

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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RADIATION INSTRUMENT DEVELOPMENT LAB. FILES FOR OFFERING AND SECONDARY. Radiation Instrument Development Laboratory, Inc., 61 East North Avenue, Northlake, Ill., filed a registration statement (File 2-18232) with the SEC on June 1st seeking registration of 100,000 shares of common stock, of which 86,666 shares are to be offered for public sale by the company and 13,334 shares, being outstanding stock, by the present holders thereof. Hayden, Stone & Co. heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 10,000 common shares which underlie 5-year warrants sold to a company substantially owned by Hayden, Stone & Co., exercisable at a price per share to be supplied by amendment.

The company was organized under Illinois law in 1957 and was reorganized under Delaware law in May 1961. It is principally engaged in the development, design and production of electronic instruments and systems for the detection, measurement and analysis of nuclear or atomic radiations. The net proceeds from the company's sale of additional stock will be added to general funds for working capital purposes, increased research and development expenditures and anticipated expenses in connection with the leasing of additional plant facilities. Of such amount \$150,000 will be used for the payment of current bank borrowings, which were incurred to supplement working capital.

In addition to certain indebtedness, the company has outstanding 246,667 shares of common stock, of which LaVern J. Hartzler, president, owns 185,000 shares and proposes to sell 10,834 shares, and Aileen J. Hartzler, his wife and a company director, owns 44,048 shares and proposes to sell 2,500 shares.

ADR's FOR SOCIETA FINANZIARIA SIDERURGICA FILED. Chemical Bank New York Trust Company, of New York City, filed a registration statement (File 2-18221) with the SEC on May 29th seeking registration of American Depositary Receipts for 50,000 Class A shares of Societa Finanziaria Siderurgica (of Italy).

ETS-HOKIN & GALVAN FILES FOR OFFERING AND SECONDARY. Ets-Hokin & Galvan, Inc., 551 Mission Street, San Francisco, Calif., filed a registration statement (File 2-18233) with the SEC on June 1st seeking registration of 209,355 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 109,355 shares, being outstanding stock, by the present holders thereof. The offering will be made on an all or none basis through underwriters headed by Van Alstyne, Noel & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the business of installing electrical and electronic systems in missile production facilities and in missile and satellite base installations, including ground support systems for testing and operational sites, as well as communications systems and tracking systems for missiles and satellites. It also manufactures on customers' order specialized electrical products and acts as a distributor for several lines of equipment used in the field in which the company operates. The net proceeds from the company's sale of additional stock will be added to funds of the company to be used for general corporate purposes, principally for working capital. The company anticipates that substantially all of the proceeds will be applied initially to the reduction of short-term loans payable to a bank, which loans have been used for working capital purposes.

In addition to certain indebtedness and preferred stock, the company has outstanding 704,347 shares of common stock, of which Louis Ets-Hokin, board chairman, and Milton H. Schug, vice chairman of the board, own 248,404 and 43,305 shares, respectively, and propose to sell 51,000 and 20,000 shares, respectively. The prospectus lists 14 other selling stockholders who propose to sell amounts ranging from 75 to 11,000 shares, including Jeremy Ets-Hokin, president, who proposes to sell 10,000 of 15,215 shares owned.

CALIFORNIA ELECTRIC POWER PROPOSES BOND OFFERING. California Electric Power Company, 2885 Foothill Blvd., San Bernardino, Calif., filed a registration statement (File 2-18234) with the SEC on June 1st seeking registration of \$8,000,000 of First Mortgage Bonds due 1991, to be offered for public sale at competitive bidding. The net proceeds from the bond sale will be used to discharge a portion of the company's short-term bank loans amounting to \$9,500,000 and incurred for interim financing of additions and improvements to its public utility facilities. Electric construction expenditures for 1960 were about \$17,340,000, and are anticipated at \$12,650,000 for 1961 and \$15,460,000 for 1962.

YARBROUGH PETROLEUM CORP. 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 proposed public offering of stock by Yarbrough Petroleum Corporation, of Long Beach, Calif.

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 April 18, 1961, Yarbrough proposed the public offering of 300,000 shares of stock at \$1 per share. The Commission's suspension order asserts that the company's offering circular and geological reports filed in connection with its notification are false and misleading in respect of certain material facts. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

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The Commission's suspension order challenges the accuracy and adequacy of information with respect to the following: (1) the estimate of gross oil reserves of the issuer's Towle lease at 1,204,640 barrels, before reduction for royalties; (2) the estimate of reserves in possible production formations on its Reedy lease and the basis used in arriving at such estimate; (3) the use of projections of estimated income in future years from such leases which cannot be justified on the basis of information now known; (4) the failure to disclose that the information on the map of the Towle lease and the well data accompanying same are not subject to correlation; (5) the failure to disclose that, based on information now known, the possibility of obtaining profitable commercial production from the Towle lease is very remote; (6) the failure to disclose with respect to the Reedy lease (a) the decline in pressure which normally occurs in any producing oil field with the passage of years and the adverse effect of such decline on production from the field, and (b) that the accumulated production set forth for the wells reasonably close to the Reedy lease has been estimated rather than being actual production data and, therefore, is subject to error; and (8) the statement concerning the Reedy lease that many wells near such lease had initial production rates of thousands of barrels per day when the initial production rate of the largest well near such lease did not amount to thousands of barrels per day.

LLEWELLYN YOUNG NAMED NEW YORK REGIONAL ADMINISTRATOR. SEC Chairman Cary announced June 1st the appointment of Llewellyn I. Young of Dobbs Ferry, N. Y., as Administrator of the Commission's New York Regional Office. He will assume his duties June 26th. Mr. Young is a graduate in 1947 of Haverford College and in 1950 of the Yale Law School, where he was comment editor of the Yale Law Journal. Since admission to the New York Bar he has been associated with the New York law firm of Carter, Ledyard and Milburn, where he has had extensive practice in litigation and corporate work.

TRADING BAN IN BLACK BEAR INDUSTRIES CONTINUED. The SEC has ordered the further suspension of trading in the common stock of Black Bear Industries, Inc. (formerly Black Bear Consolidated Mining Co.) on the San Francisco Mining Exchange and over-the-counter markets for the period June 3 to 12, 1961, inclusive.

TRADING BAN IN UNITED INDUSTRIAL CONTINUED. The SEC has ordered the further suspension of trading in securities of United Industrial Corporation (Delaware) on both exchange and over-the-counter markets for the ten-day period June 5 to 14, 1961, inclusive.

INDICTMENT NAMES COLUMBUS REXALL OIL, JACK L. CAYIAS, OTHERS. The SEC announced June 1st (LR-2029) the return of an indictment (USDC, Miami) for conspiracy and violations of the Securities Act registration and anti-fraud provisions in the offer and sale of common stock of Columbus Rexall Oil Company (formerly Columbus Rexall Consolidated Mines Co.) by that company and the following: Jack L. Cayias, William J. Cayias, Irwin C. Glaser, Joel A. Burns, Nick S. Vidalakis, E. H. A. Andrews, S. M. Brooks, Sr., Lyman Louis Cromer, Steven Van Gelder, Stephen J. Dinneen, Daniel J. Scholtz, Columbus Securities Co. of Florida (later known as Alfred D. Laurence & Co.), Alfred D. Laurence, Kirby G. Freeman, John W. H. Price, Robert B. Sills, Norman A. Trevour, Jacob F. Bluestein (also known as Jack Bluestein), John K. Coffroth, Jr., Ralph Whitmore, Warren Nasse, and Lawrence Silverman.

W. EDWARD TAGUE CO. ENJOINED. The SEC Washington Regional Office announced May 31st (LR-2030) the entry of a court order (USDC, Pittsburgh) permanently enjoining W. Edward Tague, doing business as W. Edward Tague Company, Pittsburgh, from further violations of the SEC net capital and bookkeeping rules.

STATE STREET INVESTMENT PURCHASE CLEARED. The SEC has issued an exemption order under the Investment Company Act (Release IC-3263) permitting State Street Investment Corporation, Boston investment company, to issue its shares at their net asset value for substantially all the cash and securities of McLaine, Inc.

QUALITY IMPORTERS FILES FOR STOCK OFFERING. Quality Importers, Inc., 55 Fifth Avenue, New York, filed a registration statement (File 2-18237) with the SEC on June 1st seeking registration of 200,000 shares of common stock, to be offered for public sale on an all or none basis through Sutro Bros. & Co. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 10,000 outstanding common shares which underlie 2-year options granted Sutro Bros. by the present holder thereof, exercisable at the public offering price.

The company is the exclusive importer and distributor for the United States of "Ambassador" Scotch whiskies and "Old Bushmills" Irish whiskey, and is the sales representative for Ambassador Scotches in the Caribbean area. The net proceeds from the stock sale will be applied to the payment of \$150,000 of short term bank loans incurred to finance inventories and accounts receivable, and the balance will be added to working capital.

In addition to certain indebtedness, the company has outstanding 400,000 shares of common stock, of which Henry C. Kaplan, board chairman and president, owns 98%.

CONOLITE FILES FOR STOCK OFFERING. Conolite, Inc., Suite 414, 52 Broadway, New York, filed a registration statement (File 2-18236) with the SEC on June 1st seeking registration of 170,000 shares of Class A stock, to be offered for public sale at \$5 per share through underwriters headed by Amos Treat & Co., Inc. The underwriters will receive a 60¢ per share commission and \$16,000 for expenses. The registration statement also includes 12,500 outstanding Class B shares which the holders thereof sold to Amos S. Treat at 1¢ per share.

The company was organized under Delaware law in February 1961 for the purpose of purchasing for \$800,000, the assets (including machinery, inventory, patent rights and customers lists) used by the Continental Can Company, Inc. at its Milwaukee, Wisconsin plant, for the manufacture and sale of "Conolite", a laminate used for vertical and horizontal surfaces in the construction, furniture and aircraft industries and for insulation

in the electrical and electronic industries. The individuals who organized the company are the persons who have been conducting the Conolite business of Continental since 1955 and will continue in the same capacities with Conolite after the company has taken it over. Of the estimated \$714,000 net proceeds from the stock sale, \$400,000 will be used to close the purchase of the Conolite business (\$100,000 having been paid upon execution of the purchase agreement in March 1961, and the remaining \$300,000 to be evidenced by a note); \$139,000 will be added to general funds and utilized as working capital; and the balance will be used to repay loans from stockholders, to move the business to a new plant and install equipment, and to purchase and install new equipment.

In addition to certain indebtedness, the company has outstanding 195,100 Class B shares, of which Raymond J. McLaughlin, president, owns 31.84%, and Robert E. Fitzgerald and Lewis Hague, vice presidents, 15.92% each. The holders of the outstanding Class B shares paid \$58,736 for such shares. The public will purchase 170,000 Class A shares, or 46.6% of the equity, for \$850,000.

MCCRORY FILES EXCHANGE PLAN. McCrory Corporation, 711 Fifth Avenue, New York, filed a registration statement (File 2-18235) with the SEC on June 1st seeking registration of 1,091,576 shares of common stock. According to the prospectus, on June 21st McCrory is to be merged with H. L. Green Company, with McCrory as the surviving corporation. The 1,091,576 common shares of McCrory are issuable upon the exercise of warrants to be received by stockholders of H. L. Green Company upon its merger into the company. A meeting of McCrory shareholders has been called for June 20th to vote on the merger proposal. Under the merger agreement, the outstanding capital stock of Green (other than shares held by McCrory) will be converted into securities of the surviving corporation, as follows: For each share of Green common, the holder will receive one-fifth of a share of 4½% Cumulative Preference B Stock, \$100 par (convertible), of the surviving corporation, plus transferable warrants to purchase 1½ shares of common stock of the surviving corporation to and including March 15, 1976, at \$20 per share.

The company operates 445 variety stores in 36 states and the District of Columbia, and Green operates similar type stores. Since February 1960, the company has increased its ownership to an aggregate of about 50% of the outstanding common stock of Green at an aggregate cost of about \$21,886,887. The surviving corporation will continue, under existing managements of the constituent companies, the variety chain store operations presently conducted by McCrory-McLellan, Green and Cassels, the home-auto supply business of Oklahoma Tire & Supply Company, and the men's wear business of National Shirt Shops.

In addition to various indebtedness, and series of preferred stock, the company has outstanding 5,303,099 shares of common stock, of which Rapid-American Corporation owns about 30.2%. M. Rilis is listed as board chairman and James Lutz as president.

KAYMARQ CONSOLIDATED FILES EXCHANGE PLAN. Kaymarq Consolidated Corporation, 60 East Hartsdale Ave., Hartsdale, N. Y., filed a registration statement (File 2-18231) with the SEC on June 1st seeking registration of 506,000 shares of 84¢ cumulative preferred stock, \$1 par, and 126,500 shares of common stock. It is proposed to offer such securities in units consisting of 4 preferred shares and 1 common share for each \$40 in cash originally invested by each limited partner in the limited partnerships of County Ridge Associates, Harwood Associates, Leewood Associates, L. H. Associates, Patricia Associates, and Woodbrook Associates. The registration statement also includes (1) 184,843 common shares which the company will issue to the general partners of said limited partnerships in exchange for their interests therein; (2) 101,250 common shares to be issued by the company in exchange for certain properties and assets; and (3) 18,750 common shares to be sold in June 1961 to United Improvement & Investing Corp. for \$75,000 to provide the company with funds for organization expenses. The prospectus states that Sutro Bros. and United Improvement & Investing, among others, will offer to purchase, at \$6 per share, any of the 126,500 shares issued to the limited partners who accept the exchange offer.

The company was organized under Delaware law in April 1961 by United Improvement & Investing and certain of the general partners including, among others, L. William Kay, II, board chairman, and Jeremiah J. Mahoney, president. It was organized for the purpose of engaging in general real estate business, utilizing as the basis of its operations, the interests of the limited and general partners in the said limited partnerships and the fee interests in certain properties to be acquired from United. It will have interests in or own the fee of the following income-producing properties: Country Club Ridge Apartments, Hartsdale, N. Y.; Dalewood Gardens, Section III, Hartsdale, N. Y.; Leewood Gardens, Eastchester, N. Y.; Le Havre, New York City; Patricia Gardens, Larchmont, N. Y.; Woodbrook Gardens, Irvington, N. Y.; El Camino Motel, Norfolk, Va.; Dalewood Gardens, Section V, Hartsdale, N. Y.

In addition to certain indebtedness, the company will have outstanding 506,010 preferred shares and 431,343 common shares, assuming issuance of all such shares pursuant to the exchange offer and acquisition of properties. The general partners will then own 8.2% preferred and 45.3% common stock, the limited partners 91.8% and 26.9%, respectively, and United 120,000 common shares.

SECURITIES ACT REGISTRATIONS. Effective June 1: American Broadcasting-Paramount Theatres, Inc. (File 2-17951); Elion Instruments, Inc. (File 2-17253); Marrud, Inc. (File 2-17956); Microwave Associates, Inc. (File 2-17757); The Pillsbury Company (File 2-18022); Varian Associates (File 2-18050); Waltham Watch Company (File 2-16392).