

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington 25, D.C.

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)

FOR RELEASE August 1, 1961

AUTOMATED BUILDING COMPONENTS PROPOSES OFFERING. Automated Building Components, Inc., 7525 N. W. 37th Ave., Miami, Fla., filed a registration statement (File 2-18604) with the SEC on July 28th 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 Winslow, Cohu & Stetson & Laird, Bissell & Meeds. The public offering price and underwriting terms are to be supplied by amendment. The underwriters will receive \$12,000 for expenses. Also included in the statement are shares recently sold at \$2 per share as follows: 11,250 shares each to the two principal underwriters, and 1,250 shares each to John D. Horn and John E. de Eiorza. J. Calvin Jureit, company president, acquired for \$150 three-year options on the purchase of 15,000 shares at the public offering price; and he resold options for 6,750 shares each to the two underwriting firms and for 750 shares each to the two individuals. An additional 13,000 shares sold to five persons at \$2 per share also are included in the statement.

The company was organized in 1947; and in 1960 and 1961 Gang-Nails, Inc. and Gang-Nails Sales Co., Inc. were merged with and into it. Its business consists primarily of the manufacture and sale to licensed fabricators, under the trademark "Gang-Nails," of metal connector plates used in the prefabrication of wooden roof trusses; and it also designs, manufactures and sells the jigs and presses with which the plates are made. Net proceeds of its sale of additional stock, estimated at \$410,000, will be applied in part (\$150,000) to the repayment of current loans; and the balance will be available for expansion and working capital.

In addition to indebtedness and preferred stock, the company has outstanding 350,000 common shares, of which J. Calvin Jureit, president, owns 79.35% and management officials as a group 87.90%.

COMMONWEALTH THEATRES OF PUERTO RICO FILES FOR OFFERING AND SECONDARY. Commonwealth Theatres of Puerto Rico, Inc., Santurce, Puerto Rico, filed a registration statement (File 2-18605) with the SEC on July 28th seeking registration of 100,000 shares of common stock, of which 50,000 are to be offered for public sale by the company and 50,000, being outstanding stock, by the present holders thereof. The stock is to be offered for public sale at \$10 per share on an all or none basis through underwriters headed by J. R. Williston & Beane, which will receive a commission of \$1 per share. Also included in the statement are an additional 2,500 shares underlying an option sold to James Nissan (partner of the underwriter) as a finder's fee for \$25 and exercisable at \$10 per share.

The company is engaged in the management and operation of 38 movie theatres in the Commonwealth of Puerto Rico and related activities. In addition to indebtedness, it has outstanding 450,000 common shares. Of the \$418,648 estimated net proceeds of its sale of additional stock, the company proposes to use \$200,000 for the construction of a drive-in movie theatre, \$200,000 for the conversion of two leased theatres into "de luxe" theatres (including addition of air conditioning), and the balance for general corporate purposes. Of the outstanding stock, 225,000 shares are owned by Rafael Ramos Cobian, president, and 153,750 by Victor Carrady, executive vice president. They propose to sell 25,000 and 18,750 shares, respectively; and two other persons propose to sell 6,250 shares.

ELECTRO-TEC FILES FOR SECONDARY. Electro-Tec Corp., 10 Romanelli Avenue, South Hackensack, N. J., filed a registration statement (File 2-18606) with the SEC on July 28th seeking registration of 91,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Harriman Ripley & Co. Such shares include 53,500 shares resulting from the conversion by the underwriters of 5,350 shares of the company's preferred stock, 6% series, to be purchased by the underwriters from the holders thereof, and 37,500 shares to be purchased by the underwriters from George J. Pandapas, president and principal stockholder, his wife and trusts for members of his family. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the design, development, manufacture and sale of slip ring and brush lock assemblies, switching devices and relays for electronic equipment; and, through its wholly-owned subsidiary, Preciment Laboratories, Inc., it manufactures and sells precious metal products to the electronics and jewelry industries. The company has outstanding 6,000 \$100 par preferred shares (5,350 to be converted), and 592,500 common shares. Of the latter, Pandapas owns 375,025 shares and proposes to sell 17,500 shares, and his wife owns 10,000 shares and proposes to sell 1,000 shares. Certain trusts propose to sell amounts ranging from 1,000 to 4,000 shares. The underwriters will purchase 1,000 preferred shares each from William A. M. Burden & Co., Fox, Wells and Rogers, and Bessemer Securities Corp., and amounts ranging from 50 to 400 shares from 13 other holders.

MAGNETIC METALS FILES FOR SECONDARY. Magnetic Metals Company, Hayes Ave. at 21st Street, Camden, N. J., filed a registration statement (File 2-18607) with the SEC on July 28th seeking registration of 151,200 outstanding shares of its common stock, to be offered for public sale by the present holders thereof on an all or none basis through underwriters headed by Butcher & Sherrerd. The public offering price and underwriting terms are to be supplied by amendment. The company is engaged principally in the development, manufacture

and sale of magnetic components which serve basic needs in the electrical and electronics industries. Most of the components produced by the company are designed for use as ferro-magnetic cores in devices such as transformers, chokes, filters, reactors, magnetic amplifiers, etc. In addition to preferred stock, and after giving effect to a 70-for-1 stock split, the company has outstanding 151,200 shares of common stock plus an additional 604,800 common shares "restricted as to cash dividends" until specified dates. The 151,200 shares the subject of this offering are held as follows: William F. Langworthy, president, 38,318 shares; Marjorie C. Langworthy, secretary, 41,818; and David C. Langworthy, executive vice president, 71,064. They also own, respectively, 153,272, 167,272 and 284,256 shares of the restricted stock.

PRODUCT RESEARCH OF R.I. FILES FOR STOCK OFFERING. Product Research of Rhode Island, Inc., 184 Woonasquacket Avenue, North Providence, Rhode Island, filed a registration statement (File 2-18608) with the SEC on July 28th seeking registration of 330,000 shares of common stock, to be offered for public sale at \$2.05 per share. The offering will be made on a best efforts basis by Continental Bond & Share Corp., which will receive a \$.30-3/4 per share selling commission and up to \$33,825 for expenses. The company has agreed to pay Marvin Hayutin and Calvin Kohler \$7,500 each as finders' fees and to sell each 36,250 shares at 1¢ each. The company sold 25,000 common shares to Leo Stuppell and 72,500 shares to the underwriter at 1¢ per share. The registration statement also includes (1) 85,216 common shares which are to be exchanged (on the basis of 1-for-3) for 255,650 outstanding common shares which were sold to residents of Rhode Island at 50¢ per share, and (2) 100,000 common shares underlying 5-year warrants, of which 50,000 were issued to Meryll M. Frost, secretary-treasurer and 50,000 to William J. MacDonald, president.

The company (formerly Product Research Company, Inc.) was organized for the general purpose of manufacturing of vinyl, plastic products used primarily in the automotive, marine and household fields. To date it has been engaged in the installation of equipment, the testing of its products, the organization of sales outlets, the analysis of prospective markets, and the manufacture of vinyl automobile floor mats and "Foster-cote" battery cables. The net proceeds from the stock sale, estimated at \$500,000, will be used as follows: \$55,000 to pay off accounts payable; \$60,000 to pay off notes payable; \$250,000 for acquisition of additional new plant equipment; and \$135,000 to provide working capital to finance accounts receivable.

The company has outstanding 413,100 shares of common stock (after giving effect to said recapitalization), of which MacDonald owns 45,030 shares, Frost 51,283 shares, Louis Solmonson 50,667 shares, and the underwriter 72,500 shares.

WORLD SCOPE PUBLISHERS FILES FOR STOCK OFFERING. World Scope Publishers, Inc., 290 Broadway, Lynbrook, N. Y., filed a registration statement (File 2-18609) with the SEC on July 31st seeking registration of 300,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Standard Securities Corporation. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes (1) 30,000 common shares which underlie five-year warrants to be sold to the underwriters at 1¢ per warrant, exercisable at a price to be supplied by amendment, (2) 20,000 outstanding shares which underlie options, exercisable at \$1 per share, purchased by the principal underwriter from the company's principal stockholder for \$200, and (3) 60,000 shares which underlie \$150,000 of outstanding 3% convertible promissory notes due January 1962 and \$50,000 of like notes due February 1962 held by 22 persons and convertible at \$3.33-1/3 per share. The shares which underlie said warrants, options and notes may be offered for public sale from time to time in the over-the-counter market at prices prevailing at the time of sale.

The company is engaged principally in the publishing and selling of encyclopedias and other reference books. These publications are sold directly to the public through door-to-door canvass, mail order and direct mail. The net proceeds from the stock sale will be applied to the reduction of factoring advances obtained principally to carry accounts receivable; \$300,000 to the reduction of trade notes and accounts payable; \$200,000 to the reduction of long outstanding loans evidenced principally by demand notes or a note due January 1962; and for working capital to be used principally to carry inventories and accounts receivable and for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 200,000 shares of common stock (after giving effect to a 2000-for-1 stock split in June 1961), of which Abe Halperin, board chairman and president, owns 100%.

U. S. MARKETS FILES FOR OFFERING AND SECONDARY. U.S. Markets, Inc., 60 Fallon Street, Oakland, Calif., filed a registration statement (File 2-18610) with the SEC on July 31st seeking registration of 200,000 shares of common stock, of which 160,000 shares are to be offered for public sale by the company and 40,000 shares, being outstanding stock, by Nathan Narin, president. The stock is to be offered at \$5 per share through underwriters headed by Stanley Heller & Co., which will receive a 50¢ per share commission and \$30,000 for expenses. The statement also includes 15,000 outstanding shares sold by the former holders thereof to Stanley Heller at \$2 per share.

The company, together with its 13 wholly owned subsidiaries, is engaged in the operation of 13 retail supermarkets and 8 retail food stores in the greater San Francisco bay area. In addition, Standard Wholesale Grocery, Inc., a recently acquired subsidiary, is engaged in the wholesale distribution of food products which it sells to the company as well as about 500 retail customers located throughout the far western states, Alaska and Hawaii. Of the net proceeds from its sale of additional stock, the company intends to use \$300,000 to reduce an outstanding inventory loan from a bank, \$141,591 to repay advances to the company by employees, and the balance for working capital and general corporate purposes.

In addition to certain indebtedness, the company has outstanding 557,498 shares of common stock, of which Nathan Narin owns 292,050 shares (52.39%) and proposes to sell the 40,000 shares; and Norman, Stanley and Hillel Narin, vice presidents, own 13.06%, 14.70% and 11.63%, respectively. In July 1961 the company issued an aggregate of 141,123 common shares to the said Narins, the Narin Foundation, the minor children of Norman Narin, and Irving Abrahams in exchange for all the outstanding stock of Standard Wholesale

Grocery and certain other subsidiaries. After the sale of new stock, the Narin family, the foundation and the minor children will own 67.24% of the then outstanding stock.

BLACK BEAR INDUSTRIES TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Black Bear Industries, Inc. (formerly Black Bear Consolidated Mining Co.) on the San Francisco Mining Exchange and over-the-counter market, for the further ten-day period August 2 to 11, 1961, inclusive.

SEC TO PARTICIPATE IN GREAT AMERICAN DEVELOPMENT REORGANIZATION. The SEC has entered its appearance in the reorganization proceedings for Great American Development Company under Chapter X of The Bankruptcy Act. The Debtor filed a voluntary petition for reorganization in the United States District Court for the Western District of Texas, San Antonio Division, on June 1, 1961, pursuant to Chapter X. The petition was approved on June 3, 1961 by Judge Ben H. Rice, Jr., who appointed Joe S. Sheldon of San Antonio as Trustee. The Debtor, whose principal place of business is San Antonio, owns some 870 acres of land in Comal County, Texas. It has been engaged in developing this land for subdivision purposes and has erected certain improvements on the property. As of May 23, 1961, the unaudited balance sheet of the Debtor showed assets totaling \$792,510 which includes the land appraised at \$750,000. Liabilities were shown in the amount of \$528,786, which includes \$266,431 due on a first mortgage on the land. The Debtor has outstanding about 182,000 shares of no par common stock which are held by about 1,000 persons, virtually all of whom reside in Texas. The sale of this stock, which took place during the period 1955 to 1960, was the subject of a Stop Order by the Texas State Securities Board in December 1960.

PENN INVESTMENT SEEKS ORDER. Penn Investment Company, Philadelphia, 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-3300) giving interested persons until August 17th to request a hearing thereon. The company's stockholders in December 1960 approved a resolution for its dissolution.

BRITE UNIVERSAL FILES FINANCING PLAN. Brite Universal, Inc., 441 Lexington Ave., New York, a Delaware corporation, filed a registration statement (File 2-18612) with the SEC on July 31st seeking registration of (1) 100,000 shares of common stock and \$1,000,000 of 10% subordinated debentures due 1966, to be offered for public sale (without underwriting) at prices to be supplied by amendment, (2) 108,365 common shares to be offered to stockholders of Brite Universal, Inc. ("Brite N.Y."), a New York corporation, on the basis of 2½ company shares for each outstanding Class A and Class B common share of Brite N.Y., (3) \$1,847,804 of like debentures, of which \$957,345 are to be offered in exchange, on a dollar for dollar basis, for outstanding debentures of Brite N.Y., and \$890,459 in exchange on the same basis for Participations (participating interests) with Brite, N.Y. and its wholly owned subsidiary, Planned Credit of Puerto Rico, Inc., (4) 100,000 common shares which underlie warrants to be issued to holders of the outstanding debentures of Brite N.Y. and to holders of said Participations, and (5) 10,000 common shares which underlie a warrant sold to Carter, Berlind, Potoma and Weill for \$100, exercisable at \$5 per share.

The company was organized in July 1961 by directors and stockholders of Brite N.Y. to acquire the outstanding stock of Brite N.Y. and participation interests (participations) of joint venturers with said company and its subsidiary Planned Credit of Puerto Rico. Brite N.Y. was organized in 1955 and has been engaged in the consumer finance business in New York, New Jersey and Pennsylvania. Its subsidiary has been engaged in such business in Puerto Rico. As at April 30, 1961, the consolidated balance sheet of Brite N.Y. shows an accumulated deficit of \$181,212. The prospectus further states that a possible contingent liability under the Securities Act of 1933 may have resulted from the sale of \$1,540,622 of securities sold by the company without registration during the three years ended July 31, 1961. Net proceeds from this financing will be used to repay short-term loans to Brite N.Y. from its officers and directors and certain other persons, and the balance for additional working capital.

As of April 30, 1961, Brite N.Y. had outstanding, in addition to various indebtedness, 16,039 Class A and 25,000 Class B common shares, of which Norman Laidhold, president, Lester Feierstein, a director, and Henry Mendelson, treasurer, owned 17.3%, 15.3% and 10.8%, respectively, of the Class B shares and management officials as a group owned 28% of the Class A stock. After this financing, management officials as a group will own 28.6% of the outstanding stock.

NEW HAVEN CLOCK AND WATCH SHARES IN REGISTRATION. The New Haven Clock and Watch Company, 196 Lexington Avenue, New York, filed a registration statement (File 2-18613) with the SEC on July 31st seeking registration of (1) 695,000 shares of common stock, to be offered by the company to the holders of \$695,000 of its debentures which are convertible at \$1 per share, (2) 500,000 common shares, to be offered at \$1 per share and 250,000 shares at \$2 per share pursuant to options granted to Industrial Trading Corp. in April 1961 in connection with a loan made to the company, (3) 86,433 shares to be issued to John L. Ayers in payment of certain mortgage installments due him, and (4) 321,500 shares to be issued to various other creditors in payment of corporate obligations. The registration statement also includes 30,500 common shares previously issued to certain creditors in full payment of certain obligations; 105,000 shares held by Taylor Construction Company, issued in connection with certain transactions; and 1,550,000 shares issued to various individuals pursuant to a contract for the acquisition of the Hubbard Companies. All such shares may be offered for public sale by the recipients or holders thereof on the American Stock Exchange or otherwise at prices current at the time of sale.

The company is now engaged in the business of community development and electronics. The discontinuance of the loss operations of the clock and watch division in New Haven, the disposition of the antiquated plant there, and the establishment of the Condenser Products Division in a new building in Florida have, according to the prospectus, "eliminated the primary cause of the substantial operating losses incurred by the company

in prior years." Net proceeds from the sale of stock to Industrial Trading Corp., estimated at \$1,000,000, will be added to working capital.

In addition to various indebtedness, the company has outstanding 5,254,903 shares of common stock, of which management officials as a group own 17.5%. Irving Jacobs is listed as board chairman and Ben Friedkin as president.

FIRST CHARTER FINANCIAL FILES STOCK PLAN. First Charter Financial Corporation, 110 N. Doheny Drive, Beverly Hills, Calif., filed a registration statement (File 2-18614) with the SEC on July 31st seeking registration of 368,679 shares of common stock, to be offered to selected officers and key executive employees pursuant to the company's Employee Stock Option Plan.

FINES IMPOSED IN CARDINAL LIFE CASE. The SEC Chicago Regional Office announced July 28th (LR-2075) the imposition of fines of \$21,000 and \$15,000, respectively, against Charles C. Bales and John C. Buckley, Jr., on their pleas of nolo contendere to 20 counts of an indictment charging fraud and conspiracy in the sale of stock of Cardinal Life Insurance Company (USDC, Louisville, Ky.). Defendants Robert B. Hensley, Frank A. Logan, Sylvester H. Goebel and Dan A. Aldridge received fines on their "nolo" pleas to five counts, in the respective amounts of \$10,000, \$7,500, \$5,000 and \$5,000.

SECURITIES ACT REGISTRATIONS. Withdrawn July 31: The Tampa Bay Citrus Group (File 2-17008). **Effective August 1:** Automatic Canteen Company of America (File 2-18295); Interstate Department Stores, Inc. (File 2-18305); Pacific Air Lines, Inc. (File 2-18365); Real Estate Investing Association, Inc. (File 2-18159); Versapak Film and Packaging Machinery Corp. (File 2-17850).

---0000000---