

# 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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Washington 25, D.C.

FOR RELEASE March 16, 1961

**TRADING IN TELECTRO INDUSTRIES SUSPENDED.** The SEC announced March 15th the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934 temporarily suspending trading on the American Stock Exchange in the common stock of Telectro Industries Corp., of Long Island City, N. Y., for the ten-day period March 15 to 24, 1961, inclusive.

The order states that the Commission is of the opinion that the suspension is necessary in order to prevent fraudulent, deceptive or manipulative acts or practices in transactions in Telectro stock. Accordingly, under Commission Rule 15c2-2, over-the-counter trading in Telectro stock also is prohibited during the period of the suspension of Exchange trading.

Because available information with respect to Telectro, particularly concerning its inventories and accounts receivable and concerning the results of its operations for the year 1960, is considered inadequate for purposes of evaluating its stock, the Commission ordered the suspension of trading therein in the interest of protecting investors until the factual situation is clarified.

**TRADING BAN ON UNITED INDUSTRIAL STOCKS CONTINUED.** The SEC has ordered the further suspension of trading on the New York, Pacific Coast and Detroit Stock Exchanges, as well as the over-the-counter market, in the common and preferred stocks of United Industrial Corporation (Del.), and common stock purchase warrants, during the ten-day period March 17 to March 26, 1961, inclusive.

**GENERAL MOTORS FILES STOCK PLANS.** General Motors Corporation, 1775 Broadway, New York, filed registration statements (Files 2-17725 and 2-17726) with the SEC on March 15, 1961, seeking registration of (1) \$45,000,000 of participations in General Motors Savings-Stock Purchase Program for Salaried Employees in the United States, and 2,000,000 common shares which may be acquired pursuant thereto; and (2) 828,982 shares of common stock, to be offered to executives of the company pursuant to its Stock Option Plan.

**ECONOMY BOOK FILES FOR OFFERING AND SECONDARY.** Economy Book Company, 511 Joyce Street, Orange, N. J., filed a registration statement (File 2-17727) with the SEC on March 15, 1961, seeking registration of 150,000 shares of common stock, of which 75,000 shares are to be offered for public sale by the company and 75,000 shares, being outstanding stock, by the present holders thereof. Hayden, Stone & Co. heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 12,000 warrants to purchase 12,000 common shares sold by the selling stockholders to a company substantially owned by partners of the principal underwriter.

The company was organized under New Jersey law on February 20, 1961 and on February 28, 1961 acquired in exchange for 450,000 common shares all the outstanding capital stock of Economy Bindery Co., which owned all the stock of Pyramid Warehouse Co. and 50% of the stock of The Geneco Co. The company and its subsidiaries are engaged principally in the binding of children's hard cover books having "flat-back" (straight rigid spine) bindings. Of the net proceeds from the company's sale of additional stock, \$200,000 will be used to purchase additional machinery and equipment, \$50,000 to move equipment and other facilities to a new leased plant, \$50,000 to develop new equipment by independent engineers, and the balance will be added to general funds to increase working capital.

In addition to certain indebtedness, the company has outstanding 450,000 shares of common stock, of which Henry A. Abruzzese, president, Anthony J. Davanzo, board chairman, and Albert A. Traettino, vice president, own 33.3% each, and propose to sell 25,000 shares each.

**UNITED STATES FREIGHT CO. PROPOSES RIGHTS OFFERING.** United States Freight Company, 711 Third Avenue, New York, filed a registration statement (File 2-17728) with the SEC on March 15, 1961, seeking registration of \$15,393,900 of Convertible Subordinated Debentures due April 1, 1981. The company proposes to offer such debentures for subscription by holders of its outstanding capital stock on the basis of \$100 principal amount of debentures for each seven shares held. The interest rate, record date and subscription price are to be supplied by amendment. Any debentures not subscribed for may be offered for public sale through a group of underwriters headed by Merrill Lynch, Pierce, Fenner & Smith. The underwriting terms are to be supplied by amendment.

The company through its operating subsidiaries is engaged principally in furnishing freight transportation services, including domestic freight forwarding, foreign freight forwarding and local cartage. The net proceeds from the debenture sale will be used as follows: \$2,500,000 for the expansion, replacement and rehabilitation of the company's cartage and piggyback fleet; \$2,000,000 for the acquisition of refrigerated trailers and accessory equipment in connection with the proposed extension of the company's piggyback operations and for leasing to carriers and the shipping industry generally; \$3,000,000 for the acquisition of approximately 500 vehicles for the expansion of the company's truck rental operations; \$5,000,000 to be used in connection with fishyback operations (the transporting of freight shipments in trailers which are carried aboard ship), including the acquisition of vessels for use in such operations; and the balance for working capital requirements and general corporate purposes, including the acquisition of other businesses.

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In addition to certain indebtedness, the company has outstanding 1,077,573 shares of capital stock, of which management officials as a group own 38,065 shares. M. Forgash is listed as president.

**GREAT SOUTHERN FINANCIAL CORP. FILES FOR OFFERING.** Great Southern Financial Corporation, First National Bank Building, Gadsden, Alabama, filed a registration statement (File 2-17729) with the SEC on March 15, 1961, seeking registration of 500,000 shares of common stock, to be offered for public sale through the company's officers, directors and employees. The public offering price and selling commissions are to be supplied by amendment. The registration statement also includes 15,000 common shares reserved for sale at \$1 per share to persons to be employed by the company, and 22,427 shares underlying warrants which were sold at organization to the promoters and others for 50¢ each and entitle the holders to purchase such shares at \$5 per share.

The company was organized under Florida law in October 1960. It was formed for the purpose of developing and operating an integrated insurance and finance business through subsidiary companies to be organized by the company or acquired by purchase. The company proposes to commence operations with four subsidiary companies, two of which will be engaged in the insurance business and two in the finance business. The \$2,250,000 net proceeds from the stock sale will be invested in such proposed subsidiaries.

The company has outstanding 22,427 shares of common stock issued to promoters and twenty other persons at \$5 per share. Of this stock, H. Ben Coker, president, owns 3,567 shares and B. L. Carter, board chairman 2,910 shares. Management officials as a group own 98.7% of the outstanding stock.

**TALLEY INDUSTRIES PROPOSES OFFERING.** Talley Industries, Inc., 4551 E. McKellips Rd., Mesa, Ariz., filed a registration statement (File 2-17730) with the SEC on March 15, 1961, seeking registration of \$1,500,000 of Convertible Subordinated Debentures due 1976, to be offered for public sale through Adams & Peck and McDonnell & Co., Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in February 1960 and has offices in Mesa and at 1425 Milldale Road, Cheshire, Conn. It does not itself conduct any operations but owns all the outstanding stock of Talley Industries, an Arizona corporation, Astro-Rocket, Inc., a Delaware corporation, and Microtech, Inc., a Connecticut corporation, and has a large majority interest in Microwave Dynamics Corporation. Talley of Arizona was organized in December 1959 to engage in the design, manufacture and sale of solid propellant ballistic devices; Astro-Rocket in June 1960 to engage in the design, manufacture and sale of solid propellants for use in rockets and ballistic devices; Microwave Dynamics in August 1960 to manufacture specialized microwave components and electronic test systems; and Microtech in February 1960 to engage in the design, manufacture and sale of waveguide and other microwave components. The latter owns all the assets and business of a company of the same name which was organized in June 1957 and which sold all its assets and business to Talley Industries in March 1960 in exchange for 211,043 shares of its stock and the assumption by the company of liabilities and obligations of the predecessor. According to the prospectus, the company and its subsidiaries showed a net loss of \$532,683 during the nine-month period ended December 31, 1960, and operating losses have continued and the working capital position has declined as expenses in connection with the development of sales and products have continued to be incurred and as further investments in plant and equipment have been made. An action has been filed against Talley of Arizona seeking to enjoin it from the manufacture of one of its products and for an accounting for profits from the sale thereof.

Of the net proceeds of the sale of debentures, the company proposes to advance \$150,000 to Microwave Dynamics to prepay secured bank indebtedness incurred in connection with the purchase of machinery and equipment; \$225,000 to Microtech to prepay indebtedness the proceeds of which were employed as working capital; \$150,000 to Astro-Rocket for expansion of its propellant manufacturing facilities; and \$150,000 used to purchase equipment for the expansion of microwave operations. The balance of the proceeds will be added to the general funds of the company to be advanced to subsidiaries for use as general working capital.

The company has outstanding 861,043 shares of common stock, of which 283,000 shares were issued in February and March 1960 for cash at \$1 per share, 167,000 in exchange for the stock of Talley of Arizona, 211,043 for the assets of the predecessor of Talley Industries, and 200,000 shares were issued publicly in July 1960 at \$7.75 per share. Franz G. Talley, president, and Mae S. Talley, of Phoenix, own 100,000 shares each of the outstanding stock.

**VICTOREEN INSTRUMENT PROPOSES OFFERING.** The Victoreen Instrument Company, 5806 Hough Ave., Cleveland, today filed a registration statement (File 2-17731) with the SEC seeking registration of 350,000 shares of common stock, to be offered for public sale through underwriters headed by Van Alstyne, Noel & Co. The initial public offering price will be related to the current market price of outstanding shares at the time of offering; and the underwriters will receive a 7% concession.

The company is primarily engaged in the development and manufacture of various electronic and nuclear instruments and devices, such as medical radiation measuring instruments, radiation dose indicators, laboratory and field radiation survey meters, hi-meg resistors and electronic tubes. Through its four subsidiaries the company is engaged in the development and manufacture of multi-channel analyzers, spectrometers and certain other medical instrumentations in the nuclear field, electronic capacitors, photographic-electronic equipment, advertising and display signs, and also produces a broad line of felt for use by manufacturers engaged in industrial, medical, pharmaceutical, aircraft and missile fields. Net proceeds of the stock sale are to be used as follows: \$900,000 for the acquisition of new capital equipment and facilities; \$850,000 for financing increased inventories and accounts receivable; \$600,000 for the modernization of existing equipment and acquisition of new automatic equipment of a subsidiary, John E. Fast & Co.; and \$450,000 for expanding and modernizing the existing facilities and opening a new West Coast operation for another subsidiary, Kolus Corporation. The balance of the proceeds will become part of treasury funds and may be applied to any corporate purpose, including the development and acquisition of new products or the acquisition of other companies, or both.

In addition to certain indebtedness, the company has outstanding 1,661,067 common shares, of which management officials own about 10%. The prospectus lists David H. Cogan as president and board chairman.

**RECREATION ENTERPRISES FILES FINANCING PROPOSAL.** Recreation Enterprises, Inc., 6000 Independence Ave., Kansas City, Mo., today filed a registration statement (File 2-17734) with the SEC seeking registration of 110,000 units of common stock and warrants, each unit to consist of one share of Class A common and two common stock purchase warrants for the purchase of Class A common (one exercisable at \$5.50 per share for eighteen months and the other at \$6 per share within thirty-six months). The units are to be offered for public sale at \$5 per unit with a 60¢ per unit commission to the underwriters, headed by I. M. Simon & Co., which will make the offering on an all or none basis. Simon & Co. has acquired, at one mill each, warrants for the purchase of 5,000 Class A shares at \$6 per share.

Organized in July 1959, the company proposes to operate a chain of tenpin bowling centers and related facilities in metropolitan areas in the midwestern states, initially Missouri and Kansas. Through subsidiaries it now operates one bowling center in Kansas City and has leased another which proposes to open for business in September; and it also owns the Kansas City franchise in the National Bowling League and has sub-leased the Midland Theater in Kansas City in which it proposes to present the professional bowling league contests scheduled for October. Of the net proceeds of this financing, \$100,000 will be allocated as the initial investment in the Midland Theatre site and \$130,000 to the leased property. The balance is expected to be invested in two other proposed bowling centers whose locations have not yet been determined.

The prospectus lists Benjamin F. Weinberg, board chairman, Daniel L. Brenner and Leonard A. O'Neal as promoters. Lorie J. Newhouse is president. The company now has outstanding 110,000 Class B common shares and 220,000 Class A purchase warrants. Management officials own 56,000 Class B shares and 112,000 warrants.

**INTERSTATE POWER PROPOSES OFFERING.** Interstate Power Company, 1000 Main St., Dubuque, Iowa, today filed registration statements (File 2-17732 and 2-17733) with the SEC seeking registration of \$9,000,000 of First Mortgage Bonds due 1991, and 223,833 shares of common stock, each issue to be offered for public sale at competitive bidding. Net proceeds of this financing will be used by the company first, to discharge \$4,000,000 of 4½% promissory notes and \$2,000,000 of 5% promissory notes evidencing bank loans made during 1960 which were used to pay for a portion of the company's construction program and secondly, towards payment of the \$12,761,000 construction program of the company for 1961.

**DECITRON ELECTRONICS FILES FOR OFFERING AND SECONDARY.** Decitron Electronics Corp., 850 Seventh Avenue, New York, today filed a registration statement (File 2-17737) with the SEC seeking registration of 50,000 shares of common stock, of which 30,000 shares are to be offered for public sale by the company and 20,000 shares, being outstanding stock, by the present holders thereof. The offering will be made at \$2.00 per share through M. L. Lee & Co., Inc., which will receive a 20¢ per share commission. The registration statement also includes \$113,400 of convertible subordinated debentures (and 168,000 common shares reserved for issuance upon conversion of the debentures), which were sold by the company in 1960 and which may be offered for public sale 30 days from the effective date of a post effective amendment to this registration statement.

Organized in January 1960, the company is in the business of designing, engineering, manufacturing and selling electronic equipment for the United States Government. Of the net proceeds from the company's sale of additional stock, \$50,000 will be allocated to research and development and the balance to general working capital.

In addition to certain indebtedness, the company has outstanding 232,000 shares of common stock, of which Henry Starkand, president, owns 200,000 shares. Bernard Bertner owns 22,000 shares and proposes to sell 12,500 shares and Edwin A. Bernstein, a vice president, owns 8,000 shares and proposes to sell 7,500 shares. The outstanding shares were issued in January 1960 for all the assets and liabilities of a predecessor, and the consideration for their issuance was the net worth of \$18,952.60 of the former company. At December 31, 1960, the equity of the present stockholders amounted to \$38,309.72, or 17¢ per share.

**ALABAMA POWER FINANCING CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-14389) authorizing the issuance and sale by Alabama Power Company at competitive bidding of \$13,000,000 of first mortgage bonds due 1991 and 80,000 shares of \$100 par preferred stock. Proceeds of the financing will be used for property additions and improvements.

**SECURITIES ACT REGISTRATIONS.** Effective March 15: Storer Broadcasting Company (File 2-17433). Effective March 16: Citizens Acceptance Corporation (File 2-17431); General Supermarkets, Inc. (File 2-17481); Forcite, Inc. (File 2-17521); Atlantic City Electric Company (File 2-17581).

**FRONTIER AIRLINES FILES FOR SECONDARY.** Frontier Airlines, Inc., 5900 E. 39th Avenue, Denver, Colo. today filed a registration statement (File 2-17738) with the SEC seeking registration of 250,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The public offering price, names of the underwriters and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the transportation by air of passengers, property and mail, now serving 66 cities through 66 airports in 11 states. In addition to certain indebtedness, it has outstanding 937,528 shares of common stock, of which L. B. Maytag, Jr., president and board chairman, owns 493,601 shares and proposes to sell 210,000 shares and Lewis B. Maytag, Sr. owns 88,888 shares and proposes to sell 40,000 shares. David D. Maytag owns 143,713 shares and management officials as a group 495,423 shares.

**ANTHONY P. MASSA PLEADS GUILTY.** The SEC Boston Regional Office announced March 13th (LR-1942) that Anthony P. Massa, formerly of Derby, Conn., who on February 17th had entered a plea of guilty to charges of fraud in the sale of stock of Imperial Petroleum Company, a Nevada corporation, died unexpectedly on March 7th prior to final disposition of the case. The indictment against co-defendant Thomas R. Craig of Los Angeles has been dismissed.