

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 December 13, 1961

TEXSTAR SECURITIES FILES FOR OFFERING. Texstar Securities, Inc., National Bank of Commerce Building, San Antonio, Texas, filed a registration statement (File 2-19450) with the SEC on December 12th seeking registration of \$3,000,000 of interests in the Texstar 1962 Gas and Oil Program, to be offered for public sale in 600 units, at \$5,000 per unit. The offering will be made on an all or none basis, and the underwriters (names to be supplied by amendment) will receive a \$500 per unit commission.

The company was organized under Delaware law in December 1960 and is a wholly owned subsidiary of The Texstar Corporation (the Operator). It was formed primarily to establish a substantially identical program in 1961, to act as issuer under the 1961 joint venture agreement and to serve in a similar capacity in future Texstar Gas and Oil Programs. The Operator, formed in early 1959 by the consolidation of several companies, specializes in petroleum and technical industry. According to the prospectus, the emphasis in the Program will be on an attempt to develop gas-producing prospects anywhere in the United States and Canada, but with primary emphasis upon prospects in Colorado, Louisiana, New Mexico, Texas and Wyoming. It is anticipated that two-thirds of the Program's funds will be spent on the development or expansion of prospects which, in the opinion of the Operator, may be classified as proven areas and one-third on the extension of the limits of proven fields and the discovery of new fields. As compensation for its services, the Operator will receive, in addition to reimbursement for its actual costs and expenses, (a) an overriding royalty interest in the amount of 1/16th of the Program's net working interest in each prospect, and (b) 25% of each participants net profit from each prospect. The proceeds contributed to the program shall be utilized by the Operator to acquire interests in gas and oil properties and leases and assemble such interests into prospects, to drill and otherwise explore and develop such prospects, to operate such prospects and to produce and market the production of gas and oil therefrom.

The company has outstanding 25,000 shares of common stock. William T. Rhame is president of the company and of the Operator; and other directors of the Operator constitute the entire board of directors of the company.

MOLECULAR SYSTEMS FILES FOR STOCK OFFERING. Molecular Systems Corporation, 420 Bergen Blvd., Palisades Park, N. J., filed a registration statement (File 2-19451) with the SEC on December 12th seeking registration of 140,000 shares of common stock, to be offered for public sale at \$3 per share. The offering will be made on an all or none basis by Stone, Ackerman & Co., Inc. and Heritage Equity Corporation, which will receive a 36¢ per share commission. The statement also includes (1) 10,000 shares to be sold to the underwriters at 10¢ per share, and (2) 10,000 shares underlying 3-year options to be granted to the underwriters, exercisable at \$3 per share.

The company was organized under Delaware law in May 1961 primarily to produce polyethylene materials of varying grades and properties from by-product polymers available from the plastics fabricating industries. Such materials which are said to be in pilot plant production, may be used as ingredients with other materials to form products called "blends," which are said to have a variety of uses including coating for milk cartons. Of the net proceeds from the stock sale, \$90,000 will be used for the purchase of facilities and equipment for the production of polyethylene material and \$40,000 for research (1) into the possible application of its process for polyethylene production to other thermoplastic polymers, (2) for the development of its process for gas plating graphite with refractory metals and (3) for the development of new and improved processes for the production and purification of semi-conductor materials. The balance will be added to working capital to be used for purchase of materials and in production and sale of the polyethylene material and for general corporate purposes. Plaswax Corporation, of New York, subscribed to 150,000 shares of the company for \$1,500 and also assigned to the company the process for the production of polyethylene products from by-product polymers. Most of the management officials of the company are also management officials of Plaswax and, as a group, own about 88% of the stock of Plaswax. Scientific Ventures Corporation, of Delaware, also subscribed for 150,000 shares of the company for \$40,000 and agreed to cancel a previous loan of \$10,000 to Plaswax. Robert Colton, a company vice president, and S. Spencer Grean are management officials of Scientific and together own 23% of its outstanding stock (and options to purchase additional stock). They are also management officials of Heritage Equity, one of the underwriters, and own about 95% of its outstanding stock.

The company has outstanding 300,000 shares of common stock, of which Plaswax and Scientific own 50% each. John Happel is board chairman and Charles J. Marsel is president. If all the shares are sold, present stockholders (including the underwriters) will have paid \$42,500 in cash for 68.9% of the outstanding stock and public investors \$420,000 for 31.1%. Sale of the new stock at \$3 per share will increase the October 31st book value of 14¢ per share and will result in a corresponding dilution in the book value of stock purchased by public investors.

TEXAS POWER & LIGHT PROPOSES DEBENTURE OFFERING. Texas Power & Light Company, 1511 Bryan Street, Dallas, Texas, today filed a registration statement (File 2-19452) with the SEC seeking registration of \$10,000,000 of sinking fund debentures due 1987, to be offered for public sale at competitive bidding.

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Net proceeds from the debenture sale, together with a cash contribution of \$1,000,000 to be made by the company's parent, Texas Utilities Company, to the common stock equity of the company and funds derived from operations, will be used to cover expenditures for the company's construction program for 1962, and for other corporate purposes including repayment of short-term loans from the parent for such purposes, expected to aggregate \$1,500,000. Such construction program cost about \$22,200,000 in 1961 and is expected to cost about \$19,600,000 in 1962, and \$27,500,000 in 1963.

EDWARD H. TALENFELD SENTENCED. Edward H. Talenfeld was sentenced on November 27th (USDC, Pittsburgh) after plea of "nolo" to three indictments returned in March 1961. Defendant received a suspended jail sentence and a \$7,500 fine, and was placed on five-year probation. (Release Lit-2154)

INDICTMENT NAMES UNIVERSAL FUEL AND CHEMICAL, OTHERS. An indictment returned December 7th (USDC, Pittsburgh) charged violations of the Securities Act registration and anti-fraud provisions in the sale of Universal Fuel and Chemical Corp. stock by the following: Guy W. Gully, John A. Howard, William B. Quinn, William J. Abbott, Langley-Howard, Inc., and Universal. (Release Lit-2155)

VICKERS CHRISTIE & CO. ENJOINED. The SEC New York Regional Office announced December 11th (Release Lit-2156) the entry of a Federal court order (USDC SDNY) permanently enjoining Vickers Christie & Co., Inc., Sidney G. Vickers, Jr., and William J. Christie from further violating the anti-fraud provisions of the Securities Exchange Act and the net capital and bookkeeping requirements thereunder.

MULFORD WAKEMAN & CO. ENJOINED. The SEC Washington Regional Office announced December 12th (Lit-2157) the entry of a Federal court order (USDC DC) permanently enjoining Mulford Wakeman & Company, Inc., of Washington, D. C., and its president, Paul Mulford Wakeman, from further violating the anti-fraud provisions of the Securities Exchange Act and the net capital and bookkeeping requirements thereunder. Raymond E. Lang was named receiver of the firm.

SECURITIES ACT REGISTRATIONS. Effective December 13: Armour and Co. (File 2-19295); Cap & Gown Co. (File 2-18932); Duffy-Mott Co., Inc. (File 2-19209); Fashion Homes, Inc. (File 2-18521); Foote & Davies, Inc. (File 2-18944); Girltown, Inc. (File 2-19049); Photo-Animation, Inc. (File 2-18569); Tower Communications, Inc. (File 2-18746). Withdrawn December 13: Consolidated Production Corp. (File 2-18207); Eldre Components, Inc. (File 2-19277); Fashion Industries, Inc. (File 2-18983); Macfadden Publications, Inc. (File 2-19042).

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