

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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**PANOIL PROPOSES RIGHTS OFFERING.** Panoil Company, 1130 Republic National Bank Bldg., Dallas, filed a registration statement (File 2-17629) with the SEC on February 23, 1961, seeking registration of 3,018,150 shares of capital stock. The company proposes to offer 3,000,000 of such shares in units consisting of four shares for subscription by stockholders of record on the basis of one unit for each share of capital stock held. The record date and subscription price are to be supplied by amendment. No underwriting is involved. Any units not subscribed to pursuant to the rights offering will be offered for public sale through selected securities dealers who will receive commissions to be supplied by amendment. The remaining 18,150 shares are to be offered in exchange to holders of 181,500 warrants on the basis of one share for each 10 warrants held.

The company (formerly an American Land & Oil Royalty Company) was organized in 1956 to acquire petroleum concessions in Cuba, which at that time was "the subject of speculative interest." It obtained stock in certain Cuban royalty and concession holding companies, which the company does not consider of any value due to recent political developments in Cuba. The company at present has petroleum concession rights in the Republics of Colombia and Turkey, and in Trinidad the company is managing under contract certain properties. According to the prospectus, the company has not as yet established any significant reserves in oil, gas or minerals, nor has it had any earnings to date, but plans to acquire interests primarily in areas in which some commercial petroleum production has been established or where favorable geological conditions exist. In January 1960, the company purchased from Gruss & Company 1,000,000 shares of ordinary registered stock of Premier Consolidated Oilfields Limited, an English corporation, for \$700,000. The company paid \$140,000 in cash, plus an additional amount for British transfer taxes, and executed its promissory note for \$560,000. In December 1960 the company paid \$75,000 to Gruss & Co., which agreed that it would accept an additional \$325,000 in full and final settlement of the note if paid no later than May 2, 1961. Premier is a crude oil producing company operating in Trinidad. Of the net proceeds from the stock sale, \$325,000 will be paid to Gruss & Co. in complete satisfaction of said indebtedness and the balance will be added to the general funds.

The company has outstanding 481,163.9 shares of capital stock and 181,500 warrants to purchase capital stock. Wilbur B. Sherman is listed as president and W. Rufus Brent as vice president.

**CALIFORNIA FINANCIAL CORP. FILES FOR OFFERING AND SECONDARY.** California Financial Corporation, 11 Tillman Place, San Francisco, filed a registration statement (File 2-17631) with the SEC on February 23, 1961, seeking registration of 88,977 shares of capital stock, of which 35,000 shares are to be offered for public sale by the company and 53,977 shares, being outstanding stock, by the present holders thereof. William R. Staats & Co. and J. Barth & Co. head the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes an additional 291,786 shares of outstanding stock which are now owned or which may be acquired by certain of the selling stockholders and which may be sold by them in the open market 120 days after the effective date of this offering.

The company, through its subsidiary, Security Savings and Loan Association, is engaged in the savings and loan business in the San Francisco Bay area. It also conducts an insurance agency for fire, casualty and mortgage redemption life insurance and renders management services to its subsidiaries. It directly participates in the financing of real estate development projects which involves the purchase of land for resale. A subsidiary, Corporate Agency, acts as trustee under deeds of trust. About half of the net proceeds from the company's sale of additional stock will be used for the reduction of bank notes incurred for direct participations in real estate development projects. The balance of the proceeds will be available for expansion of the direct operations of the company and the possible acquisition of one or more other businesses of a related nature.

In addition to certain indebtedness, the company has outstanding 709,459 shares of capital stock, of which Abraham Kofman, a director, owns 126,969 shares and management officials as a group 181,220 shares. The list of 34 selling stockholders includes Kofman, who proposes to sell 6,000 shares through the underwriters and may sell 54,000 shares later in the open market, and John J. Peters, president, who owns 11,813 shares and proposes to sell 5,813 shares through the underwriters and may sell the balance in the open market. All but three of the other selling stockholders propose to sell part and may sell all of their holdings, ranging from 214 to 49,200 shares. Of the 291,786 shares, 205,543 shares are presently owned by the selling stockholders, 42,000 shares are reserved for issuance upon conversion of notes, and 17,717 shares are reserved for issuance under stock options. An additional 26,526 shares may hereafter be issuable as stock dividends (or under anti-dilution provisions) to holders of the foregoing.

**INDICTMENT NAMES ALAN C. SPRINGER.** The SEC Fort Worth Regional Office announced February 20th (IR-1919) the return of a Federal court indictment (USDC, Little Rock, Ark.) charging Alan C. Springer with fraud in the sale of securities of Arkansas Business Development Corp.

**BEVERLY HILLS SECURITY INVESTMENTS ENJOINED.** The SEC San Francisco Regional Office announced February 20th (IR-1920) the entry of a Federal court order (USDC, Los Angeles) permanently enjoining Beverly Hill Security Investments, Howard S. Miller and Gloria Miller from further violating the registration and anti-fraud

provisions of the Federal securities laws in the offer and sale of securities in connection with the BHSI 10% Investment Program. A temporary injunction was entered against Mitchell J. Grossman; and the temporary injunction against George Jessel was continued pending receipt of his consent to a permanent injunction.

**INDICTMENT NAMES TWO.** The SEC Boston Regional Office announced February 20th (LR-1921) the return of a Federal court indictment (USDC, Conn.) charging Anthony P. Massa, formerly of Derby, Conn., and Thomas H. Craig of Los Angeles with fraud in the offer and sale of stock of Imperial Petroleum Co.

**TRADING BAN CONTINUED IN UNITED INDUSTRIAL SHARES.** The SEC has ordered the further suspension of trading in common and preferred stocks and warrants of United Industrial Corporation, of Los Angeles, during the ten-day period February 25 to March 6, 1961, inclusive.

**DIVERSIFICATION FUND SEEKS ORDER.** Diversification Fund, Inc., Boston investment company, has applied to the SEC for an exemption from the \$100,000 minimum net worth requirements of the Investment Company Act; and the Commission has issued an order (Release IC-3196) giving interested persons until March 15, 1961, to request a hearing thereon. The Fund is seeking registration of 1,335,000 common shares under the Securities Act, to be offered to investors in exchange for such investors' securities. The minimum deposit to be accepted from any investor is to be securities having a market value of \$25,000, and the exchange will not be consummated unless the market value of the deposited securities as of the effective date of the planned exchange aggregates a minimum of \$30,000,000. Vance, Sanders & Company, Inc., will manage a dealer group which will solicit deposits of securities in acceptance of the exchange offer.

**SHARES IN AMERICAN INDUSTRY SEEKS ORDER.** Shares in American Industry, Inc., Washington, D. C., investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposal to purchase stock of Rixon Electronics, Inc.; and the Commission has issued an order (Release IC-3197) giving interested persons until March 7, 1961, to request a hearing thereon.

According to the application, Rixon Electronics proposes to make a public offering of 115,000 shares of common stock, expected to be offered for sale at a price not to exceed \$7 per share. Auchincloss, Parker & Redpath is the underwriter. The applicant company proposes to purchase 500 shares of this stock at the initial public offering price. One of its directors, Dr. Horace Buxton, Jr., is an employee of the Auchincloss firm. In view of this affiliation, the proposed stock purchase is prohibited by the Act unless the Commission issued an exemption order finding that the terms of the proposed transaction are reasonable and fair and do not involve overreaching on the part of any person concerned.

**PETERSON BUILDING CORP. PROPOSES BOND OFFERING.** Peterson Building Corporation, National Bank of Commerce Bldg., Lincoln, Nebraska, today filed a registration statement (File 2-17632) with the SEC seeking registration of \$630,000 of 5½% Leasehold Mortgage Sinking Fund Bonds, to be offered for public sale in \$1,000 and \$500 denominations. The offering will be made on an all or none basis through Ellis, Holyoke & Co. and Commerce Investment Co., who will receive a 5% commission.

The company was organized under Nebraska law in January 1960. It is constructing a building on leased premises in the central business district of Lincoln which it is said will provide street level space for retail tenants and a six-level, self-parking garage facility to accommodate 390 automobiles. According to the prospectus, the sole business of the company has been investigating the economic feasibility of the leasehold improvements, making preparatory leasehold arrangements and planning the improvements. The \$588,000 net proceeds from the bond sale, together with \$275,000 of paid-in capital, will be applied towards the costs of construction of the leasehold improvements, estimated at \$1,000,000. The balance of such costs will be met by bank borrowings and/or sale of additional common stock.

The company has outstanding 2,750 shares of common stock, of which National Bank of Commerce of Lincoln, Nebraska, owns 1,000 shares and Hovland-Swanson Building Company 500 shares. Albert G. Spohnheimer is listed as president and board chairman.

**TERRYPHONE FILES FOR OFFERING AND SECONDARY.** Terryphone Corporation, 4409 Carlisle Pike, Camp Hill, Pa., today filed a registration statement (File 2-17633) with the SEC seeking registration of 200,000 shares of common stock, of which 80,000 shares are to be offered for public sale by the company and 120,000 shares, being outstanding stock, by the present holders thereof. Stroud & Company and Warren W. York & Company head the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment.

The company manufactures, leases, sells and services a line of internal communications systems consisting of various combinations of telephone and paging components, for use in business and industry. Its equipment is known as the "Terryphone System." The net proceeds from the company's sale of additional stock will be added to working capital to finance business expansion.

In addition to certain indebtedness, the company has outstanding 723,210 common shares, of which Kent J. Terry, president, owns 198,800 shares (27.49%) and management officials as a group 451,050 shares (62.37%). The prospectus lists 21 selling stockholders, including 5,500 shares to be sold by Terry, 10,000 shares each by James V. Rapagna and James L. Flynn, Jr., officers, 20,000 shares by Jack and Harold Gross, as joint tenants (Jack Gross is a director), and 22,000 by Richard J. Buck & Co., of which Richard J. Buck, a director of the company, is a partner. Richard J. Buck & Co. owns of record 154,000 shares, of which 34,000 shares are owned beneficially by it and 10,000 shares are owned beneficially by Buck.

**DIAL FINANCE PROPOSES DEBENTURE OFFERING.** Dial Finance Company, 207 Ninth Street, Des Moines, Iowa, today filed a registration statement (File 2-17634) with the SEC seeking registration of \$7,000,000 of Capital Debentures 1981 Series, of which \$2,750,000 principal amount are to be offered for public sale through White,

Weld & Co. The public offering price and underwriting terms are to be supplied by amendment. The remaining \$4,250,000 principal amount of debentures are to be offered by the company to holders of its 7% Subordinated Notes in exchange therefor. No underwriting is involved in the exchange offer. The interest rate on the debentures is to be supplied by amendment.

The company and its 147 active finance subsidiaries are primarily engaged in the consumer finance (small loan) business. Its wholly owned subsidiary, Consumers Life Insurance Company, is engaged in the business of providing, directly or through reinsurance arrangements, credit life and disability insurance in connection with the said consumer finance business. The net proceeds from the cash sale of the \$2,750,000 of debentures will be applied to the reduction of short term debt. According to the prospectus, if the principal amount of notes not exchanged for debentures is \$2,750,000 or less, the company will redeem all unexchanged notes at their principal amount and accrued interest. If such principal amount of unexchanged notes exceeds \$2,750,000, the company will redeem at least \$2,750,000 thereof.

In addition to various indebtedness, the company has outstanding 1,150,000 shares of common stock, of which Ellis I. Levitt, president and board chairman, owns 60,859 shares and certain persons as trustees hold 260,891 shares in 63 trusts for members of the Ellis I. Levitt family. Management officials as a group own 145,712 shares.

NATIONAL BOWL-O-MAT PROPOSES OFFERING. National Bowl-O-Mat Corporation, 152 Market St., Paterson, N. J., today filed a registration statement (File 2-17635) with the SEC seeking registration of 220,000 shares of common stock, to be offered for public sale on an all or none basis by underwriters headed by Granbery, Marache & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized under New Jersey law on January 10, 1961, for the purpose of owning and operating, through subsidiaries, a national chain of centrally-managed bowling centers. Under an earlier registration statement filed February 17th (See SEC News Digest of 2/20/61), it proposes the offering of 450,500 common shares in exchange for the outstanding stock of several corporations which now own and operate twelve bowling establishments, and an additional 40,000 shares to be offered in repayment of \$400,000 of indebtedness of such corporations on notes held by their stockholders. Of the net proceeds of the cash sale of stock, the Company will use \$600,000 to liquidate in full the balance payable by the subsidiaries on stockholder notes; \$225,000 will be used to add additional lanes to certain of the centers; \$150,000 will be used to furnish and equip a center now under construction and to provide working capital for its operation; \$500,000 will be used to create, furnish and equip another center and to provide working capital for its operation; and the balance will be available for general corporate purposes.

EFFECTIVE SECURITIES ACT REGISTRATIONS: February 24: Savoy Industries, Inc. (File 2-17259); Arcoa, Inc. (File 2-17425); Canadian Superior Oil Co. of California, Ltd. (File 2-17449); Giant Food, Inc. (File 2-17479). Registration withdrawn: February 24: Illinois Beef, L. & W. S., Inc. (File 2-16527). Effective February 25 (by lapse of time). Chain Belt Company (File 2-17568).

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