

# 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 February 26, 1962

**Statistical Release No. 1809.** The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended February 23, 1962, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1961 - 1962 is as follows:

	1957-59 = 100		Percent Change	1961 - 1962	
	2/23/62	2/16/62		High	Low
Composite	142.5	143.6	-0.8	146.5	118.3
Manufacturing	132.9	134.0	-0.8	136.0	113.0
Durable Goods	133.1	134.7	-1.2	138.9	117.0
Non-Durable Goods	132.7	133.5	-0.6	133.7	109.2
Transportation	109.2	111.0	-1.6	111.0	97.8
Utility	184.6	183.9	+0.4	190.8	144.4
Trade, Finance & Service	175.1	178.1	-1.7	193.0	132.5
Mining	107.5	113.3	-5.1	113.3	83.3

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended February 21, 1962, 29 registration statements were filed, 31 became effective, 6 were withdrawn, and 759 were pending at the week-end.

**CENTRAL AND SOUTH WEST PROPOSES LOANS TO SUBSIDIARIES.** Central and South West Corporation, Chicago, and its subsidiary companies, Central Power and Light Company, Corpus Christi, Texas, and West Texas Utilities Company, Abilene, Texas, have joined in the filing of an application with the SEC under the Holding Company Act for approval of the issuance and sale of short-term notes by the subsidiary companies to the parent company, and the Commission has issued a notice (Release 35-14584) giving interested persons until March 13, 1962, to request a hearing on the proposal. Central Power and West Texas propose to issue their promissory notes from time to time during 1962, the maximum amount of notes to be outstanding at any time for each company to be \$3,500,000. Central and South West proposes to purchase the notes from time to time during 1962, beginning in March. Proceeds from the issuance of the notes will be used by the subsidiary companies to finance temporarily a portion of their construction programs.

**WEST PENN POWER BOND OFFERING CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-14586) authorizing West Penn Power Company, Greensburg, Pa., to issue and sell at competitive bidding \$30,000,000 of first mortgage bonds due 1992. Net proceeds of the sale of the bonds, after repayment of \$5,500,000 of short-term bank notes, will be used to finance, in part, the company's construction requirements during 1962 and 1963, estimated at \$54,500,000.

**BONDS INCORPORATED SEEKS EXEMPTION.** Bonds Incorporated, Kansas City, Kansas, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company, and the Commission has issued an order (Release IC-3432) giving interested persons until March 14, 1962, to request a hearing thereon. The application states that, in accordance with a plan approved by the holders of more than two-thirds of the company's outstanding stock, the company on July 28, 1961, transferred to Quarterly Distribution Shares Incorporated assets of the company having a value of \$363,060.90 in exchange for 47,799,335 shares of Quarterly; that all of the shares of Quarterly acquired by the company have been distributed to the company's stockholders; and that the company was dissolved on September 1, 1961.

**AMERICAN RESEARCH AND DEVELOPMENT SEEKS ORDER.** American Research and Development Corporation, Boston investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to the proposed disposition of its investment in Intercontinental Electronics Corporation; and the Commission has issued an order (Release IC-3433) giving interested persons until March 16, 1962 to request a hearing thereon. American Research and Development proposes to sell all of its holdings, 75,000 shares (approximately 17% of the outstanding shares), of the capital stock of Intercontinental Electronics Corporation, for a total consideration of \$137,500, to Compagnie Generale de Telegraphie Sans Fil, a French corporation owning approximately 71% of the outstanding capital stock of Intercontinental. Intercontinental was incorporated in the State of Delaware in March 1956 by, among others, Telegraphie and American Research, to provide a business enterprise in the United States for the development, manufacture, sale and servicing, and maintenance of electronic equipment, systems and components. American Research acquired its 75,000 shares of the stock of Intercontinental by three separate purchases between May 1956 and March 1960 at a total cost of \$137,500.

**GILCHRIST COMPANY DELISTING APPROVED.** The SEC has granted an application of the Gilchrist Company to withdraw its common stock from listing and registration on the Boston Stock Exchange due to the low volume of trading in the stock on that Exchange. (Release 34-6740). The stock remains listed on the American Stock Exchange.

OVER

**ASCOT TEXTILE FILES FOR STOCK OFFERING.** Ascot Textile Corp., 335 West 35th Street, New York, filed a registration statement (File 2-19819) with the SEC on February 23rd seeking registration of 100,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Rittmaster, Voisin & Co., 260 Madison Ave., New York. The public offering price (maximum \$7.50 per share\*) and underwriting terms are to be supplied by amendment. The statement also includes 6,600 three-year stock purchase warrants to be sold to the principal underwriter for \$66, exercisable at a price to be supplied by amendment.

The company is a converter of linings and interfacings used in the manufacture of sportswear, ladies' apparel and children's clothing. It purchases greige goods from textile mills and "converts" them, by the application of dyes and finishes, into colored and textured fabrics ready for cutting and incorporation in finished garments. None of the physical dyeing and finishing operations are carried on by the company, but are performed for it by several independent organizations. Of the net proceeds from the stock sale, \$150,000 will be used to finance a business in Los Angeles in an attempt to develop sales to West Coast apparel manufacturers, \$100,000 will be used in an effort to reach the home sewing machine market through department stores and mail order concerns, \$200,000 to reduce outstanding borrowings from banks incurred to finance operating requirements and to discharge indebtedness to two officers, \$100,000 to finance anticipated increases in inventory requirements, and the balance for working capital and general corporate purposes.

In addition to certain indebtedness, the company has outstanding 266,710 shares of common stock (after giving effect to a recapitalization whereby such shares were issued in exchange for the 170 shares previously outstanding). Of such outstanding stock, Paul Lawrence, president, Samuel J. Beckman, secretary-treasurer, and Robert A. Rosen, executive vice president, own 44.33%, 44.33% and 9.85%, respectively. Book value of stock now outstanding is \$1.274 per share.

**UNION ELECTRIC SEEKS ORDER.** Union Electric Company, St. Louis, has filed an application with the SEC under the Holding Company Act to solicit stockholder approval of its proposed investment in Civic Center Redevelopment Corporation; and the Commission has issued an order (Release 35-14583) giving interested persons until March 13th to request a hearing thereon. The proposal is filed as an amendment to Union Electric's application for Commission approval of its proposed purchase of 12,000 shares of common stock and \$1,188,000 principal amount of income debentures of the said Redevelopment Corporation for a total purchase price of \$1,200,000.

**CARVALHO-CAPITAL INVESTMENT REGISTRATION SUSPENDED.** The SEC has issued an order under the Securities Exchange Act (Release 34-6741) suspending the broker-dealer registration of Fred L. Carvalho, doing business as Capital Investment Co., 24 Commerce Street, Newark, N. J., pending Commission decision on the ultimate question whether registration should be revoked. Carvalho filed a stipulation in which he admitted certain facts and consented to the suspension of his registration.

**SAN JUAN PETROLEUM ET AL ENJOINED.** The SEC Boston Regional Office announced February 20th (Lit-2197) the entry of a Federal court order (USDC, Boston) preliminarily enjoining San Juan Petroleum Corporation, Newport Engineering Co. Inc., and Harry B. Matheson from further violating the Securities Act registration and anti-fraud provisions in the offer and sale of the Petroleum Corporation stock.

**LILY LYNN FILES FOR OFFERING AND SECONDARY.** Lily Lynn, Inc., Herman L. Bishins Building, Riverside Ave., New Bedford, Mass., filed a registration statement (File 2-19821) with the SEC on February 23rd seeking registration of 150,000 shares of common stock, of which 86,000 shares are to be offered for public sale by the company and 64,000 shares, being outstanding stock, by the holders thereof. The offering will be made on an all or none basis through underwriters headed by J. R. Williston & Beane, 2 Broadway, N. Y. The public offering price (maximum \$12 per share\*) and underwriting terms are to be supplied by amendment. The statement also includes 10,000 shares underlying 5-year warrants to be sold to the principal underwriter for \$300, exercisable at from \$10.75 to \$13.76 per share.

The company and its subsidiaries are engaged in the design, manufacture and sale of casual dresses for women of all ages and girls above teen-age and sold under the registered trade name "Young Size." Of the net proceeds from the company's sale of additional stock, \$100,000 will be applied to the purchase of additional machinery and equipment required to increase factory production and the balance to repay current bank loans and loans from stockholders, to furnish and equip additional showroom and office facilities in New York City, and for additional working capital, general corporate purposes, future expansion and possible acquisitions. The company recently acquired, in exchange for 370,000 common shares, five corporations previously operated as affiliates and owned by the selling stockholders.

In addition to certain indebtedness, the company has outstanding 420,000 shares of common stock (after giving effect to said acquisitions and a recapitalization), of which Abraham A. Tepper, president, Herman L. Bishins, board chairman, Harold Bishins, treasurer, and Arthur Bishins, a vice president, own 136,521, 72,398, 111,699 and 93,082 shares, respectively. They propose to sell 21,120, 11,200, 17,280 and 14,400 shares, respectively.

**DOUGHBOY INDUSTRIES PROPOSES DEBENTURE OFFERING.** Doughboy Industries, Inc., New Richmond, Wisc., filed a registration statement (File 2-19820) with the SEC on February 23rd seeking registration of \$4,000,000 of convertible subordinated debentures due 1977, to be offered for public sale on an all or none basis through underwriters headed by Kalman & Company, Inc., 136 Endicott Building, St. Paul, Minn. The public offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in several diverse businesses, principally the manufacture and sale of formula feeds for livestock and poultry, the manufacture and sale of semolina and durum flour for use in the manufacture of spaghetti, macaroni and noodles, the manufacture and sale of swimming pools, wading pools and inflatable toys and the manufacture and sale of machinery for heat sealing and labeling containers or packages made from plastic or synthetic sheeting and related equipment. The company also

conducts a grain brokerage business and a printing business, and engages in processing and selling poultry raised by the company's feed customers and others. It recently acquired the business of Televiso Corporation, a company engaged in the manufacture and sale of electronic and electromechanical aids to aircraft navigation, and is continuing such business as an operating division. Of the net proceeds from the debenture sale, \$360,000 will be used to retire indebtedness under contracts for the purchase in 1960 of the stock of Ames Reliable Products Company, \$135,000 to add to fixed assets on the company's experimental farm, \$675,000, to add to fixed assets and working capital of the Televiso Electronics Division, \$2,000,000 to pay current bank debt, and the balance for general working capital, of which \$750,000 may be used to construct an additional new feed mill at a time and location not yet determined.

In addition to certain indebtedness and preferred stock, the company has outstanding 449,671 shares of common stock, of which Edwin J. Cashman, president, and family members own 82,523 shares (18%) and management officials as a group 140,528 shares.

COLUMBIA BANCORPORATION FILES FINANCING PLAN. Columbia Bancorporation, 1000 Vermont Avenue, N. W., Washington, D. C., filed a registration statement (File 2-19823) with the SEC on February 23rd seeking registration of \$30,000,000 of convertible subordinated debentures due 1987 and 1,500,000 shares of common stock. Such securities are to be offered for public sale in units (the amount of securities included therein to be supplied by amendment) on an all or none basis through underwriters headed by Bear, Stearns & Co., One Wall Street, and Allen & Company, 30 Broad Street, both of New York. The interest rate of the debentures, public offering price of the units and underwriting terms are also to be supplied by amendment.

The company was organized under Delaware law in December 1961 for the initial purpose of purchasing at \$63.32 per share, all or substantially all of the outstanding capital stock of First Western Bank and Trust Company, which is a statewide bank operating in California. The company may acquire interests in other banks in California and other states as well, and intends to engage in international banking through one or more subsidiaries operating in foreign countries. As a holding company, it will be primarily concerned with managing its investments in, and furnishing services to, the banking institutions in which it acquires an interest. Ninety-three percent of Western's stock, which is owned by Western Bancorporation, is being sold to the company to comply with the requirements of a settlement of anti-trust litigation between Western Bancorporation and the Department of Justice; and the company is also offering to purchase the minority interest in First Western. Of the net proceeds from the sale of the units (together with the proceeds from the proposed sale of \$25,000,000 of collateral trust notes and debentures and common stock purchase warrants) not less than \$69,842,596 and not exceeding \$75,000,000 will be applied to purchase the stock of First Western. The balance will be added initially to working capital and may be used in part for future investment in additional stock of First Western and for acquisition of interests in other California banks or financial institutions operating in foreign countries or banks in other states.

The company has outstanding 85,000 shares of common stock (purchased at \$4 per share), of which Charles E. Salik, board chairman, and Richard T. Silberman, treasurer, own 40,000 and 25,000 shares, respectively, and the two principal underwriters an aggregate of 20,000 shares. Neil H. Jacoby is president.

SECURITIES ACT REGISTRATIONS. Effective February 26: Chemway Corp. (File 2-19712); Oceanic Instruments, Inc. (File 2-18747); West Penn Power Co. (File 2-19630).

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

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