

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 August 21, 1961

Statistical Release No. 1772. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended August 18, 1961, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1961 is as follows:

	1957-59 = 100		Percent Change	1961	
	8/18/61	8/11/61		High	Low
Composite	138.2*	137.7	+0.4	138.2	118.3
Manufacturing	131.0*	130.4	+0.5	131.0	113.0
Durable Goods	131.6	132.0	-0.3	132.1	117.0
Non-Durable Goods	130.5*	128.9	+1.2	130.5	109.2
Transportation	108.3	106.5	+1.7	109.4	97.8
Utility	170.9	171.3	-0.2	173.0	144.4
Trade, Finance & Service	164.6*	164.0	+0.4	164.6	132.5
Mining	92.9	93.4	-0.5	99.5	83.3

*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended August 17, 1961, 40 registration statements were filed, 36 became effective, 3 were withdrawn, and 548 were pending at the week end.

VIOLATIONS CHARGED TO AULD & CO. The SEC has issued an order under the Securities Exchange Act of 1934 revoking the broker-dealer registration of Auld & Co., Inc., 1026 N. E. Multnomah Street, Portland, Ore. Its president, Gilbert W. Auld, was found to be a cause of the revocation order; and both the company and Auld consented to the issuance of the order.

The Commission ruled that Auld & Co., aided and abetted by Auld, violated provisions of the Act and rules thereunder, as follows: (a) Section 15(b) and Rule 15b-8, by reason of the filing in June 1960, as a supplement to its registration application, of a financial statement which was false and misleading, in that it included as cash a check for \$15,000 from an affiliate for which there were insufficient funds on deposit; (b) Section 17(a) and Rule 17a-5, by reason of the subsequent filing of a statement of financial condition dated September 30, 1960, which was false and misleading, in that it overstated the company's assets by denominating an unsecured loan of \$12,500 made to the affiliate as a "note receivable - secured;" and (c) Section 15(c)(3) and Rule 15c3-1, by reason of the conduct of a securities business during October and November 1960 when the company's aggregate indebtedness to all other persons exceeded 2000% of its net capital (the deficiency in net capital ranging from \$871 to \$6,216).

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 the over-the-counter market, for the further ten-day period August 22 to 31, 1961, inclusive.

GEORGIA POWER PROPOSES DISPOSITION OF BUS PROPERTIES. Georgia Power Company (Atlanta), has filed a proposal with the SEC for disposition of its buses and related facilities now operated by it in the City of Rome, Georgia; and the Commission has issued an order (Release 35-14498) giving interested persons until September 7, 1961, to request a hearing thereon. The proposal is designed to effectuate compliance with a 1947 order of the Commission directing divestment of the bus properties. The Commission's staff had previously submitted a plan for such disposition. As a result of negotiations between the company and the City of Rome, the City adopted a resolution, accepted by the company, providing that Georgia will transfer to the City all buses and equipment now operated by Georgia in furnishing public transportation service in the City (which are recorded on the books of Georgia, as of July 31, 1961, at approximately \$25,000, after the deduction of reserves applicable thereto), together with spare parts having a value of approximately \$500, and making payment to the City of \$250,000 in cash. The City has consented to Georgia's complying with the requirements of the Commission Order dated August 1, 1947 and has relieved, released and discharged Georgia from any and all obligations to furnish transportation service in the City under its franchise with the City which obligates Georgia to render electric service as well as transportation service in the City. The City has also agreed that, in consideration of the payment to it by Georgia of an additional \$50,000, and so long as Georgia continues to perform its obligations under its electric distribution franchise, the City will not enter into competition with Georgia in the transmission, distribution or sale of electric energy within the corporate limits of the City.

JERSEY CENTRAL I & L FINANCING APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14499) authorizing bank borrowings through 1962 by Jersey Central Power & Light Company, Morristown, N. J., subsidiary of General Public Utilities Corporation, in amounts aggregating \$18,850,000. The

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subsidiary also was authorized to issue and sell to the parent an additional 200,000 shares of its common stock for \$2,000,000. The funds will be used for property additions and improvements, to reimburse the company's treasury for construction expenditures previously incurred, and to pay when due outstanding notes issued for such purpose.

PENN INVESTMENT GRANTED EXEMPTION. The SEC has issued an order under the Investment Company Act (Release IC-3311) declaring that Penn Investment Company (Philadelphia) has ceased to be an investment company.

INTERNATIONAL FLAVORS & FRAGRANCES FILES STOCK PLAN. International Flavors & Fragrances Inc., 521 West 57th Street, New York, filed a registration statement (File 2-18712) with the SEC on August 18th seeking registration of 100,000 shares of common stock, to be offered to key employees or officers pursuant to the company's Employee Restricted Stock Option Plan of 1961.

UNITED SCIENTIFIC LABS. FILES FOR STOCK OFFERING. United Scientific Laboratories, Inc., 35-15 37th Ave., Long Island City, N. Y., filed a registration statement (File 2-18713) with the SEC on August 18th seeking registration of 360,000 shares of common stock, to be offered for public sale at \$2 per share. The offering will be made on a best efforts basis by Continental Bond & Share Corporation, which will receive a 28¢ per share selling commission and \$12,000 for expenses. A finder's fee of \$7,500 is payable to Marvin Hayutin and \$7,500 to Calvin J. Kohler as a financial consultant. The registration statement also includes (1) 36,000 common shares sold to the underwriters and certain designated persons at 1¢ per share, (2) 24,000 shares which underlie two-year options sold to said persons at 1¢ per share, exercisable at \$2 per share, and (3) 48,000 outstanding shares which underlie like options granted to said persons by David Wald, president, board chairman and principal stockholder.

The company is engaged in the production of a line of high fidelity stereo tuners and amplifiers, and a line of Citizen and Amateur Band Radio Transceivers. The estimated \$573,630 net proceeds from the stock sale will be used to retire the existing second mortgage on the company's building, to repay indebtedness owed to factors and to Wald, for increase in sales personnel and for sales promotion of the company's "DeWald" brand products, for tooling and production of new line of multiplex adapters and tuners, and for working capital and contingencies.

In addition to certain indebtedness, the company has outstanding 614,000 shares of common stock (after giving effect to a recapitalization in August 1961 whereby 100 new common shares were issued for each preferred share then outstanding and 419.2 new shares for each common shares then outstanding), of which Wald owns 7.54%. As a result of the sale of new shares, the book value of each share will be increased from \$.071 to \$.782.

AMERICAN PRECISION INDUSTRIES FILES FOR OFFERING AND SECONDARY. American Precision Industries, Inc., 3901 Union Road, Buffalo, N. Y., filed a registration statement (File 2-18714) with the SEC on August 18th seeking registration of 158,000 shares of common stock, of which 115,000 shares are to be offered for public sale by the company and 38,000 shares, being outstanding stock, by the present holders thereof. Eastman Dillon, Union Securities & Co. heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the machining and fabrication of components and assemblies from steel, aluminum and certain alloys and other metals (including beryllium). A subsidiary, Delevan Electronics Corp., manufactures a variety of coils and certain other parts for the electronics industry. Of the net proceeds from the company's sale of additional stock, \$450,000 will be applied to the cost of a new plant for Delevan, \$50,000 to the cost of moving the Delevan operation to said plant and of purchasing certain new equipment, \$150,000 to purchase new equipment for the Beryllium and Rare Metals Division, \$200,000 to establish centralized research and product development facilities at the building to be vacated by Delevan, \$87,289 to the repayment of a mortgage on the company's main office and plant, \$54,500 to the payment of a mortgage on the existing Delevan building, \$105,000 to the repayment of certain term debt, and the balance will be added to working capital.

In addition to certain indebtedness and preferred stock, the company has outstanding 456,345 shares of common stock, of which Robert J. Fierle, president and board chairman, and William J. Burns and Kenneth E. Kirchner, vice presidents, own 217,710, 6,624 and 21,690 shares, respectively, and propose to sell 30,000, 5,000 and 3,000 shares, respectively.

MAJOR FINANCE FILES FINANCING PLAN. Major Finance Corporation, 912 Thayer Avenue, Silver Spring, Md., filed a registration statement (File 2-18715) with the SEC on August 18th seeking registration of \$200,000 of 7% senior subordinated debentures due 1971 (with attached five-year warrants) and 100,000 shares of common stock, to be offered for public sale in units consisting of a \$100 debenture (with a warrant to purchase one common share at \$4) and 50 common shares. The offering will be made at \$300 per unit through underwriters headed by Manhattan Eastern Corporation, which will receive a \$28 per unit commission and \$7,500 for expenses. The registration statement also includes 7,500 common shares which underlie five-year warrants to be sold to the underwriters at 1¢ each, exercisable at \$4 per share.

The business of the company is conducted through four subsidiaries which are engaged in the consumer finance business in Silver Spring and Mt. Rainier, Md., and Alexandria and Arlington, Va. The estimated \$505,000 net proceeds from the financing will be added to general working funds and may be used for the development of additional loans to borrowers and the purchase of additional sales finance contracts. The company may also (1) increase its receivables through the acquisition of the properties of other companies, or otherwise, and (2) enter into other fields of financing by making loans directly to borrowers or by purchasing commercial paper in fields in which the company does not now engage.

In addition to certain indebtedness and preferred stock, the company has outstanding 95,715 shares of common

stock (after giving effect to a recapitalization in July 1961 whereby the Class B common stock then outstanding was split 5-for-1, and the Class A stock outstanding was similarly split and redesignated as common stock). Morton Sturt, president, and Mary G. Sturt, secretary-treasurer, own an aggregate of 52.6% of the Class B and 13.5% of the common stock.

AMERICAN HERITAGE PUBLISHING FILES FOR OFFERING AND SECONDARY. American Heritage Publishing Co., Inc., 551 Fifth Avenue, New York, filed a registration statement (File 2-18718) with the SEC on August 18th seeking registration of 140,000 shares of common stock, of which 75,000 shares are to be offered for public sale by the company and 65,000 shares, being outstanding stock, by the present holders thereof. The offering will be made on an all or none basis through underwriters headed by White, Weld & Co. The public offering price and underwriting terms are to be supplied by amendment.

The operations of the company are conducted through two major divisions: The Magazine Division, which publishes the bi-monthly magazine "American Heritage, The Magazine of History," and the bi-monthly magazine "Horizon, A Magazine of the Arts;" and The Book Division which during the past four years has published a major book for adults each fall under the "American Heritage" imprint and, beginning in the Fall of 1961, intends to publish two major books each year, one under said imprint and one under the "Horizon" imprint. This division also publishes a bi-monthly series of children's history books known as the "American Heritage Junior Library" and conducts other miscellaneous book publishing activities. Net proceeds from the company's sale of additional stock will initially be used in part to repay some \$500,000 of short term borrowings incurred to finance the publication of the major books "Renaissance" and "Indians." The balance will be available for general corporate purposes including working capital.

The company has outstanding 110,408 common and 331,224 Class B shares, of which latter James Parton, president, owns 20.4%, Joseph J. Thorndike, Jr., a vice president and editorial director, 12.6%, and management officials as a group 52.5%. Of the outstanding common stock, Parton owns 22,524 shares and proposes to sell 17,928 shares, and Thorndike owns 12,044 shares and proposes to sell 4,064 shares. The prospectus lists 34 other selling stockholders (including Parton and Thorndike as trustees under certain trusts) who propose to sell amounts ranging from 80 to 5,568 shares.

UNITED IMPROVEMENT & INVESTING PROPOSES DEBENTURE RIGHTS OFFERING. United Improvement & Investing Corp., 25 West 43rd Street, New York, filed a registration statement (File 2-18716) with the SEC on August 18th seeking registration of \$2,500,000 of 6% convertible subordinated debentures due 1976. It is proposed to offer such debentures for subscription by holders of common stock and Series A warrants at the rate of \$100 of debentures for each 70 shares held or issuable as if such warrants had been exercised on the record date. Sutro Bros. & Co. heads the list of underwriters. The record date, subscription price and underwriting terms are to be supplied by amendment. The registration statement also includes (1) 28,250 common shares which underlie 15-year Series C warrants to be issued to the underwriters, exercisable at the same price at which the debentures are convertible at the time of exercise thereof, (2) 25,000 common shares purchased by Sutro Bros. & Co. in May 1961 from a former director of the company at \$6 per share, (3) 40,000 common shares which underlie Series A warrants exercisable until 1964 at 110% of the market value of such common shares, which warrants were assumed by the company in connection with a merger of a predecessor company in July 1960 (pursuant to which merger the company also assumed outstanding stock options, of which options to purchase 228,500 shares are presently outstanding), and (4) 15,000 common shares which underlie five-year Series B warrants issued to Massachusetts Mutual Life Insurance Co. in connection with its loan of \$1,500,000 to the company, which warrants are exercisable at \$7.50 per share.

The company is directly or indirectly engaged in diversified real estate activities including mortgage origination and servicing, title insurance, suburban and urban land and community development, investment ownership of rental properties, property management, ownership and operation of recreational club facilities and insurance brokerage. Net proceeds from the debenture sale will be added to general funds and used for general corporate purposes, including expansion of the company's mortgage origination and servicing and land development businesses.

In addition to certain indebtedness, the company has outstanding 3,000,000 shares of common stock, of which Jerome F. Katz, board chairman, owns 5.39%, and management officials as a group 11.18%. I. Edwin Katz is listed as president.

SEEBURG CORP. PROPOSES RIGHTS OFFERING. The Seeburg Corporation, 1500 North Dayton Street, Chicago, filed a registration statement (File 2-18717) with the SEC on August 18th seeking registration of 303,812 shares of common stock. It is proposed to offer such stock for subscription by common stockholders at the rate of one new share for each five shares held. White, Weld & Co. heads the list of underwriters. The record date, subscription price, and underwriting terms are to be supplied by amendment.

The company manufactures coin-operated phonographs and various types of vending equipment such as electric cigarette vendors, cold drink cup vendors, cold drink bottle vendors and coffee vendors. It also manufactures background music systems and hearing-aids and engages in defense and commercial contract work. Net proceeds from the stock sale will be used to retire \$2,750,000 of short term bank borrowings and to help finance increased receivables and inventories. In addition to certain indebtedness, the company has outstanding 1,497,944 shares of common stock, of which Delbert W. Coleman, board chairman and president, owns 9.81%, and management officials as a group 11.49%.

SECURITIES ACT REGISTRATIONS. Effective August 21: Apache Corporation (File 2-18226); Combustion Engineering, Inc. (File 2-18504); Federal Manufacturing & Engineering Corp. (File 2-18445); King-Seeley Thermos Co. (File 2-18167); Truax-Traer Coal Company (File 2-18647).