

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington, D.C. 20549

A brief summary of financial proposals filed with and actions by the S.E.C.

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 65-12-15)

FOR RELEASE December 21, 1965

**CORPORATE WORKING CAPITAL UP.** The SEC announces (for December 22d newspapers) that the net working capital of U. S. corporations, excluding banks and insurance companies, rose \$2.9 billion in the three months ending September 30. Working capital, which represents business investment in current assets in excess of short-term liabilities, totaled \$169.1 billion at the end of September, an increase of \$9.7 billion during the preceding 12 months. The third quarter gain in working capital reflected an increase of \$9.2 billion in current assets partly offset by a rise of \$6.3 billion in current liabilities. (For additional details, see Stat. Release No. 2097).

**MCGUIRE, PERRY AND BLUMNER FOUND GUILTY.** The SEC Chicago Regional Office announced December 10 (LR-3392) that, following a bench trial, John A. McGuire of Erie, Pa., Herbert Perry and Edmond G. Blumner, both of New York City, were found guilty (USDC, SDNY) of conspiracy to violate and violations of the Securities Act registration and anti-fraud provisions in sale of common stock of Asta-King Petroleum, Inc., Tamarac Gas and Oil Co. and Haratine Gas and Oil Co. Inc. The Haratine stock was sold through Herbert Perry and Co., Inc., whose registration was revoked in September 1962.

**GOULD PROPERTIES FILES FINANCING PROPOSAL.** Gould Properties, Inc., 370 Lexington Ave., New York 10017, filed a registration statement (File 2-24330) with the SEC on December 17 seeking registration of 49,440 shares of Class A stock and \$2,908,250 of 6½% convertible subordinated debentures (due 1986). These securities are to be offered (in units consisting of a \$1,000 debenture and 17 Class A shares) in exchange for the company's 10% subordinated debentures, due 1972, in the ratio of one unit for each \$1,000 principal amount of 10% debentures. The company is also registering an additional \$3,600,000 of 6½% convertible subordinated debentures (due 1986) and 108,000 Class A shares, to be offered for public sale in units consisting of a \$1,000 debenture and 30 Class A shares. Any unsubscribed shares are to be offered through brokers or dealers, which will receive a \$72-per-unit selling commission. The offering price is to be supplied by amendment.

Organized under Delaware law in 1961, the company is engaged in the real estate business. Net proceeds of this financing will be used to reduce short-term debt and added to general funds to be used to purchase additional properties or interests therein, and for application to the redemption of any of the company's outstanding 10% debentures which are not exchanged pursuant to the exchange offer. In addition to indebtedness, the company has outstanding 357,893 Class A and 65,205 Class B shares, of which management officials own 46,956 and 50,672 shares, respectively. Stuart S. Gould is president and Abraham Kamber is board chairman.

**TRINITY STEEL FILES FOR OFFERING.** Trinity Steel Company, Inc., 4001 Irving Blvd., Dallas, Tex. 75207, filed a registration statement (File 2-24331) with the SEC on December 20 seeking registration of \$2,500,000 of convertible subordinated debentures (due 1981). The debentures are to be offered for public sale through underwriters headed by Eppler, Guerin & Turner, Inc., First National Bank Bldg., Dallas, Tex. 75202. The interest rate, public offering price and underwriting terms are to be supplied by amendment. The company is also registering 45,000 shares of common stock, to be offered pursuant to its Employees' Qualified Stock Option Plan.

The company's business consists primarily of the manufacture and sale of pressure vessels for the liquefied petroleum gas and anhydrous ammonia industries. Of the net proceeds of its debenture sale (together with proceeds from a simultaneous \$4,500,000 loan), some \$5,252,000 will be used to retire certain indebtedness; \$350,000 will be used to purchase additional plant equipment; and the balance will be used to reduce accounts payable, increase inventories and carry increased receivables. In addition to indebtedness, the company has outstanding 607,928 common shares, of which management officials own 41.75%. Charles A. Sammons (director) and his affiliates own 23.5% of the outstanding stock. C. J. Bender is chairman and W. Ray Wallace is president.

**FOURTH EMPIRE FUND FILES PROPOSAL.** Fourth Empire Fund, Inc., 44 School St., Boston, Mass. 02108, filed a registration statement (File 2-24332) with the SEC on December 20 seeking registration of 1,000,000 shares of capital stock. The stock is to be offered in exchange for securities of the general character of those listed in the prospectus, on the basis of one share for each \$20 of market value of securities received by the Fund after deducting a maximum sales charge of 4%. Federated Investors, Inc., 719 Liberty Ave., Pittsburgh, Pa., is the dealer manager.

Organized under Maryland law in December 1965, the Fund is an open-end diversified investment company "seeking long-term growth of capital and of income." It has one outstanding capital share, owned by Federated Research Corp., the Fund's investment adviser. John F. Donahue is president of the Fund and chairman of its investment adviser.

OVER

**THIRD PRESIDENTIAL FUND FILES EXCHANGE PROPOSAL.** Third Presidential Fund, Inc., 44 School St., Boston, Mass. 02108, filed a registration statement (File 2-24333) with the SEC on December 20 seeking registration of 400,000 shares of capital stock. The shares are to be offered in exchange for securities listed in the prospectus or U. S. Government securities, on the basis of one Fund share for each \$50 of market value of securities received by the Fund after deducting a maximum sales charge of 4%. Federated Investors, Inc., 719 Liberty Ave., Pittsburgh, Pa., is the dealer manager.

Organized under Maryland law in December 1965, the Fund is an open-end diversified investment company seeking long-term growth of capital and of income. Federated Research Corp. is the Fund's investment adviser and owns its only outstanding capital share of stock. John F. Donahue is the president of the Fund and is chairman of the investment adviser.

**PYLE-NATIONAL PROPOSES RIGHTS OFFERING.** The Pyle-National Company, 1334 N. Kostner Ave., Chicago, Ill. 60651, filed a registration statement (File 2-24335) with the SEC on December 20 seeking registration of 126,934 shares of common stock. The shares are to be offered for subscription by common stockholders at the rate of two new shares for each nine shares held. Any unsubscribed shares are to be offered for public sale through underwriters headed by White, Weld & Co., Inc., 20 Broad St., New York 10005, and Bacon, Whipple & Co., 135 S. LaSalle St., Chicago, Ill. 60603. The record date, offering price (\$38 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the design, manufacture and sale of electrical connectors, flood-lights and lighting fixtures. Net proceeds of its stock sale will be used to finance operations of General Micro-electronics Inc., a subsidiary, and the balance will be added to general funds of the company. In addition to indebtedness and preferred stock, the company has outstanding 571,202 common shares, of which management officials own 12.9%. William C. Croft is president.

**THREE-FIRM SPONSORED FUND FILES.** Goodbody & Co., Two Broadway, New York 10004; Bache & Co. Inc., 36 Wall St., New York 10005; and Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York 10004, depositors and sponsors of Municipal Investment Trust Fund, Second Florida Series, filed a registration statement (File 2-24334) with the SEC on December 20 seeking registration of 5,000 units of interest in said Fund. The Fund consists of a "diversified tax-exempt bond portfolio of interest-bearing obligations of counties and municipalities in the State of Florida and authorities and political subdivisions thereof which are not taxable under the Florida Intangible Personal Property Tax Law and the interest is, in the opinion of recognized bond counsel, exempt from all Federal income tax under existing law." The trustee of the Fund is the United States Trust Company.

**MCCRORY FILES EXCHANGE PROPOSAL.** McCrory Corporation, 711 Fifth Ave., New York 10022, filed a registration statement (File 2-24338) with the SEC on December 20 seeking registration of \$9,000,000 of 5% junior sinking fund subordinated debentures (due 1981) and 900,000 common stock purchase warrants (exercisable at \$20 per share until 1976 and thereafter until 1981 at \$22.50 per share) and the underlying shares. The debentures and warrants are to be offered in exchange for common stock of S. Klein Department Stores, Inc., at the rate of \$10 principal amount of debentures and a warrant to purchase one common share for each share of Klein common. McCrory presently owns 225,518 shares (18.8%) of Klein common. Cantor, Fitzgerald & Co., Inc., 232 N. Canon Dr., Beverly Hills, Calif., as dealer manager, has agreed to use its best efforts to form and manage a group of dealers to solicit tenders in response to the exchange offer.

McCrory, through subsidiaries, is engaged in the general merchandising business. Klein conducts a retail clothing business. In addition to indebtedness and preferred stock, McCrory has outstanding 5,122,584 common shares, of which management officials own 3% and Rapid-American Corp. owns 51.1%. Meshulam Riklis is board chairman and president of McCrory.

**AMERICAN BUSINESS ASSOCIATES ORDERS RESCINDED.** The SEC has issued an order under the Holding Company Act (Release 35-15368) rescinding conditions imposed in 1944-45 Commission orders with respect to public offerings of securities of American Business Associates (formerly American Utilities Associates). The Commission found that the circumstances which gave rise to such conditions no longer exist.

**SECURITIES ACT REGISTRATIONS.** Effective December 21: Polychrome Corp., 2-24188; Rocket Research Corp. 2-23868 (Jan 30).

**NOTE TO DEALERS.** The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

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

---oooOooo---