

# 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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**RED KAP FILES FOR OFFERING AND SECONDARY.** Red Kap, Inc., Sudekum Building, Nashville, Tenn., filed a registration statement (File 2-21351) with the SEC on April 23 seeking registration of 240,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 140,000 shares, being outstanding stock, by the holders thereof. Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York, heads the list of underwriters. The public offering price (maximum \$20 per share\*) and underwriting terms are to be supplied by amendment.

The company was organized under Tennessee law in February 1963 to continue the business previously conducted by a predecessor partnership, Red Kap Garment Company. It is engaged in the manufacture and distribution to industrial rental laundries of industrial uniforms consisting of work pants, shirts and jackets. In March 1963 the company acquired certain assets (primarily inventory and accounts receivable) from Coverall Manufacturing Company, a Michigan company, for \$496,078, and all of the outstanding capital stock of Covco Garment Co., a Tennessee company, for \$31,736. Such acquisitions were financed by short-term bank loans. The net proceeds from the company's sale of additional stock will be used to pay \$1,700,000 of short-term bank borrowings, incurred to finance the said acquisitions, to finance seasonal working capital requirements, and to settle the undistributed portion of 1962 fiscal year partnership profits. The balance of such proceeds will be added to general funds for working capital. In addition to certain indebtedness, the company has outstanding 400,000 shares of common stock, of which W. H. Wyatt, president, and W. F. Evans, executive vice president, own 78,754 and 50,181 shares, respectively. They propose to sell 6,819 and 10,181 shares, respectively. The prospectus lists 15 other selling stockholders owning all of the company's outstanding stock (except 5,000 shares). Others propose to sell amounts ranging from 156 to 18,655 shares.

**STANDARD PRESSED STEEL FILES STOCK PLANS.** Standard Pressed Steel Co., Jenkintown, Pa., filed a registration statement (File 2-21353) with the SEC on April 23 seeking registration of 224,524 shares of common stock, to be offered pursuant to Employees' Stock Option Plans.

**VOTING TRUST CERTIFICATES FOR DEFENDERS INSURANCE FILED.** The Voting Trustees of The Defenders Insurance Company, 146 Old Country Road, Mineola, N. Y., filed a registration statement (File 2-21354) with the SEC on April 23 seeking registration of Voting Trust Certificates for 100,000 common shares of Defenders Insurance. The voting trustees consist of Charles J. Barnett, board chairman and president, and four other company directors.

**COPENHAGEN PROPOSES BOND OFFERING.** The City of Copenhagen filed a registration statement (File 2-21356) with the SEC on April 24 seeking registration of \$15,000,000 of sinking fund external loan bonds due 1978, to be offered for public sale through underwriters headed by Smith, Barney & Co., Inc., 20 Broad St., New York, and three other firms. The interest rate, public offering price and underwriting terms are to be supplied by amendment. The net proceeds from the bond sale, together with other funds, will be used for the financing of additions and improvements to the City's facilities.

**ABBOTT LABS FILES STOCK PLAN.** Abbott Laboratories, North Chicago, Ill., filed a registration statement (File 2-21355) with the SEC on April 24 seeking registration of 114,005 shares of common stock, to be offered pursuant to its Restricted Stock Option Incentive Plan.

**ASSOCIATES INVESTMENT PROPOSES DEBENTURE OFFERING.** Associates Investment Company, 320 Associates Bldg., South Bend, Ind., filed a registration statement (File 2-21357) with the SEC on April 24 seeking registration of \$50,000,000 of debentures due 1984, to be offered for public sale through underwriters headed by Lehman Brothers, One William St., and Salomon Brothers & Hutzler, 60 Wall St., both of New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged primarily in time sales financing of consumer and industrial products, in wholesale financing, in making personal installment loans and in industrial and commercial financing and in providing the insurance incident thereto. The net proceeds from the debenture sale will be added to general funds and will be initially applied to reduce short-term notes due within one year. In addition to certain indebtedness and preferred stock, the company has outstanding 3,577,462 shares of common stock, of which management officials as a group own 5.37% and First Bank and Trust Company of South Bend holds of record as administrator or trustee 13.07%. O. C. Carmichael, Jr., is board chairman and E. Douglas Campbell is president.

**PENSION SECURITIES FUND FILES FOR STOCK OFFERING.** Pension Securities Fund, Inc., 20 Broad St., New York, filed a registration statement (File 2-21358) with the SEC on April 24 seeking registration of 500,000 shares of common stock, to be offered for public sale at \$100 per share on the first day of sale and thereafter at net asset value. No underwriting is involved. The Fund was organized under Maryland law in

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February 1963 as a diversified, open end investment company having the sole objective of providing an investment program for pension trusts organized and existing through collective bargaining pursuant to the Labor-Management Act and qualified under the provisions of the Internal Revenue Code. Smith, Barney & Co. will serve as the Fund's investment adviser. George L. Nye is president of the Fund and a general partner in the adviser.

**C.I.T. FINANCIAL FILES EXCHANGE OFFER.** C.I.T. Financial Corporation, 650 Madison Ave., New York, filed a registration statement (File 2-21359) with the SEC on April 24 seeking registration of 400,500 shares of common stock. It is proposed to offer such stock in exchange for all of the 1,178,408 outstanding common shares of Time Finance Company, at the rate of .3394 shares of the company for each share of Time Finance. No underwriting is involved.

The company is engaged in specialized forms of financing of retail instalment sales of goods, related "wholesale" financing of dealers' inventories of goods, and the writing of related physical damage insurance; consumer loans and loans on machinery and equipment of business enterprises; leasing of automobiles and machinery and equipment; factoring; writing of creditors' life reinsurance and ordinary life insurance and health and accident insurance; and manufacture and sale of x-ray and related equipment and accessories and nuclear instrumentation for clinical diagnosis and therapy and industrial usage. Time Finance, a Kentucky company, conducts a consumer finance business consisting of the making of small and industrial type loans and the purchase of sales finance paper. In addition to certain indebtedness, the company has outstanding 19,407,137 shares of common stock, of which management officials as a group own 2.9%. Henry Ittleson, Jr. is board chairman and L. Walter Lundell is president.

**STANDARD ACCIDENT INSURANCE SEEKS EXEMPTION.** Standard Accident Insurance Company, a Michigan corporation, has applied to the SEC for an order under the Securities Exchange Act of 1934 exempting it from the duty to file annual and other periodic reports thereunder; and the Commission has issued an order giving interested persons until May 31, 1963 to request a hearing thereon. According to the application, all of the 492,626 outstanding shares of the company (except 175 shares held by 17 directors and 1,949 shares held by 21 independent shareholders) are owned by Reliance Insurance Company. The company intends to supply the 21 independent shareholders following the close of each fiscal year of the company, a consolidated balance sheet, consolidated profit and loss statement and a consolidated surplus statement, all of Reliance Insurance. Each statement will show separately the financial information with respect to Standard Accident Insurance contained in such consolidated statements.

**ELK EXPLORATION HEARING SCHEDULED.** Upon the request of Elk Exploration, Inc., 111 West Telegraph St., Carson City, Nev., the SEC has scheduled a hearing for May 22, 1963, in its San Francisco Regional Office, to take evidence on the question whether an order of the Commission dated April 4, 1963, temporarily suspending a Regulation A exemption from registration with respect to a public offering of 60,000 common shares at \$5 per share, should be vacated or made permanent. The Commission's suspension order was based upon alleged false and misleading representations in the company's offering circular.

**MCDANIEL EQUIPMENT HEARING SCHEDULED.** Upon the request of McDaniel Equipment, Inc., 516 7th Ave., San Diego, Calif., the Commission has also scheduled a hearing for May 20, 1963, in its Los Angeles Branch Office, to take evidence on the question whether an order of the Commission dated March 13, 1963, temporarily suspending a Regulation A exemption from registration with respect to a public offering of 100,000 common shares at \$3 per share (through California Investors, of Los Angeles, as underwriter), should be vacated or made permanent. The Commission's suspension order was based upon alleged false and misleading representations in the issuer's offering circular and financial statements therein.

**GENERAL SECURITIES CO. ENJOINED.** The SEC New York Regional Office announced April 19 (LR-2601) the entry of a Federal court order (USDC, SDNY) preliminarily enjoining General Securities Company, Incorporated, a New York broker-dealer, and Nicholas J. Papadacos, its president, from violations of the Commission's net capital rule. A preliminary injunction against Dushka Howarth the firm's secretary at the time of the Commission's complaint was denied by the Court as was the Commission's application for a preliminary injunction enjoining defendants from violating the Commission's bookkeeping rules.

**JAMES E. LITTLE FOUND GUILTY.** The SEC Chicago Regional Office announced April 22 (LR-2602) that James E. Little, of Memphis, Tenn. was found guilty by a jury (USDC, ED, Mo.) of violations of the Securities Act anti-fraud provisions in the sale of fractional undivided interests in an oil and gas lease known as the Blackburn B Lease located in Green County, Ky.

**NORTHEASTERN FINANCIAL ENJOINED.** The SEC New York Regional Office announced April 23 (LR-2603) the entry of a Federal court order (USDC, NJ) preliminarily enjoining Northeastern Financial Corporation, of Newark, N. J., and its president, Robert K. Berry (Westfield, N.J.) from violating the Securities Act registration and anti-fraud provisions as well as the Investment Company Act registration and certain other provisions in the offer and sale of securities of Northeastern Financial.

**SECURITIES ACT REGISTRATIONS.** Effective April 24: Buckeye Pipe Line Co. (File 2-21277); Cabot Corp. (File 2-21136); Portland General Electric Co. (File 2-21268). Effective April 25: Air Control Products, Inc. (File 2-21272); General Telephone Co. of Calif. (File 2-21307); Victor Comptometer Corp. (File 2-21202). Withdrawn April 24: National Telepix, Inc. (File 2-20621).

\*As estimated for purposes of computing the registration fee.