

NEWS DIGEST

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

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APPALACHIAN POWER PROPOSES CHARTER AMENDMENTS. Appalachian Power Company, Roanoke, Va., has filed a declaration with the SEC seeking approval of amendments to its articles of association with respect to the preferred stock provisions, and the Commission has issued an order (Release 35-14520) giving interested persons until October 18, 1961, to request a hearing thereon. The company proposes to change the provisions relating to its preferred stock so as to permit the company to issue unsecured indebtedness equivalent to 20% of the total of its first mortgage bonds, capital stock, and surplus accounts. The company also proposes to amend the preferred stock provisions so as to incorporate therein certain conditions imposed by the Commission in a 1947 order. The proposed amendments will be submitted to the company's stockholders and will become effective only if approved by the affirmative vote of at least two-thirds of the outstanding shares of the cumulative preferred stock, voting as a class, and of two-thirds of the outstanding shares of the common stock. All of the common stock is owned by the company's parent, American Electric Power Company, Inc. In connection with the vote by the preferred stockholders, Appalachian will solicit proxies in support of the proposed amendments.

UNION TRUST LIFE FILES FOR STOCK OFFERING. Union Trust Life Insurance Co., 611 North Broadway Street, Milwaukee, Wisc., filed a registration statement (File 2-18951) with the SEC on September 25th seeking registration of 300,000 shares of common stock, to be offered for public sale through underwriters headed by H. M. Byllesby and Company and Straus, Blosser & McDowell. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 30,000 shares underlying five-year options to be sold to the underwriters for \$600, exercisable at a price to be supplied by amendment.

The company is presently licensed to sell both life and health and accident insurance in 29 states and has applications for licenses in 4 others. Net proceeds from the stock sale will be added to the company's general funds and will be invested initially in income producing securities and mortgages. These proceeds will enable the company to continue expansion of its operations and to increase the amount of insurance retained, without reinsurance, from present maximums of \$10,000 of ordinary life and \$20,000 of group life to a maximum of \$25,000 on any one insured life.

The company has outstanding 500,000 shares of common stock, of which Milton R. Polland and members of his immediate family own 10.6%, and management officials as a group own 28.9%. Of the outstanding stock, 81.6% is represented by voting trust certificates, with Milton R. Polland, Peter D. Polland, a vice president, Phillip J. Fox, and Lamont E. Fontaine, a director, as voting trustees.

PAKO CORP. FILES FOR OFFERING AND SECONDARY. Pako Corporation, 6300 Olson Highway, Minneapolis, Minn., filed a registration statement (File 2-18952) with the SEC on September 25th seeking registration of 150,000 shares of common stock, of which 100,000 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 on an all or none basis through underwriters headed by Paine, Webber, Jackson & Curtis. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 40,000 shares which may be offered pursuant to the company's Restricted Stock Option Plan A and Plan B.

The company designs, manufactures and sells capital equipment used to process and print black and white and color sensitized photographic film and print material. The company also designs, manufactures and sells equipment to process X-ray film, and equipment to mix, store, replenish and control temperature of chemicals used in film processing. Its wholly owned subsidiaries are engaged in developing, printing and processing of films and photographs, in the wholesale distribution of amateur photographic equipment and supplies, and in the operation of eight retail photography stores. Net proceeds from the company's sale of additional stock will initially be added to general working funds and may be used for one or more of certain projects now under consideration by management. In addition to certain indebtedness, the company has outstanding 807,054 shares of common stock, of which Glen M. Dye, founder and director, and Harry M. Dye, board chairman, own 12.8% and 12.1% respectively. Management officials as a group own 42.8%. F. Glenn Hamilton is listed as president. The list of selling stockholders is to be supplied by amendment.

RUBBER & FIBRE CHEMICAL FILES FOR STOCK OFFERING. Rubber & Fibre Chemical Corp., 300-322 Butler Street, Brooklyn, N. Y., filed a registration statement (File 2-18953) with the SEC on September 25th seeking registration of 120,000 shares of common stock, to be offered for public sale at \$5 per share. The offering will be made on a "best efforts, all or nothing" basis by Armstrong & Co., Inc., which will receive a 50¢ per share commission and \$15,000 for expenses. The registration statement also includes 57,000 shares sold to Robert B. Edens, management official and controlling person of the underwriter, and 3,000 shares sold to Michael Silvers, the finder, all at 40¢ per share.

The company was organized in 1958 for the purpose of commercially developing a new process developed by Arnold Gunther, vice president, and Marcus Gunther for separating the rubber and nylon found in the scrap generated in the manufacture of automobile and truck tires. This process, called "process for reclaiming unvulcanized rubber," is the subject of a patent application filed in the name of Arnold Gunther and assigned to the company. The prospectus states that, since the company has not had any significant gross returns from

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the sale of its products, or any net income from any source, it may be considered to be in an organizational and development stage. The \$480,000 estimated net proceeds from the stock sale will be used for the purchase of additional equipment and to increase plant facilities, to repay certain loans incurred to purchase and install equipment, to make payments on machinery and equipment already installed, to purchase the building in which present plant facilities are located, and to pay rent arrearages to and loans from affiliated persons, and the balance will be added initially to working capital to be used for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 280,000 shares of common stock (after giving effect to a recent recapitalization whereby the 1,000 shares then outstanding were reclassified into 220,000 shares), of which Arnold Gunther and Robert B. Edens own 14.9% and 16.1%, respectively, and management officials as a group 38.9%. Present book value of 58¢ per share will be increased to \$1.60½ per share after completion of this offering.

PARAMOUNT FOAM INDUSTRIES FILES FOR STOCK OFFERING. Paramount Foam Industries, Mercer and Arnot Streets, Lodi, N. J., filed a registration statement (File 2-18954) with the SEC on September 25th seeking registration of 137,500 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Fialkov & Co., Inc. and Stanley Heller & Co. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 17,500 outstanding shares sold to Max Fialkov by the previous holders thereof at \$1 per share.

The company is engaged in the business of manufacturing and selling synthetic foams of the polyester type, which comprises a group of urethane cellular materials. Of the net proceeds from the stock sale, \$75,000 will be used for the purchase of additional machinery and equipment and \$65,000 for the repayment of an outstanding bank loan, secured by a chattel mortgage, and the balance will be added to working capital available for general corporate purposes. In addition to certain indebtedness, the company has outstanding 430,000 shares of common stock, of which Sydney H. Jablon, board chairman, and Fred Linick, president, own 55.16% and 40.77%, respectively.

SERVOTRON FILES FOR STOCK OFFERING. Servotron Corporation, 29503 West Nine Mile Road, Farmington, Mich., filed a registration statement (File 2-18955) with the SEC on September 25th seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. The offering will be made through management officials of the company.

The company was organized in 1959 for the purpose of selling automatic film processing machines, which it manufactures under license, and other electronic products. The prospectus states that since organization the company has engaged primarily in the development of its products and, accordingly, has had limited sales and no earnings. The \$425,000 estimated net proceeds from the stock sale will be used to purchase plant production machinery and additional inventory, for sales promotion and research and development, and for working capital.

The company has outstanding 374,250 shares of common stock (with a present book value of 21¢ per share), of which Philip Rosenberg, president, and William C. Newberg own 30% and 41.7%, respectively. After sale of the new shares, book value will be increased to \$1.04 per share. Present stockholders will own 79% of the company's outstanding stock for which they have paid \$117,150, and the public will own 21% for which they will have paid \$500,000.

ADR'S FOR TUBOS DE ACERO DE MEXICO FILED. Morgan Guaranty Trust Company of New York, 140 Broadway, N. Y., filed registration statements (Files 2-18958 and 2-18959) with the SEC on September 22nd seeking registration of American Depositary Receipts for 60,000 "A" Bearer Shares and 60,000 "B" Bearer Shares of Tubos De Acero De Mexico, S. A.

BURTON MOUNT CORP. FILES FOR STOCK OFFERING. Burton Mount Corp., 2147 Jericho Turnpike, New Hyde Park, N. Y., filed a registration statement (File 2-18960) with the SEC on September 22nd seeking registration of 100,000 shares of common stock, to be offered for public sale at \$6 per share. The offering will be made on an all or none basis by Reiner, Linburn & Co., which will receive a 60¢ per share commission.

The company is engaged in the business of the importation and distribution of machines and supplies for the reproduction of industrial, commercial and professional photographic prints, lithographic proofs and copies, and microfilm copies. It also imports and distributes manual and automated office copying machines, silver sensitive papers, chemicals and other supplies used in connection with such machines. Net proceeds from the stock sale will be used to cover the cost of manufacture of machines to be supplied by Federal Manufacturing & Engineering Corp., to repay a loan owed to a bank, to enlarge the inventory of French machines and supplies so as to be protected against any interruption of deliveries from overseas, to expand the sales organization and for general corporate purposes.

The company has outstanding 515,000 shares of common stock, of which John C. Mount, president, and Stanley Burton, executive vice president, own 38.8% each, and management officials as a group own 86.8%.

PHILIPPINE OIL DEVELOPMENT CO. FILES FOR RIGHTS OFFERING. Philippine Oil Development Company, Inc., Manila, Philippines, filed a registration statement (File 2-18961) with the SEC on September 25th seeking registration of 95,270,181 shares of capital stock. It is proposed to offer such stock for subscription at 1¢ per share by common stockholders at the rate of one new share for each six shares owned of record on September 9, 1961. No underwriting is involved. The company is also proposing the subscription offer at the same rate to its stockholders in the Philippines at the subscription price equivalent to \$01.375 per share.

The company has been engaged in exploration for oil in the Philippines since 1936, except during the period of Japanese occupation. Up to this time, the company has had no income from operations and has not discovered any commercial quantities of oil or gas. Net proceeds from the stock sale will be applied to repayment of all or a part of the company's current indebtedness and to completion of the shallow drilling test

program on Cebu. The company has outstanding 571,621,090 shares of capital stock, of which Andres Soriano, president and board chairman, and members of his family, own 7.59%. The prospectus states that as of December 1960, about 56.3% of the company's outstanding stock was owned of record by citizens or residents of the Philippines, and about 43.7% by citizens of the United States and other non-resident stockholders.

CHEVERLY TERRACE LIMITED PARTNERSHIP FILES FOR OFFERING. Cheverly Terrace Limited Partnership, 1725 K Street, N. W., Washington, D. C., filed a registration statement (File 2-18962) with the SEC on September 25th seeking registration of \$1,128,600 of limited partnership interests, to be offered for public sale in units, at \$2,700 per unit. The offering will be made on a best efforts basis by Hodgdon & Co., Inc., which will receive a \$270 per unit selling commission and \$16,830 for expenses.

The partnership was organized under Maryland law in July 1961 with Louis G. Meltzer, Sy Bakst and Joseph Miller as the general partners and Amos Bakst as the initial limited partner. The business of the partnership will consist of the acquisition, ownership, development and operation of an apartment project, to be known as Cheverly Terrace, in Prince Georges County, Md. The project will consist of 365 garden-type apartment units including a swimming pool, recreation area, parking facilities and landscaping. The general partners have received 93 partnership units for their assignment to the partnership of their rights in a contract to acquire the land at a price of \$303,900 from National Development Corp. (wholly controlled by Louis G. Meltzer), and their rights in a construction loan and permanent mortgage financing commitments in the amount of \$2,525,000 with respect to the construction of the apartments on such land. In addition, the general partners, as builders, have agreed to construct the apartments for the partnership for a fixed price of \$3,196,400 and, as controlling stockholders of United Investors Management Corporation, have also caused such company to agree to manage the apartments for a 4% fee. The \$989,430 estimated net proceeds from the sale of the units (plus \$2,700 received from the initial limited partner) will be used for the purchase of the land (\$303,900) and will be applied against the construction cost (\$671,400). The balance of such construction cost will be furnished by the construction loan and mortgage financing.

HARTFIELD STORES PROPOSES DEBENTURE OFFERING. Hartfield Stores, Incorporated, 5330 West 102nd Street, Los Angeles, filed a registration statement (File 2-18963) with the SEC on September 25th seeking registration of \$5,000,000 of convertible subordinated debentures due 1981, to be offered for public sale on an all or none basis through underwriters headed by Van Alstyne, Noel & Co. and Johnston, Lemon & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company presently operates a chain of 54 stores under the name "Hartfield Stores," selling various types of women's, misses' and children's wearing apparel. It has also recently entered the self-service discount department store field and now operates three such stores under the name "Zodys" located in the suburbs of Los Angeles, and plans to open a fourth store during the year. Of the net proceeds from the debenture sale, \$2,000,000 will be used to repay short term bank loans incurred to furnish working capital for acquiring inventories of merchandise and \$500,000 in connection with the acquisition and opening of the fourth discount store. The balance will become working capital which may be applied to any corporate purpose, including possible acquisition of six additional discount stores.

In addition to certain indebtedness, the company has outstanding 652,296 shares of common stock, of which Leo Hartfield, president, Sybil Hartfield, and Joyce Sybil Freedman and Rosalind Ann Kaufman (daughters of Leo Hartfield) own 13.88%, 10.04%, 10.90% and 10.87%, respectively. Management officials as a group own 21.33%.

NARROWS PREMIUM FILES FOR STOCK OFFERING. Narrows Premium Corp., 9805 Fourth Avenue, Brooklyn, N. Y., filed a registration statement (File 2-18964) with the SEC on September 25th seeking registration of 100,000 shares of common stock, to be offered for public sale at \$4 per share. The offering will be made on a best efforts basis by Pearson, Murphy & Co., Inc., which will receive a 60¢ per share selling commission and \$20,000 for expenses. The company has granted the underwriter a three-year option to purchase at 10¢ per share up to 8,000 shares on the basis of one share for every 12½ shares sold to the public. The company has also granted to Frank Engelman, as a finder's fee, the right to purchase at 10¢ per share up to 2,500 shares on the basis of one share for every 40 shares sold.

The company was organized under New York law in April 1961 to engage in the business of financing the payment of casualty insurance premiums, principally on automobile liability insurance, in New York State. The \$310,000 estimated net proceeds from the stock sale will be applied principally to the financing of insurance premiums except to the extent that income from operations is insufficient to pay such items of overhead as the salary of its office manager and its telephone charges, in which case part of the proceeds will be so applied.

The company has outstanding 74,000 shares of common stock (with a present book value of 31¢ per share), of which Edward F. Stewart, president, and Vincent J. DeAngelis, vice president, own 16.9% each, and Gerald Ernst, secretary, and Michael A. Dellicato, treasurer, own 20.5% each.

COASTAL CHEMICAL FILES FOR STOCK OFFERING. Coastal Chemical Corporation, Yazoo City, Miss., filed a registration statement (File 2-18957) with the SEC on September 22nd seeking registration of 60,000 shares of Class A common and 150,000 shares of Class D common stock, to be offered principally to farmers and other users of the company's fertilizer materials. The offering will be made at \$30 per share by Mississippi Chemical Corporation (MCC) (which has voting control of the company by virtue of its ownership of 1,000,000 Class B shares of the company). No commission will be paid to MCC. Of the 150,000 Class D shares being offered, 10,000 will be available to be issued in exchange for outstanding Class C stock presented for transfer.

The company manufactures a variety of fertilizers, anhydrous ammonia, and other fertilizer materials and components. Net proceeds from the sale of the Class A shares will be added to general funds and used

for working capital requirements, and proceeds from the sale of the Class D stock will be used in construction of an addition to the anhydrous ammonia and related facilities. In addition to certain indebtedness, the company has outstanding 226,893 Class A, 1,000,000 Class B (owned by MCC), and 180,982 Class C shares, of which management officials as a group own 14.23% of the Class A and 20.16% of the Class C shares. The ownership of Class A or Class B stock gives the holder preferred patronage rights to purchase products manufactured by the company (other than "straight nitrogen fertilizer"), and ownership of Class C or Class D stock gives preferred patronage rights to purchase anhydrous ammonia and/or other "straight nitrogen fertilizer" from the company. LeRoy P. Percy is listed as board chairman and Owen Cooper as president. Both hold like positions with MCC.

CHANDLER LEASING FILES FOR STOCK OFFERING. Chandler Leasing Corporation, 17 Dunster Street, Cambridge, Mass., today filed a registration statement (File 2-18967) with the SEC seeking registration of 143,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by G. H. Walker & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in acquiring equipment and leasing it to others, primarily to firms which have a high proportion of defense, space and related business. Of the \$940,000 estimated net proceeds from the stock sale, \$441,000 will be used to purchase from Kathryn Goddard Kelts, a director, her entire holdings of company stock consisting of 20 Class A common shares, and the balance will be added to general funds to provide additional working capital. In addition to certain indebtedness and said 20 Class A shares, the company has outstanding 177,000 shares of common stock, all of which are owned by B. D. Kelts, president. He received such common shares pursuant to a recent recapitalization in exchange for 20 Class A shares previously owned by him.

NORTH ATLANTIC INDUSTRIES FILES FOR OFFERING AND SECONDARY. North Atlantic Industries, Inc., Terminal Drive, Plainview, N. Y., today filed a registration statement (File 2-18968) with the SEC seeking registration of 131,500 shares of common stock, of which 120,000 shares are to be offered for public sale by the company and 11,500 shares, being outstanding stock, by John C. McGregor, a principal stockholder. G. A. Saxton & Co., Inc. heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 20,000 shares underlying warrants to be sold to the principal underwriter for 25¢ per warrant, exercisable at 110% of the offering price (the purchase price of warrants to be credited to the exercise price of stock).

The company is primarily engaged in the business of designing, manufacturing and selling proprietary precision electronic instrumentation and electromechanical devices. Of the net proceeds from the company's sale of additional stock, \$200,000 will be used for the repayment of short-term bank loans incurred for working capital, \$100,000 for development and promotion of new products, \$50,000 to build an inventory of finished products, and the balance for additional working capital. In addition to certain indebtedness, the company has outstanding 360,000 shares of common shares, of which Malcolm D. Widenor, president, Walter Lipkin, vice president, and Frank Mullen, secretary, own 20.35% each. McGregor owns 83,018 shares (23.06%) and proposes to sell the 11,500 shares.

GENERAL AMERICAN TRANSPORTATION SEEKS ORDER. General American Transportation Corporation has filed an application with the SEC under the Trust Indenture Act for an order permitting the United States Trust Company of New York to serve as trustee under an indenture securing General American Transportation's proposed \$25,000,000 issue of equipment trust certificates due 1981 (Series 59) to be offered for public sale, and the Commission has issued an order (Release TI-157) giving interested persons until October 9, 1961, to request a hearing on the application. United States Trust now serves as trustee under three other indentures securing debt securities of General American Transportation.

ABBEY RENTS FILES FOR OFFERING AND SECONDARY. Abbey Rents, 600 S. Normandie Ave., Los Angeles, filed a registration statement (File 2-18956) with the SEC on September 25th seeking registration of 200,000 shares of capital stock, of which 100,000 shares are to be offered for public sale by the company and 100,000 shares, being outstanding stock, by the present holders thereof. William R. Staats & Co. heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment.

The principal business of the company and its wholly owned subsidiaries consists of the rental and sale of a line of party, sickroom and hospital equipment and the sale of institutional furniture to hospitals, schools, hotels, churches and private organizations, and the assembly and sale through the United States of a line of Early American and contemporary furniture, manufactured in the United States, Japan and Europe. Of the net proceeds from the company's sale of additional stock, \$350,000 will be used to purchase inventories of rental items and to defray the costs of opening new store units, \$200,000 to finance the addition of a general rental department which will offer for sale and rental "do-it-yourself" equipment, \$90,000 to complete the construction of and to equip a new assembly plant, warehouse and office facility in New Jersey for Authentic Furniture, and \$30,000 to institute a program of issuing franchises permitting the operation of Abbey Rents stores in the areas where the company is not operating and does not presently intend to operate. The balance of the net proceeds, will be initially added to working capital and will be used largely to pay a portion of income tax liabilities.

In addition to certain indebtedness, the company has outstanding 600,000 shares of capital stock, of which Stanley S. Slotkin, board chairman, Miriam Slotkin, Milton Slotkin, president, and Florence Slotkin own 192,000, 192,000, 98,000 and 98,000 shares, respectively, and propose to sell 33,334, 33,333, 16,667 and 16,666 shares, respectively.

SECURITIES ACT REGISTRATIONS. Effective September 26: Arlan's Dept. Stores, Inc. (File 2-18465); Bradley Industries, Inc. (File 2-18557); Drug and Food Capital Corp. (File 2-18449); Glenn Pacific Corp. (File 2-18575); Photographic Assistance Corp. (File 2-18379); Thriftway Foods, Inc. (File 2-18496).