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 October 28, 1960

AMERICAN CRYOGENICS PROPOSES OFFERING. American Cryogenics, Inc., New Savannah Road, Augusta, Ga., filed a registration statement (File 2-17242) with the SEC on October 27, 1960, seeking registration of 150,000 shares of common stock, to be offered for public sale by underwriters headed by Courts & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in (a) the production and sale of liquid oxygen and nitrogen, gaseous oxygen and nitrogen, acetylene and argon gases; (b) the manufacture and sale of acetylene cylinders and certain cryogenic equipment and the distribution of oxygen cylinders; and (c) the manufacture and sale of dental and medical equipment. Net proceeds of the sale of the additional stock will be used as follows: about $1,300,000 for expansion of production facilities and the purchase of trailers, liquid storage vessels and customer stations for the storage and distribution of liquid oxygen; and the balance for working capital purposes.

In addition to indebtedness, the company now has outstanding 426,986 common shares. M. F. Coyne, executive vice president, and J. P. Coyne, vice president, own 68,417 shares; and management officials as a group own 307,020 shares (69.3%).

ADDITIONAL VIOLATIONS CHARGED TO BILTMORE SECURITIES. The SEC has issued an amended order for proceedings to determine whether the broker-dealer registration of Biltmore Securities Corp., 160 Broadway, New York, should be revoked.

In its initial order authorizing these proceedings, the Commission charged that Biltmore and two individuals violated the anti-fraud provisions of the Securities Act of 1933 in the sale of stock of Shelton Warren Oil Co., Inc. Subsequently, in an order of August 17, 1960, it was charged that Biltmore and the two individuals had violated the said provisions in the sale of stock of Universal Fuel and Chemical Corporation; and in an interim decision of October 17, 1960, Biltmore's registration was suspended by the Commission, pending further hearing and decision on the question of revocation, upon the basis of evidence that they had made false and misleading statements in the sale of Universal stock over the long-distance telephone between March and July 1960. The decision also noted that a Federal court order preliminarily enjoins the offer and sale of Shelton stock by Biltmore through false and misleading statements. This suspension order was appealed to the U. S. Court of Appeals for the Second Circuit, which denied petitioner's motion for a stay of the order pending court review.

In its amended order issued today, the Commission asserts that Biltmore and the two individuals made various false and misleading representations in the offer and sale of stock of Lutah Uranium & Oil, Inc., including misrepresentations with respect to the market and future price of Lutah stock, its financial position and future earning possibilities, and a proposed merger of Lutah. The hearing is to be reconvened on November 7, 1960, in the Commission's New York Regional Office on the question whether Biltmore's registration should be revoked.

"LAPIDOTH" ISRAEL OIL PROSPECTORS FILES FOR OFFERING. "Lapidoth" Israel Oil Prospectors Corporation Limited, 22 Rothschild Boulevard, Tel-Aviv, Israel, filed a registration statement (File 2-17241) with the SEC on October 27, 1960, seeking registration of 1,500,000 Ordinary shares, to be offered for public sale by employees of the company. The public offering price is to be supplied by amendment. Such price will be payable in State of Israel Independence Issue or First Development Issue Bonds, or partly in cash and partly in such bonds.

The company was organized under State of Israel law in October 1959 as a consolidation of various owners, both individual and corporate, of all licenses in Israel, who had theretofore been operating as a joint venture. It was formed to explore and develop an oil lease and oil licenses in Israel, including a license on which oil has been found and which is in production. It owns at present only one producing area, in which it operates 26 wells which are in commercial production. It is still in the development stage with respect to all its other licneses. Such licenses and an oil lease were owned to the extent of 50% by Lapidoth Israel Petroleum Company, Ltd. ("Petroleum"), 40% by Israel Oil Prospectors Corporation Ltd. ("IOP"), 5% by Sam Friedland, and 5% by Max Orovitz. The first two above named are Israel corporations, and the latter two are residents of the United States. Petroleum was owned by Mekoroth Water Company Ltd., incorporated under the laws of Israel, and by Ampal-American Israel Corporation and Israel Development Corporation, both New York corporations. IOP was owned by Solel Boneh, Ltd., Mekoroth Water Company Ltd., Israel Development Corporation, Xaver Federman, and other persons

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owning minor interests. The operations of the venture were carried on by "Matsada" United Petroleum Drilling Company, Ltd., and Israel corporation, pursuant to a contract with the joint venture. 50% of Matsada's stock was held by Petroleum and 50% by IOP. In November 1959, the oil lease and licenses together with the oil drilling equipment and other property owned by the joint venture, and certain credits of Matsada were assigned to the company, in return for 15,500,000 Ordinary shares of the company, issued in proportion to their ownership of the oil lease, oil licenses and property. The company assumed certain liabilities of Matsada aggregating IL. 1,841,209, and a debt of Matsada to Petroleum of $1,099,355.

In July 1960, the company acquired control of Israel-Negev Petroleum Corporation, a Delaware corporation, by the purchase from it of 1,000,000 shares of its capital stock, for cash, at 50¢ per share, and by the purchase from three of its directors of 588,000 shares at the same price. Simultaneously with such acquisition, the company entered into an agreement with Negev, pursuant to which the company will drill for Negev on certain oil licenses in Israel owned by Universal Petroleum Corporation, a Delaware Corporation, wholly owned by Negev. The net proceeds from the company's sale of Ordinary shares will be used for the development and exploration of the oil lease and oil licenses owned by the company and by Universal Petroleum. The exploratory and development work is expected to be carried out principally in areas other than where the company owns producing wells. The proceeds will be used to drill exploratory wells, to purchase equipment, for geological and geophysical work, and other related activities.

The company has outstanding 15,565,000 Ordinary shares, of which Mekoroth Napht Ltd. owns 6,673,109 shares (42.8%), Israel American Oil Corporation owns 3,100,000 shares (20%), and Israel Development Corp., of New York, owns 7%. The prospectus lists Itzhak Eilam, of Israel, as board chairman.

SLICK AIRWAYS PROPOSES STOCK OFFERING. Slick Airways, Inc., 3000 North Clybourn Ave., Burbank, Calif., filed a registration statement (File 2-17243) with the SEC on October 27, 1960, seeking registration of 600,000 shares of common stock, to be offered for public sale through underwriters headed by Auchincloss, Parker & Redpath and Allen & Company. The public offering price and underwriting terms are to be supplied by amendment. As indicated below, the prospectus also includes $500,000 of outstanding 5½% Convertible Subordinated Debentures, due January 1, 1967.

The company was engaged exclusively as a contract and charter carrier until July 1, 1960, when it diversified into the manufacturing field by the acquisition of the assets and assumption of the liabilities of Illinois Shade Cloth Corporation. According to the prospectus, it has agreed to purchase from Canadian Limited two Model CL-44D turbine powered aircraft (and related spare parts and five spare engines), on which it is obligated to make payments in 1961 aggregating about $1,893,000. The company plans to resume scheduled common carrier operations no later than a reasonable time after delivery of such aircraft, scheduled for September or October 1961. It estimates that it will incur during 1961 expenditures of $1,050,000 in connection with the recommencement of such operations. Additional capital is sought at this time in order to strengthen the company's financial position in view of such proposed acquisition and resumption of scheduled common carrier operations; and the net proceeds of the stock sale will be added to its general funds and used for general corporate purposes.

The company's indebtedness includes $5,000,000 of the said debentures, convertible into common stock at $5 per share. Earl F. Slick, board chairman, owns $1,167,000 and a subsidiary of Chesapeake and Ohio Railway Company $3,333,000 of the debentures. The remaining $500,000 of debentures are held by officers and directors of the company. The $500,000 of debentures included in the registration statement have been or are to be sold by Tom B. Slick, a director of the company, to seven persons closely connected with the management of the company. Part of these debentures have been delivered as collateral security for loans to certain of such purchasers. The company also has outstanding 963,121 common shares of common stock, of which 17.4% is owned by Earl F. Slick and 29% by all officers and directors.

LORAL ELECTRONICS PROPOSES OFFERING. Loral Electronics Corporation, 825 Bronx River Ave., New York, filed a registration statement (File 2-17244) with the SEC on October 27, 1960, seeking registration of $5,000,000 of Convertible Subordinated Debentures due December 1, 1980, to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Lehman Brothers and Model, Roland & Stone. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the research, development and production of electronic equipment for military use; and it also manufactures and sells wire products, electro-mechanical relays and certain metal products. Net proceeds of the sale of debentures will be used as follows: $2,000,000 to defray the cost of additions to plant, equipment and other facilities, of which about $1,000,000 will be used in connection with the company's commercial operations; and the balance to be used in whole or in part to acquire the stock or assets of other businesses if suitable opportunities arise for such purchase, or to meet the working capital requirements arising from any such acquisition. Any proceeds not so used will be used to meet expected increased requirements arising from the growth of the company's business, for working capital to carry a greater volume of receivables and inventories.

In addition to indebtedness, the company has outstanding 1,740,444 shares of common stock, of which 20.6% is owned by Leon Alpert, president and board chairman, 19.4% by William Lorenz, executive vice president, and 43.4% by all officers and directors.

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AMERICAN PROPERTIES PROPOSES OFFERING. American Properties, Inc., 855 Montauk Highway, Oakdale, N. Y., filed a registration statement (File 2-17245) with the SEC on October 27, 1960, seeking registration of 100,000 shares of common stock, to be offered for public sale at $6 per share. The offering is to be made on a best efforts basis by Plymouth Securities Corp., which will receive a selling commission of 75¢ per share plus $15,000 for expenses. The company has granted the underwriter an option to purchase 14,290 shares at 10¢ per share.

The company was organized in April 1960 by Vincent R. Passavia, president, and two other officers. It has six subsidiaries through which it operates two shopping areas and two bowling establishments located in Oakdale and Roosevelt, L. I., N. Y. Another bowling facility is under construction at Ozone Park, L. I. Net proceeds of this offering will be used as follows: $100,000 to complete construction of the bowling facility in Ozone Park; $20,000 for construction of stores on the second section of its Oakdale-Sayville Shopping Plaza; $177,000 for reduction of bank loans; and the balance of $163,000 to reduce sundry current liabilities.

The company has outstanding, in addition to various indebtedness, 171,460 shares of common stock issued for all the outstanding stock of its subsidiaries. This stock is held in equal amounts by Passavia and the other two officers.

RUSS TOGS FILES FOR OFFERING AND SECONDARY. Russ Togs, Inc., 1372 Broadway, New York, filed a registration statement (File 2-17246) with the SEC on October 27, 1960, seeking registration of 150,000 shares of Class A stock, of which 100,000 shares are to be offered for public sale by the issuing company and 50,000 shares, being outstanding stock, by the present holders thereof. Shearson, Hammill & Co. is listed as the principal underwriter. The public offering price and underwriting terms are to be supplied by amendment.

The company produces a diversified line of Misses, Junior and Children's popular priced sportswear, 75% of which is sold under its brand name "Russ Togs." Net proceeds of its sale of additional stock will be used as follows: $250,000 for the purchase of additional machinery and equipment in order to increase manufacturing facilities; $65,000 for leasehold improvements and additions to be made to the company's manufacturing, distribution, office and show-room facilities; and $500,000 to finance increased accounts receivable and inventories, principally in connection with the sweater operation recently begun. The balance will be added to working capital.

The company now has outstanding 50,000 shares of Class A and 502,000 shares of Class B stock, of which in excess of 33%, 22% and 22%, respectively, of each class is owned by Louis E. Rousso, board chairman, Eli L. Rousso, president, and Irving L. Rousso, vice president. The prospectus lists thirteen sellers of the Class A shares, including 16,593 shares to be sold by Louis E. Rousso, 11,411 by Eli L. Rousso, and 11,411 by Irving L. Rousso.

MIDLAND-GUARDIAN PROPOSES OFFERING. Midland-Guardian Co., 1100 First National Bank Bldg., Cincinnati, filed a registration statement (File 2-17247) with the SEC on October 27, 1960, seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by Kidder, Peabody & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the business of purchasing at a discount retail instalment sales notes originating with dealers in mobile homes, automobiles and shell houses; wholesale financing of inventories of dealers in mobile homes and automobiles; and making small loans directly to borrowers. One of the company's subsidiaries is a life insurance company which accepts reinsurance of credit life, accident and health insurance risks relating to the retail purchasers whose notes the company purchases; and other subsidiaries operate insurance agencies through which casualty insurance is placed, primarily covering mobile homes, automobiles and shell houses purchased by such retail purchasers. In addition to the public sale of stock, the company has entered into agreements with certain investors providing for the private sale by the company of $12,000,000 of Senior Notes, $4,000,000 of Subordinated Notes, $2,500,000 of Junior Subordinated Notes, 15,000 shares of $100 par Sinking Fund Preferred Stock and 3,000 shares of 5½% $100 par preferred stock. Net proceeds of this financing will be applied to the repayment of short term bank loans aggregating $31,529,000 on September 30, 1960. The proceeds of such bank loans have been used in connection with the company's financing activities. The additional funds required to repay the secured bank loans are to be obtained by short term unsecured bank loans.

In addition to bank note indebtedness, the company has outstanding 4,500 shares of $100 par 4% preferred stock and 932,650 shares of common stock. J. Page Hayden, board chairman, owns 20% of the common, J. P. Hayden, Jr., president, 15%, and Robert W. Hayden, 15.5%. J. Page Hayden holds an additional 15% of record but not beneficially.

WEISSBERG CORP. FILES EXCHANGE AND OFFERING PROPOSAL. H. R. Weissberg Corporation, 680 Fifth Ave., New York, filed a registration statement (File 2-17248) with the SEC on October 27, 1960, seeking registration of 1,241,793 shares of Class A common stock, to be offered in exchange for the outstanding interests of partners and stockholders in certain limited partnerships and corporations and interests in a sole proprietorship. An additional 100,000 Class A shares included in the registration statement are to be offered for public sale at $10 per share, subject to consummation of the exchange offer. The registration statement also includes 81,000 shares of Class B stock, of which 41,000 will be sold at $1 per share to Herbert R. Weissberg, president and board chairman, 30,000 to 12 other board members, and 10,000 to certain employees. The company has sold 400 Class A shares to Weissberg at $10 per share.

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The company was organized under Delaware law on October 26, 1960, and proposes to engage in the hotel and general real estate business, including leasing, purchasing or otherwise acquiring, owning, developing, using, holding, selling, conveying, exchanging, mortgaging and financing hotels and real and personal property and any interests or rights therein in any state of the United States and throughout the world. The company will also engage in similar activities with respect to personal properties when advantageous situations arise. The properties concerning which the exchange offer is being made are as follows: Lord Baltimore Hotel, Baltimore, Gramercy Park Hotel, Paramount Hotel, Hotel Brittany and Winslow Hotel in New York, and Montmartre Hotel in Miami Beach. The 1,241,793 Class A shares will be issued in exchange for the interests in these properties. Weissberg and his wife intend to accept the exchange offer as to all partnership or corporate interests owned by them; and, assuming 100% of the interests are acquired by the company, they will own 208,158 shares, or 15.51%, of the outstanding Class A stock and 41,000 shares, or 50.62%, of the Class B. Weissburg is the owner of the outstanding stock of Lord Baltimore Hotel, Inc., a general partner in each partnership, a stockholder in each corporation and the sole owner of the Hotel Brittany.

KEYSTONE ALLOYS FILES FOR OFFERING AND SECONDARY. Keystone Alloys Company, 511 Mellon Bank Bldg., Latrobe, Pa., today filed a registration statement (File 2-17249) with the SEC seeking registration of 107,755 shares of common stock, of which 32,755 shares are to be offered for public sale by the issuing company and 75,000 shares, being outstanding stock, by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Singer, Deane & Scribner is listed as the principal underwriter.

The company manufactures and distributes a broad line of aluminum siding and accessories, coated materials, aluminum railing and columns for interior and exterior use, and a variety of aluminum combination storm-screen sash and doors and related products. The products are used primarily for improvement of existing residential structures, but also in new residential construction. Of the net proceeds of the company's sale of additional stock, $150,000 will be used to finance the construction and installation of an additional paint line and the balance for working capital.

The company now has outstanding 267,245 shares of common stock in addition to certain indebtedness. All the stock is owned by A. J. Zappone, president, and C. F. and John B. Zappone, officers, and 32 other holders of whom seven are members of the Zappone family and one is a company owned or controlled by the three Zappone brothers. Of the 75,000 shares to be sold by selling stockholders, 7,500 shares are to be sold by Elmer C. Keller and members of his family and the balance by members of the Zappone family. After the sale of the 107,755 shares, the three Zappone brothers and members of their families will continue to own about 50.6% of the then outstanding stock.

MOUNTAIN STATES TELEPHONE & TELEGRAPH PROPOSES RIGHTS OFFERING. The Mountain States Telephone and Telegraph Company, 931 Fourteenth Street, Denver, Colorado, today filed a registration statement (File 2-17250) with the SEC seeking registration of 6,729,142 shares of capital stock. It is proposed to offer this stock for subscription at $12.50 per share by common stockholders on the basis of one new share for each five shares held. No underwriting is involved. The record date is to be supplied by amendment.

The company is a subsidiary of American Telephone and Telegraph Company which owns 29,186,000 shares (86.75%) of its outstanding capital stock. According to the prospectus, AT&T intends to subscribe for 5,837,200 shares, representing its proportion of the offering. The net proceeds from the stock sale, estimated at $83,900,000, will be applied toward repayment of advances from AT&T which are expected to approximate $106,000,000 at the time the proceeds are received. Such advances were obtained for general corporate purposes, including extensions, additions and improvements to its plant.

BANNER SECURITIES ENJOINED. The SEC New York Regional Office announced October 26th (LR-1819) the entry of a court order (USDC SDNY) permanently enjoining Banner Securities, Inc., 26 Broadway, New York, and Frank Ebner and Matthew Naphtali, officers, from further violating the SEC net capital rule.

SEC COMPLAINT NAMES GERALD GREENSPAN. The SEC New York Regional Office announced October 26th (LR-1820) the filing of a complaint (USDC SDNY) seeking to enjoin Gerald Greenspan from further violations of the anti-fraud provisions of the Securities Exchange Act. Greenspan is charged with placing purchase and sell orders with broker-dealer firms without intending to make payment for or deliver such securities.

TRADING SUSPENDED IN CONSOLIDATED DEVELOPMENT (CUBA) STOCK. The SEC has ordered the further suspension of trading on the American Stock Exchange and the over-the-counter market in the common stock of Consolidated Development Corporation (formerly Consolidated Cuban Petroleum Corp.), of Havana, Cuba, for the period October 29 to November 7, 1960, inclusive. As announced in the October 27th News Digest, the Commission does not propose to continue its ban on trading after November 7th, although the Exchange expects to continue its suspension of trading on the Exchange. Accordingly, commencing November 8th trading in the shares in the over-the-counter market may be resumed. (Release 34-6406)

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