

NEWS DIGEST

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



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ALASKA PACIFIC LUMBER FILES FOR STOCK OFFERING. Alaska Pacific Lumber Company, 614 Equitable Bldg., Portland, Oregon, filed a registration statement (File 2-19314) with the SEC on November 17th seeking registration of 250,000 shares of common stock, to be offered for public sale through underwriters headed by Tempsey-Tegeler & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized in 1958 to operate under a timber-cutting contract made in 1955 between its now wholly owned subsidiary, Pacific Northern Timber Company, an Alaskan company, and the United States Forest Service. The company has the right to cut a maximum of 3 billion board feet of merchantable timber located in the Tongass National Forest in southeastern Alaska over a period ending 2006. Under the contract, if the company does not place in operation by December 1965 a pulp manufacturing plant with a daily capacity of at least 80 tons, the Forest Service has the right to reduce the company's allotment to 750 million board feet to be cut not later than 1971. At the present time the company has no plans to construct such a pulp plant. The company has constructed a sawmill on land owned by its subsidiary, which is in the center of the company's timber-cutting area. Logging operations have been conducted since January 1960 on a relatively small scale for resale to others and for inventory. Prior to March 31, 1960, the company and its subsidiary were not operating and no revenues were received; and for the year ended March 31, 1961, the company suffered a net loss of \$354,437 and for the 6 months ended September 30, 1961 of \$174,735. Of the net proceeds from the stock sale, \$765,000 will be used to alter existing facilities and construct additional facilities for the company's sawmill near Wrangell, Alaska, and the balance will be added to working capital, a portion of which will be used to discharge existing indebtedness.

In addition to certain indebtedness, the company has outstanding 494,593 shares of common stock (after giving effect to a recent 1-for-4 reverse split), of which Frontiers-Oreg. Ltd. (a partnership 50% owned by C. Girard Davidson, company president) owns 51%, South Fork Lumber Company 22%, and Bears, Stearns & Co., holds 26% (for the benefit of its partners and/or members of their families and two customers).

MCCULLOCH OIL MANAGEMENT FILES FOR OFFERING. McCulloch Oil Management Company of California, Inc., 1270 Hartford Bldg., Dallas, Texas, filed a registration statement (File 2-19315) with the SEC on November 20th seeking registration of \$4,000,000 of interests in the 1962 McCulloch Oil Exploration Program, to be offered for public sale at \$10,000 per participation. The offering will be made through management officials and employees of the company.

The company proposes to enter into joint venture agreements with the purchasers of the participations, under which McCulloch Oil Corporation of California will be engaged as General Operating Agent to explore on behalf of the company for oil and gas, using funds supplied by the participants pursuant to said agreements. The Agent will receive, as compensation for its services, a 1/3 "carried interest" in all properties acquired under the Program. The Agent has advised the company that it presently intends to confine its efforts on behalf of the Program to California, Louisiana, Texas and the Rocky Mountain area. Net proceeds from the sale of the participations will be used as follows: (1) screening oil and gas prospects, (2) acquiring prospective oil and gas properties, (3) examining title, (4) making geological and geophysical surveys and dry-hole and bottom-hole contributions, (5) drilling, testing, completing, equipping or abandoning exploratory wells, (6) preserving or maintaining property interests during the period prior to the completion of an exploratory well thereon, including paying delay rentals, and (7) administering the property interests during said period.

The company has outstanding 11 shares of common stock all owned by Robert P. McCulloch, president. He is also president and owns 30.67% of the outstanding stock of the Agent. All management officials of the company (except one) are also management officials or stockholders of the Agent.

LAKE-STATES CONSERVATION FILES FOR OFFERING. Lake-States Conservation Corp., 24480 W. Blue Mound Road, Waukesha, Wisc., filed a registration statement (File 2-19316) with the SEC on November 20th seeking registration of 1,000 units of Series A Tree Management Service Agreements and 1,000 units of Series B Tree Management Service Agreements, to be offered for public sale at \$1,100 and \$1,700 per unit, respectively. Each unit relates to one acre of land owned or leased by purchasers of the Agreements.

The company is engaged in the production, management and marketing of various types of evergreens to be used primarily as Christmas trees. The said Agreements provide for the planting, management and marketing of such trees by the company on real estate owned or leased by purchasers of the Agreements under the company's City Side Plantation Program. Under such program, trees are produced next to the market area in which they will be sold, and the four usual functions of growing, wholesaling, transportation and retailing are combined into one operation. Under the Series A Agreements relating to 1,000 acres of land, the company guarantees that for a period of four years after the Establishment Planting, there shall be a minimum of 2,000 growing trees per acre less the number of trees, if any, marketed pursuant to the Agreement. In addition to the \$1,100 per acre which the company will receive for such services, it will also receive 40% of the net proceeds upon the sale of trees therefrom. Under the Series B Agreements, also relating to 1,000

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acres, the company guarantees that for a period of eleven years after the Establishment Planting there shall be a minimum of 2,000 growing trees per acre and, as the number of such trees is reduced below the minimum figure, through marketing or otherwise, the company is obligated to plant such number of additional trees as necessary to maintain the minimum guaranteed growth. The company will receive \$1,700 per acre plus 40% of the net proceeds upon the sale of trees. The company estimates that its expenses in connection with the establishment and management of one acre under the Series A Agreement will approximate \$1,816, and under the Series B Agreement \$2,894. Net proceeds from the sale of the Agreements will be added to general funds and used as working capital. The prospectus states that the tree plantations cannot be expected to produce any income until the fourth Christmas season after establishment planting under normal conditions. Each purchaser will have an interest only in the plantation established on the real estate owned or leased by him, and he will not have an interest in the company and will not participate in any profits derived from other plantations. The company intends to counsel prospective purchasers in locating available approved sites for plantations, but does not become a party to negotiations leading to the procurement of real estate by such prospective purchasers.

In addition to certain indebtedness, the company has outstanding 301,460 shares of common stock, of which William A. Skaife, president, owns 23.5%, and management officials as a group 77.5%.

FAMILY RECORD PLAN FILES FOR SECONDARY. Family Record Plan, Incorporated, 2015 West Olympic Blvd., Los Angeles, filed a registration statement (File 2-19317) with the SEC on November 20th seeking registration of 200,000 outstanding shares of common stock, to be offered for public sale by the holders thereof on an all or none basis through underwriters headed by Bache & Co. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes 20,000 outstanding shares underlying five-year warrants to be sold to the principal underwriter by three of the selling stockholders, exercisable at a price to be supplied by amendment, and (2) 50,000 shares issuable upon exercise of Restricted Stock Options.

The company is engaged in the business of selling a portrait program, entitling the purchaser to receive a specified number of toned photographic portraits over a period of years and a genuine leather album. The sales of the programs are made on a direct sales basis by independent contractors who take orders and receive a commission from the company for sales made, and the portraits are made by independent studios throughout the country pursuant to contracts with the company. Pursuant to a proposed recapitalization, all of the outstanding Class A, B & C shares will be reclassified and split into 508,747 Class B shares, and 200,000 of such Class B shares will be converted into 200,000 common shares. As a result, the company will have outstanding 308,747 Class B and 200,000 common shares, of which Irwin E. Kane, president, Sidney A. Kane, executive vice president, and Howard Kane will each own 27.5% and 32.5% respectively. They propose to sell all of their common stock holdings of 64,976 shares each. In addition, Harold Easton, a director, will own 11,835 Class B and 5,072 common shares; and he proposes to sell all such common shares.

CUSTOM METAL PRODUCTS FILES FOR STOCK OFFERING. Custom Metal Products, Inc., 626 Atkins Ave., Brooklyn, New York, filed a registration statement (File 2-19318) with the SEC on November 20th seeking registration of 100,000 shares of common stock, to be offered for public sale at \$4 per share. The offering will be made on a best efforts all or none basis by Blank, Lieberman & Co., Inc., which will receive a 40 cents per share commission and \$12,500 for expenses. The statement also includes (1) 15,000 shares underlying warrants sold to the underwriter at 15 cents per warrant, exercisable at \$1 per share until May 1, 1967, and 500 shares underlying like warrants sold to Max Lubalin and Alvin Shultz, the finders, and (2) 15,000 shares underlying rights (identical to said warrants) recently issued to the company's three principal stockholders. A finder's fee aggregating \$2,500 is also payable to said finders.

The principal business of the company is the manufacture of metal components and electronic hardware to precise tolerances. Most of its manufacturing operations are conducted as a subcontractor on government and civilian contracts for the manufacture and precision fabrication of subminiature, medium and large metal components used in the assembly of various types of electronic systems. Net proceeds from the stock sale will be used by the company to repay certain loans, to finance the purchase of new production equipment, to expand its manufacturing facility, for research and development toward the establishment of a proprietary line of quality "modular instrument enclosure system," cabinets and housings, and for additional working capital and other general corporate purposes.

In November 1961, a 100% dividend was declared pursuant to which the then outstanding 4-1/2 common shares became 9 shares, and subsequent thereto, pursuant to a recapitalization, the 9 shares were changed into 185,715 common shares. Such shares are owned in equal amounts by Simon Portnoy, president, Jordan Warner, vice president, and Ben Portnoy, secretary. After the sale of new shares, present book value of 61 cents per share will be increased to about \$1.76 per share.

BERNALEN FILES FOR STOCK OFFERING. Bernalen, Inc., 9821 Foster Ave., Brooklyn, N. Y., filed a registration statement (File 2-19319) with the SEC on November 20th seeking registration of 60,000 shares of common stock to be offered for public sale at \$2.625 per share. The offering will be made on a "best efforts, all or nothing basis" by Amber, Burstein & Co., Inc., which will receive a \$.2625 per share selling commission and \$10,000 for expenses. The statement also includes 10,000 shares sold to Milton B. Burstein, an officer and controlling person of the underwriter, and Beatrice Tannenbaum and Henry Kaplan, finders, at 25 cents per share. An aggregate of \$5,000 is payable to Tannenbaum and Kaplan as a finder's fee. The company also has granted Milton B. Burstein and Henry Kaplan five-year options to purchase an additional 9,500 and 500 shares, respectively, at the \$2.625 offering price per share.

The company's principal business is the design, manufacture and installation of photographic processing and control equipment. Its principal customers are commercial photographers, commercial photograph processing laboratories and in-plant photographic departments maintained by industrial organizations. The company also sells accessories for the units it installs. The \$104,250 estimated net proceeds from the stock sale will be used for an advertising and sales promotion program, for research and development of new products and the improvement of the component parts presently used in the units, and for general corporate purposes and working capital.

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The company has outstanding 115,000 shares of common stock (after giving effect to a recent recapitalization whereby the 200 common shares then outstanding were exchanged for 105,000 new shares), of which Alan J. Levy, president, Leonard P. Gutfleisch, vice president, and Paul Levy, secretary, own 20.9% each. They also own five year options to purchase 4,250 shares each at \$2.625 per share. After the sale of new shares, present book value of 20 cents per share will be increased to about 73 cents per share.

THE MARINE CORP. FILES EXCHANGE PLAN. The Marine Corporation, 622 North Water Street, Milwaukee, Wisc., filed a registration statement (File 2-19320) with the SEC on November 20th seeking registration of 45,000 shares of common stock. It is proposed to offer such shares in exchange for all of the 50,000 outstanding capital shares of The National Manufacturers Bank of Neenah, Wisconsin, at the rate of 9/10 of a share of the company for each of the capital shares of the Bank. The record date is to be supplied by amendment.

The company is a bank holding company under the Bank Holding Company Act of 1956. It is presently the principal stockholder of six banks located in the Milwaukee metropolitan area and one bank in Green Bay. In addition to certain indebtedness, the company has outstanding 552,055 shares of common stock, of which management officials as a group own 13.73%. Eliot G. Fitch is board chairman and president.

ROBERTS & PORTER FILES FOR OFFERING AND SECONDARY. Roberts & Porter, Inc., 4140 West Victoria Ave., Chicago, filed a registration statement (File 2-19321) with the SEC on November 20th seeking registration of 80,200 shares of common stock, of which 16,680 shares are to be offered for public sale by the company and 63,520 shares, being outstanding stock, by the holders thereof. The offering will be made on an all or none basis through underwriters headed by Blunt Ellis & Simmons and Schmidt, Roberts & Parke. The public offering price and underwriting terms are to be supplied by amendment.

The principal business of the company consists of the sale of specialized photographic, plate making and press room supplies and various types of equipment to lithographic printers, photo engravers, gravure and silk screen printers and others in the graphic arts industry. It is also engaged in the manufacture and sale of leather, Molleton, and cotton covers and tubing for printers' rollers. Net proceeds from the company's sale of additional stock will be used for additional working capital in financing accounts receivable and inventory purchases.

In addition to certain indebtedness, the company has outstanding 148,213 shares of common stock (after giving effect to a recent 3.24-for-1 stock split), of which Harry H. Grandt, president, Florence P. Roberts (wife of Osborne R. Roberts, assistant treasurer), and Herve W. Surrey own 46,059, 21,710 and 18,200 shares, respectively. They propose to sell 12,200, 9,710 and 16,400 shares, respectively. Three others who own or hold an aggregate of 28,730 shares propose to sell the remaining 25,210 shares.

INDICTMENT NAMES FRANK R. FILOSA. The SEC Denver Regional Office announced November 17th (Lit-2142) the return of an indictment (USDC, Denver) charging Frank Robert Filosa and Filosa Securities Company with violations of the anti-fraud provisions of the Federal securities laws.

ABERDEEN FUND PURCHASE CLEARED. The SEC has issued an exemption order under the Investment Company Act (Release IC-3364) authorizing Aberdeen Fund, Jersey City investment company, to issue its shares at their net asset value for substantially all the cash and securities of Richardson Specialty Company, Inc.

BOND INVESTMENT TRUST SEEKS ORDER. The Bond Investment Trust of America, Boston, 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-3363) giving interested persons until December 5th to request a hearing thereon. The company in April 1959 obtained shareholder approval of the transfer of substantially all of its assets in exchange for shares of The Colonial Fund, Inc. On November 7, 1961, only nine shareholders entitled to 1,272 shares of Colonial having a market value of about \$15,600 had not surrendered their shares in acceptance of the exchange offer.

SECURITIES ACT REGISTRATIONS. Effective November 20: Astrodata, Inc. (File 2-18774); Handschy Chemical Company (File 2-18767); Lundy Electronics & Systems, Inc. (File 2-18915); Middle States Telephone Co. of Illinois (File 2-19211); Ragen Precision Industries, Inc. (File 2-18823); Transcontinental Investing Corp. (File 2-18766); Vulcan Mold and Iron Co. (File 2-19071). Effective November 21: First National Realty & Construction Corp. (File 2-18676); General Development Corp. (File 2-19143); Hallmark Insurance Company, Inc. (File 2-18631); Irving Trust Co., ADR's of Unilever Limited (File 2-19188); The Lusk Corp. (File 2-18818); Hoffman International Corp. (File 2-18522); Middle Atlantic Investment Co. (File 2-18346); North Carolina Natural Gas Corp. (File 2-18706); Superior Industries, Corp. (File 2-18803); Tasty Baking Co. (File 2-18824); Texas Eastern Transmission Corp. (File 2-19178). Withdrawn November 21: Pulsa-Tronics, Inc. (File 2-19034); Champion Papers Inc. (File 2-19077).