratories, Inc., 1450 Ferry Avenue, Camden, N. J., filed a registration statement (File 2-18019) with the SEC on April 27 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 an all or none basis through Ross, Lyon & Co., Inc. and Globus, Inc., which will receive a 24¢ per share commission and \$9,000 for expenses. The registration statement also includes 37,500 common shares which underlie 5-year warrants sold to the underwriters for \$375, exercisable at \$2 per share.

The company was organized under Delaware law in April 1961. It proposes to engage in the development, manufacture, packaging and sale of industrial chemicals and chemical compounds, and latex, resins and plastic compounds for industrial and commercial use. According to the prospectus, such business is presently being conducted by The Clarkson Laboratories, Inc. and Manufacturers Chemical Company, both Pennsylvania corporations. These two companies and Norchem Products, Inc., which owns certain real estate properties leased to them, will be merged into the company. In the merger, a total of 300,000 common shares of the company will be issued to the three shareholders of the said companies. Of the \$323,000 net proceeds from the stock sale, \$30,000 will be used to defray the costs of an addition to the company's plant to house equipment for mixing powdered chemicals; \$75,000 to repay a demand loan from factors secured by accounts receivable; and the balance, together with any funds received from exercise of warrants, will be added to working capital.

In addition to certain indebtedness, the company has outstanding (giving effect to the said merger) 300,030 shares of common stock, of which Edward W. Heller, president, and Rubin Bernstein, vice president, own 98,343 shares each, and Morris Coppersmith, secretary-treasurer, owns 103,344 shares. After the sale of the new stock, such stockholders will own about 60% of the outstanding stock representing an aggregate cash investment of \$15,060, and the public will own about 40% at a cost of \$400,000.

SUVAL INDUSTRIES FILES FOR STOCK OFFERING AND SECONDARY. Suval Industries Inc., Cantiague Road, Westbury, N. Y., filed a registration statement (File 2-18020) with the SEC on April 27th seeking registration of 125,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. The offering will be made at \$4 per share through Milton D. Blauner & Co. and Brukenfeld & Co., which will receive a 44¢ per share commission and \$8,500 for expenses. The registration statement also includes 15,000 common shares which the company recently sold to the underwriters.

The company was organized under New York law in February 1961 and is the successor to businesses established with nominal capital by the present shareholders who are the present management. Through its subsidiaries, it is engaged in the manufacture of supported vinyl plastic sheeting. The company's products, which are used as simulated leather and textiles, have been sold primarily to the automotive industry. According to the prospectus, the company has expanded into the furniture and clothing industries and is presently contemplating further expansion into the international market. The \$325,000 net proceeds from the company's sale of additional stock will be used as follows: \$175,000 for the acquisition of additional machinery and equipment; \$35,000 to expand the sales division; \$25,000 for additional product research and development; \$25,000 to increase trade advertising and promotion; and \$65,000 for general working capital.

The company has outstanding 215,000 shares of common stock, of which Ronald Brocksopp, board chairman, Howard Shurak, president, and Louis A. Varon, secretary, treasurer, own 62,500 shares each and propose to sell 8,333 shares each (Varon proposes to sell 8,334 shares).

FIDELITY BANKERS LIFE INSURANCE FILES FOR STOCK AND EXCHANGE OFFERING. Fidelity Bankers Life Insurance Corporation, Broad at Willow Lawn, Richmond, Va., filed a registration statement (File 2-18021) with the SEC on April 27th seeking registration of 625,000 shares of common stock, of which 547,128 shares are to be offered for public sale on an all or none basis through underwriters headed by Lee Higginson Corp. and Shearson, Hammill & Co. The public offering price and underwriting terms are to be supplied by amendment. The company also proposes to offer to the holders of 27,055 shares of common stock of Northeastern Life Insurance Company of New York the right to sell such stock to the company for an initial consideration, at the election of the holder, of \$23 in cash per share or 2.87829 common shares of the company (a total of 77,872 shares being offered) plus in either case, additional cash consideration payable over a period of five years contingent upon certain revenues.

The company is engaged in the writing of ordinary life, group life and credit life insurance in 13 states and the District of Columbia. It also writes accident and health risks in connection with its group life and credit life insurance. Northeastern writes ordinary and group life insurance and accident and health insurance (individual and group) in 16 states and the District of Columbia. Pursuant to an agreement dated March 8, 1961, the company has agreed to purchase and the holders thereof have agreed to sell to the company 136,274 shares (81%) of Northeastern's common stock. Under the agreement, the holders of 119,233 shares have agreed to sell their shares to the company for \$23 cash per share plus the additional consideration. The remaining holders of 17,041 shares covered by the agreement and the holders of the 31,507 shares not covered have the option, under the agreement, to elect either the cash or stock consideration. According to the prospectus, the company has been advised that such offer to exchange stock as the initial consideration is not authorized in the State of New York and hence the holders of 21,493 shares of Northeastern stock who are residents of New York may receive only the cash offer. As a result, the company is making the cash or stock offer to holders of the 27,055 shares who reside outside of New York. The net proceeds from the cash sale of stock will be used for additional capital in order to write the life insurance "which the company believes it is capable of writing," and to pay the holders of Northeastern stock who will sell such shares to the company.

The company has outstanding 742,926 shares of common stock, of which American Fidelity & Casualty Company, Incorporated owns 13.55% and management officials as a group 8.25%. T. Coleman Andrews is listed as board chairman and president.

PILLSBURY PROPOSES DEBENTURE OFFERING. The Pillsbury Company, 600 Pillsbury Bldg., Minneapolis, Minn., filed a registration statement (File 2-18022) with the SEC on April 27th seeking registration of \$10,000,000 of Sinking Fund Debentures due June 1, 1986, to be offered for public sale through underwriters headed by Goldman, Sachs & Co. and Piper, Jaffray & Hopwood. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company markets flour on a national basis under the brand name "Pillsbury's Best" and is engaged in the fields of prepared food mixes and refrigerated dough products for home baking; prepared food mixes for use by bakeries, restaurants and institutions; non-flour prepared food products, such as low-moisture mashed potatoes; detergents and other household cleaning products; formula feeds for poultry and livestock; soybean processing in connection with the formula feed business; and the merchandising of grain and of feed ingredients. The net proceeds from the debenture sale will initially be added to the general funds to be used for the repayment of short-term indebtedness and for additional working capital, capital expenditures and other corporate purposes.

In addition to certain indebtedness and preferred stock, the company has outstanding 2,145,855 shares of common stock, of which management officials as a group own about 6%. Philip W. Pillsbury is listed as board chairman and Paul S. Gerot as president.

U. S. FIBERGLASS PRODUCTS PROPOSES STOCK OFFERING. U. S. Fiberglass Products Co., Clarksville, Texas, filed a registration statement (File 2-18023) with the SEC on April 27th seeking registration of 200,000 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made on a best efforts basis by Hauser, Murdoch, Rippey & Company, of Dallas, for which it will receive a 30¢ per share selling commission.

The company was organized in August 1960. It has issued 27,526 common shares to Red Fish Boat Company for certain real estate and personal property in Clarksville. The real property is carried on the books of that company at \$28,361. The property includes various fiberglass molds and plugs for fiberglass shingle, fiberglass beam, fiberglass purlin and other material which are valued at \$15,181. The company has no orders for its products, but plans to contact county and city governmental agencies as soon as it is in operation. Of the net proceeds of the sale of additional stock, \$100,000 will be used for working capital, \$50,000 for raw material inventory, \$40,000 for purchase of vacuum forming machines, and the balance for other related purposes, including sales promotion.

The prospectus lists Herman Prentice Walters as board chairman and H. A. Walters as president. Of the 58,176 outstanding common shares, Red Fish Boat owns 47.32% and management officials 15.21%.

IBM FILES STOCK PLAN. International Business Machines Corporation, 590 Madison Avenue, New York, filed a registration statement (File 2-18026) with the SEC on April 27th seeking registration of 150,000 shares of capital stock, to be offered to executives and key employees pursuant to the IBM 1961 Stock Option Plan.

ANNOUNCEMENT CLARIFIED ON CARROLL & CO. PROCEEDINGS. The SEC News Digest of April 21st announced proceedings under the Securities Exchange Act to determine whether an application for broker-dealer registration filed by R. C. Carroll & Co., Inc., 150 Broadway, New York, should be denied by reason of alleged violations of the Securities Act anti-fraud provisions by two of its officers and directors. These proceedings do NOT involve Carroll Co., a registered broker-dealer operated by Raymond C. Carroll, a sole proprietor.

THOMAS A. MORRIS RECEIVES SUSPENDED SENTENCE. The SEC Washington Regional Office announced April 25th (LR-1994) that Thomas A. Morris, president of Evergreen Memorial Park Association, had received a suspended sentence (USDC, Philadelphia) of one year and a day and was fined \$3,000 and placed on five years' probation for violations of anti-fraud provisions of Securities Act.

INDICTMENT NAMES MILTON Z. MENDE, OTHERS. The SEC Los Angeles Office announced April 26th (LR-1995) the return of a Federal court indictment charging Milton Z. Mende, Morris G. Reiss, Hugh T. Harrison and William J. McCarthy with violations of Securities Act registration and anti-fraud provisions in sale of North American Petroleum Corp. stock.

HENSON, HICKEY & FLOYD SENTENCED. The SEC Denver Regional Office announced April 26th (LR-1996) that Owen H. Henson, Jess Hickey and Charles C. Floyd, following entry of pleas of guilty to certain counts of a 35-count indictment charging violations of Securities Act registration and anti-fraud provisions in the sale of Mountain States Oil and Uranium Corp. stock (USDC KC Mo.), had been sentenced. Henson received a three-year prison sentence; Floyd received a three-year sentence, to be suspended after 90 days imprisonment followed by probation; and Hickey was placed on probation for five years.

SEC COMPLAINT NAMES COLORADO TRUST DEED FUNDS, OTHERS. The SEC Denver Regional Office announced April 26th (LR-1997) the filing of a Federal court action (USDC, Denver) seeking to enjoin Colorado Trust Deed Funds, Inc., Mortgage Underwriting Corp., James Thomas, III, Boyd Thomas and Clifford McLin from further violations of Securities Act anti-fraud provisions in sale of 6% and 10% trust deed certificates by Colorado Trust Deed Funds.

CITY PRODUCTS FILES FOR DEBENTURE OFFERING. City Products Corporation, 33 South Clark Street, Chicago, filed a registration statement (File 2-18024) with the SEC on April 27th seeking registration of \$15,000,000 of Convertible Subordinated Debentures due June 1, 1982, to be offered for public sale through underwriters headed by Lehman Brothers and White, Weld & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries conduct a group of broadly diversified businesses consisting principally of the distribution of general merchandise, refrigerator car icing, vacuum cooling, ice manufacturing and distribution, operation of cold storage warehouses, dairies, breweries, and distribution of coal and fuel oil. Of the net proceeds from the debenture sale, \$13,491,476 will be used to retire the company's 6% and 5½% subordinated notes, and the remainder will be added to working capital and used for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 2,679,788 shares of common stock (giving effect to a 2-for-1 stock split in May 1961), of which management officials as a group own 6.2%. William J. Sinek is listed as board chairman and A. O. Steffey as president.

CITY PRODUCTS FILES STOCK PLAN. City Products Corporation also filed a registration statement (File 2-18025) on April 27th seeking registration of 204,400 shares of common stock issuable on exercise of options granted or to be granted pursuant to the company's Employees' Incentive Stock Option Plan and upon exercise of certain restricted stock options granted to executives.

SECURITIES ACT REGISTRATIONS. Effective April 28: National Airlines (File 2-17082); All-State Credit Corporation (File 2-17624); Vitamix Pharmaceuticals, Incorporated (File 2-17677); Charles of the Ritz, Inc. (File 2-17688); Thompson Ramo Wooldridge Inc. (File 2-17710); Majestic Specialties, Inc. (File 2-17717); Certain-Teed Products (File 2-17749); Philip Morris Incorporated (File 2-17848); Socony Mobil Oil Company, Inc. (File 2-17920); Socony Mobil Oil Company, Inc. (File 2-17921); Northern Natural Gas Company (File 2-17929); Ford Motor Company (File 2-17960). Withdrawn April 28: Southwestern Capital Corporation (File 2-17145); The Hanover Fund of Boston, Inc. (File 2-17278).

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