

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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Washington 25, D.C.

FOR RELEASE June 27, 1960

Statistical Release No. 1689. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended June 24, 1960, for the composite and by major industry groups compared with the preceding week and with the high and lows for 1960, is as follows:

	1939 - 100		Percent Change	1960	
	6/24/60	6/17/60		High	Low
Composite	409.2	406.2	+0.7	432.5	388.8
Manufacturing	487.9	485.0	+0.6	538.9	464.5
Durable Goods	471.6	469.0	+0.6	521.6	446.5
Non-Durable Goods	493.5	490.4	+0.6	544.4	472.1
Transportation	299.1	291.8	+2.5	329.3	284.0
Utility	240.8*	239.0	+0.8	240.8	216.1
Trade, Finance & Service	471.8*	464.8*	+1.5	471.8	414.7
Mining	250.2	247.1	+1.3	299.7	243.5

*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended June 23, 1960, 29 registration statements were filed, 35 became effective, 2 were withdrawn, and 340 were pending at the week end.

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 certain transactions incident to the proposed merger of Development Corporation of America ("DCA") into Equity; and the Commission has scheduled the application for hearing on July 12, 1960 (Release 40-3055).

According to the application, Equity owns 2,399,503 shares (99.9%) of the outstanding DCA common stock. DCA also has outstanding 285,789 shares of \$1.25 cumulative convertible preferred stock, each of which is convertible into four shares of DCA common upon payment of \$5.50 in cash prior to June 30, 1960, and \$6.50 in cash thereafter. The DCA preferred has been called for redemption on July 13, 1960. It is proposed that if, on July 15, 1960, Equity owns 90% or more of the then outstanding common stock of DCA, it will on that date merge DCA into itself. In connection therewith the DCA common stockholders, other than Equity, will be paid in cash the value of their shares, unless they exercise their rights to demand an appraisal under Delaware law. If the merger provisions under Delaware law are then not available because Equity does not own 90% or more of the DCA common, then an amendment will be filed to this application either proposing such merger on other terms and conditions or the dissolution and liquidation of DCA, prior to August 15, 1960. Such merger or dissolution of DCA is required under the terms of a court decree directed to Equity in an action filed by the Commission.

RAMO INVESTMENT EXEMPTED. The SEC has issued an order under the Investment Company Act (Release 40-3056) declaring that Ramo Investment Company, of Omaha, has ceased to be an investment company.

AMERICAN HOSPITAL SUPPLY FILES FOR SECONDARY. American Hospital Supply Corporation, 2020 Ridge Avenue, Evanston, Ill., filed a registration statement (File 2-16738)*with the SEC seeking registration of 80,000 outstanding shares of common stock. These shares may be offered from time to time by the present holders thereof, at prices related to the prevailing price of the stock on the New York Stock Exchange.

In addition to certain indebtedness, the company on May 10, 1960, has outstanding 2,571,934 shares of common stock. The 80,000 additional shares are to be issued in exchange for all the outstanding stock of Canadian Laboratory Supplies Limited, consisting of 2,595 shares of Class A non-voting stock and 865 shares of Class B voting stock. The Canadian company is a distributor throughout Canada of laboratory supplies, equipment and chemicals. The prospectus lists 18 selling shareholders.*Filing with SEC on 6/24/60. OVER

For further details, call ST. 3-7600, ext. 5526

CONSOLIDATED CIGAR FILES STOCK PLAN. Consolidated Cigar Corporation, 529 Fifth Ave., New York, filed a registration statement (File 2-16739) with the SEC seeking registration of 50,000 shares of its common stock, to be offered pursuant to its Officers' and Key Employees' Stock Options and its Restricted Stock Option Plan. (Registration statement filed on June 24, 1960). •

WATERMAN PRODUCTS PROPOSES OFFERING. Waterman Products Co., Inc., 2445 Emerald St., Philadelphia, filed a registration statement (File 2-16742) with the SEC on June 24, 1960, seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share through an underwriting group headed by Stroud & Co., Inc., which will receive a commission of 50¢ per share. In addition the company has agreed to issue to Stroud & Co. five-year warrants to purchase 5,000 common shares at \$5 per share.

The company is engaged in the design, manufacture and sale of electronic equipment including cathode ray tube oscilloscopes, industrial cathode ray tubes and associated electronic devices, and other electronic equipment used in conjunction with autopilots for jet and piston engine aircraft. It also engages in defense production and defense research and development contracts dealing with electronic countermeasure equipment, precise navigation instruments and other electronic items. In addition to certain indebtedness, including accrued salaries, it has outstanding 155,000 common shares. Net proceeds of the sale of additional stock are to be used primarily to accelerate the development of the company's proprietary items for the purpose of expanding its commercial business. It is estimated that \$100,000 will be allocated to research and development costs for new proprietary items of electronic equipment; and \$150,000 will be used to acquire components for the manufacture of new electronic equipment presently under development. A part of the funds will be used to increase sales personnel and the balance for general corporate purposes.

The prospectus lists William Waterman as president and owner of 86,250 shares (55.6%) of the outstanding stock. An additional 45,500 shares are owned by Morris Cooper who, with Waterman, owns certain properties leased to the company.

TERMINAL ELECTRONICS FILES FOR OFFERING AND SECONDARY. Terminal Electronics, Inc., 236-246 17th St. New York, filed a registration statement (File 2-16743) with the SEC seeking registration of 166,668 shares of capital stock, of which 83,334 shares are to be offered for public sale for the account of the issuing company and the balance for the account of William Filler, president. The offering is to be made at \$6 per share through J. A. Winston & Co., Inc., and Netherlands Securities Company, Inc., on an "all-or-nothing" basis for which they will receive a 96¢ per share commission plus \$29,999 for expenses. In addition, Winston & Co. and the president of Netherlands will purchase 20,850 shares each at \$1.30 per share from Filler.

According to the prospectus, Terminal has entered into an agreement whereby Hudson Radio & Television Corp., of 37 W. 65th St., New York, will be merged with and into Terminal, subject to approval of the merger by Hudson stockholders and the successful consummation of this financing. Upon effectiveness of the merger, the name of Terminal will be changed to Terminal-Hudson Electronics, Inc. Under the merger agreement, each of the 499,970 outstanding shares of Hudson common will be converted into the same number of shares of the surviving corporation.

The two companies are said to be engaged in largely similar types of business involving principally the wholesale and retail distribution of electronic parts and components. Of the net proceeds to be received by Terminal from its sale of additional stock, \$190,000 is to be used to pay the remaining balance of its obligation incurred in connection with the purchase of Terminal stock from the Estate of Frank Miller; \$100,000 to repay a bank loan; and the balance for general purposes, including the obtaining and equipping of an additional retail outlet.

Terminal now has outstanding 380,000 common shares, which will be increased by 499,970 upon merger with Hudson. An additional 100,000 are reserved for issuance to officers and key employees of Hudson (other than Daniel H. Ormont, president), at \$4.75 per share. Of the 380,000 outstanding shares, 79.5% is owned by William Filler, who is to be board chairman of the surviving company. He proposes to sell 83,334 shares of his holdings to the public. He also has agreed to sell 41,700 shares to Winston & Co. and the president of Netherlands, and will continue to own 18.4% of the outstanding shares after these transactions are consummated. Ormont, president and principal stockholder of Hudson, and to-be-president of the surviving corporation, together with Filler, will own 46% of the outstanding stock, of which the underwriters may acquire 45,000 shares under option granted to them by Ormont in 1959. Purchasers of this public offering will own about 17.3% of the to-be-outstanding shares, and another 20.8% will be held by the public as a result of a previous offering of Hudson stock. (Registration statement filed on June 24, 1960).

STECK CO. FILES FOR OFFERING AND SECONDARY. The Steck Company, 205 W. 9th St., Austin, Texas, filed a registration statement (File 2-16744) with the SEC seeking registration of 60,000 shares of common stock, of which 30,000 shares are to be offered for public sale by the issuing company and 30,000 shares are now outstanding and are to be offered by the present holders thereof. The offering is to be made through Rauscher, Pierce & Co., Inc., on an all or none basis; and the public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the printing and publishing business and in the sale of office supplies and equipment. Its stock has been closely held by a small number of individuals consisting of employees and members of their families. The purpose of this offering is said to be to create a public market for the common shares and to supply funds for working capital to the company. Net proceeds of its sale of the

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additional 30,000 shares, estimated at \$475,000, will be so used.

According to the prospectus, the company now has outstanding, in addition to certain indebtedness, 30,000 common shares and 201,890 Class B common. The Class B shares are convertible share-for-share into common, subject to certain conditions, including a 20% limitation per year. The prospectus lists E. W. Jackson as board chairman and R. H. Porter as president; and Jackson owns 23,460 shares (78%) of the common stock and 28,250 shares (14%) of the Class B, while management officials as a group own 97,800 shares (48%) of the Class B stock. Jackson and twelve other stockholders are selling all of their common shares and will continue to hold an aggregate of 40,550 Class B shares. (Registration statement filed on June 24, 1960).

TECHNO FUND FILES FOR OFFERING. Techno Fund, Inc., 50 West Gay Street, Columbus, Ohio, filed a registration statement (File 2-16740) with the SEC on June 24, 1960, seeking registration of 400,000 shares of common stock, to be offered for public sale at \$12.50 per share through a group of underwriters headed by The Ohio Company and Merrill, Turben & Co., Inc. The underwriting commission will be \$1.20 per share.

The company was organized under Ohio law in January, 1960 as a closed-end, non-diversified management investment company. It is a Federal Licensee under the Small Business Investment Act of 1958. The net proceeds from the stock offering will be used to provide investment capital to small business concerns, and to render management and consulting services to such concerns. Clyde E. Williams is listed as president and owner of 3,611 shares of the company's 13,894 outstanding shares of common. Management officials own 67.4% of the outstanding stock.

CHEMATOMICS FILES FOR OFFERING AND SECONDARY. Chematomics, Inc., 122 East 42nd Street, New York, N. Y. filed a registration statement (File 2-16741) with the SEC on June 24, 1960, seeking registration of 188,300 shares of common stock, of which 175,000 shares are to be offered for public sale by the company and 13,300 shares, being outstanding stock, by the present holders thereof. The public offering price will be \$3.00 per share. The offering will be underwritten on a best efforts basis by Pleasant Securities Company, which will receive a selling commission of 45¢ per share. In addition to \$26,995 for expenses, the underwriter will receive at the conclusion of the sale 9000 shares of common from the company and a non-transferable option from the company's president to purchase, at 10¢ per share, all or part of an additional 9,000 shares of common at the rate of 1 share for each 19 shares sold for the account of the company.

The company was organized under Delaware law in February, 1960 to manufacture and market high heat resistant ion exchange resins, which are compositions of matter through molecular configuration able to attract and hold impurities in liquids; other resins and polymers suitable for the manufacture of adhesives and bindings, synthetic crystals, and associated operations. The company has not yet engaged in business, but is in the process of obtaining an option to lease manufacturing space in South Amboy, N. J., negotiating licensing and research agreements and generally preparing for operation. Of the net proceeds from the company's stock sale, \$175,000 will be used to purchase and install machinery and equipment, \$50,000 to develop a sales force, promotion and advertising, \$75,000 for research and development, and \$136,250 for working capital for administration, product cost, raw materials and labor.

The selling stockholders are Henry Schlachter and Arrowhead Petroleum Corp. owners of 4,150 shares each, and Isobelle W. S. Rogers, owner of 5,000 shares. The prospectus also lists Richmond Lisle-Cannon as president and owner of 102,000 shares (64.906%), and John S. Rogers as Secretary-treasurer and owner of 18,500 shares (11.772%). The May 31, 1960, book value of outstanding shares was \$.283 per share.

BELL & HOWELL FILES FOR OFFERING. Bell & Howell Company, 7100 McCormick Road, Chicago, Illinois, today filed a registration statement (File 2-16745) with the SEC seeking registration of 12,000 shares of common stock, to be awarded to those of its directly franchised retail or wholesale dealers, in the United States and its territories and possessions, who accumulate specified numbers of points through purchases of specified products.

TRUSTORS' CORP. FILES FINANCING PROPOSAL. Trustors' Corporation, 5400 Wilshire Blvd., Los Angeles, today filed a registration statement (File 2-16746) with the SEC seeking registration of the following: \$20,000,000 of 7% Guaranteed Participation Certificates representing undivided interests in specific First Trust Deed or First Mortgage Notes; \$20,000,000 of 7% Participation Certificates and interim receipts; \$10,000,000 of 10% Participation Certificates representing undivided interests in specific Second Trust Deed or Second Mortgage Notes; \$6,000,000 of Whole Notes secured by Second Trust Deeds or Second Mortgages offered under the company's 10% Whole Note Plan; and 600,000 shares of 6% Cumulative Preferred Stock, \$5 par (with exchange feature). The 7% Participation Certificates (without guarantee) are to be sold only in certain states in which the guarantee certificates may not be sold.

The certificates and notes are to be offered for sale at their principal amounts and the preferred shares at par. The offering will be made through officers and employees, who may receive commissions of 2½% of the sales price in the case of the certificates and 4% in the case of the whole notes. The preferred shares will be offered chiefly to the owners of participation certificates or whole notes acquired under one of the plans, and are intended chiefly as a medium whereby such investors may through the reinvestment provisions of such plans invest their returns with the company pending the purchase of additional certificates or notes.

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The company was organized under Delaware law in July 1959 to succeed to the business of a California corporation of the same name. The management and control will be identical with that of the predecessor, the business of which has been the acquisition of second trust deeds on California real estate and the resale of the whole trust deed notes on a basis, according to the prospectus, "calculated to provide the purchaser with a return of 10% on his invested capital." The predecessor did not sell undivided interests or participation certificates in such trust deeds; and the successor company proposes to expand its activities and will acquire or negotiate both first and second trust deed obligations of various amounts, secured by residential or commercial property in California (and later, perhaps, in other states). The company proposes to sell undivided interests in such trust deeds or mortgages, or to sell the entire interest therein through its 7% Guaranteed Participation Plan, its 10% Participation Plan (without guarantee), and its 10% Whole Note Plan. Net proceeds of the sale thereof will be used for investment purposes under the plans.

The company proposes to issue 10,000 common shares in exchange for the assets of the predecessor (and subject to its liabilities). The prospectus lists Denny Dennison as president and general manager and Jack P. Marsh as vice president. They own or will own 5,000 and 3,000 shares, respectively, of the 10,000 outstanding common shares.

SCHOEN IN NEW ASSIGNMENT. Edward Schoen, Jr., Associate Regional Administration of the SEC New York Office, has been given a special assignment to Washington (under the SEC General Counsel) relating to the Commission's enforcement program, effective July 1, 1960. Mr. Schoen has served as Associate Regional Administrator since October 21, 1957. (U-291)

SEC COMPLAINT NAMES LAMBERT INC. & LAMBERT. The SEC Denver Regional Office announced June 24th (LR-1720) the filing of court action (USDC, NM) seeking to enjoin Lambert, M.W., Inc., and Milford W. Lambert, its president, from further violation of the Commission's net capital rule.

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