

# 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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ROWE PRICE NEW HORIZONS FUND FILES FOR OFFERING. Rowe Price New Horizons Fund, Inc., 10 Light Street, Baltimore, Md., filed a registration statement (File 2-17009) with the SEC on September 6, 1960, seeking registration of 400,000 shares of capital stock, to be offered for public sale by the company. Organized under Maryland law in May 1960, the Fund is a closed-end investment company. According to the prospectus, it will become an open-end investment company and will assume the obligation to accept outstanding shares presented for redemption when its total assets reach \$10,000,000, or on January 1, 1962, whichever is earlier. The prospectus lists T. Rowe Price as president of the Fund and Rowe Price Management Company, Inc., of Baltimore, as investment adviser. The Fund now has outstanding 51,500 shares of capital stock. Price also is president of the Management Company. He and certain associates are majority stockholders of T. Rowe Price and Associates, Inc., which owns 2,500 of the Fund's shares.

INTERSTATE VENDING FILES FOR OFFERING AND SECONDARY. Interstate Vending Company, 251 East Grand Ave., Chicago, filed a registration statement (File 2-17010) with the SEC on September 7, 1960, seeking registration of 441,250 shares of common stock. Of this stock, 200,000 shares are to be offered for public sale by the company and 35,000, being outstanding stock, by the present holders thereof. Bear, Stearns & Co. is listed as the principal underwriter. The public offering price and underwriting terms are to be supplied by amendment. The registration statement includes an additional 100,000 outstanding shares which may be sold from time to time by the present holders thereof at market prices current at the time of such sale, as well as 106,250 other shares owned by two of such shareholders. These shareholders have advised the company that they purchased such shares for investment and have no present intention of making any disposition thereof.

The company through its wholly or 50% owned subsidiaries is engaged primarily in the business of selling a variety of products through coin-operated vending machines in some 22 states; and, in addition, it designs and manufactures for its exclusive use a line of coffee, tea, soda and other vending machines. In addition to certain indebtedness, it now has outstanding 999,440 shares of common stock. Net proceeds of the company's sale of the additional 200,000 common shares will be used, in part (\$1,000,000) to pay the cash portion of the purchase price of the acquisition of stock of Automat Vending, Inc.; and the balance will be used in part for the purchase of new equipment, for related working capital additions and, possibly, for other acquisitions. On July 29, 1960, the company purchased all the outstanding stock of Automat Vending, by agreeing to pay \$1,250,000, payable \$500,000 in cash to each of two sellers and to one of such sellers that number of company shares which, when multiplied by the offering price per share in this offering, equals \$250,000. In addition, the agreement grants an option, to the seller receiving company shares, to purchase (at the offering price) within six months that number of shares which when multiplied by such offering price equals \$100,000. Automatic Vending is a Michigan corporation.

The prospectus lists Ronald Wolff as president and Cyril Chappellet as board chairman. They own 12.23% and 12.89%, respectively, of the outstanding stock; and management officials as a group own 70.87% of the outstanding stock. The Bear, Stearns firm owns 15%. Maurice L. Heffer, a Director, and Jerome A. Johnson, Chairman, Management Policy Committee, own 45,382 shares each and propose to sell 17,500 shares each. An additional 15,000 shares each of their holdings are being registered for possible future sale, along with 60,000 of the 150,000 shares owned by Bear, Stearns and 10,000 of 26,250 shares owned by Donald C. Lillis (a limited partner of Bear, Stearns). The remaining 90,000 shares owned by Bear, Stearns and 16,250 shares by Lillis also are included in this registration statement, as above indicated.

ELECTRO-SCIENCE INVESTORS FILES FOR OFFERING. Electro-Science Investors, Inc., 727 South Central Expressway, Richardson, Texas, filed a registration statement (File 2-17013) with the SEC on September 7, 1960, seeking registration of 772,000 shares of common stock, to be offered for public sale through a group of underwriters headed by Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

Organized under Texas law in August 1960, the company is a non-diversified, closed-end, management investment company and is a Federal licensee under the Small Business Investment Act of 1958. It has not yet commenced business operations, which, according to the prospectus, will include the furnishing of equity capital to small businesses, principally electronic, scientific and technological; furnishing financial, management and

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and advisory services on a fee basis to small businesses in which it has an investment; and making long-term loans to small businesses. With the net proceeds from the stock sale and from recent sales of additional common shares, the company expects to commence operations with approximately \$15,000,000 in cash.

The company has outstanding 728,000 shares of common stock, of which James J. Ling, of Dallas, board chairman, owns 250,000 shares, Troy V. Post, president of American Life Insurance Co., 100,000 shares, and Joseph P. McKinney, president, and Luther D. Oliver, 40,000 shares each. In addition, 19 persons, including Robert A. Hall, a director, who owns 10,000 shares, owned a total of 298,000 shares. All of the outstanding shares were issued for cash at \$10 per share.

YOUNGSTOWN SHEET AND TUBE FILES FOR BOND OFFERING. The Youngstown Sheet and Tube Company, 7655 Market Street, Youngstown, Ohio, filed a registration statement (File 2-17012) with the SEC, seeking registration of \$60,000,000 of First Mortgage Sinking Fund Bonds, Series H, due 1990, to be offered for public sale through a group of underwriters headed by Kuhn, Loeb & Co. and Smith, Barney & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in iron and steel production. It will add the net proceeds from the bond sale to its general funds, to be applied in part to capital expenditures presently authorized and in part to restore working capital for previous capital expenditures. For the ten year period ended July 31, 1960, the company expended over \$639,000,000 for capital additions and improvements and for investments in supporting raw material properties. At said date, approximately \$72,000,000 remained unexpended for previously authorized capital additions and improvements, consisting primarily of finishing facilities, scheduled for completion by the end of 1961. The proceeds may also be used to repay any money borrowed by the company under a \$30,000,000 revolving credit agreement with certain banks if such borrowings are made prior to the receipt of such proceeds.

RE, RE & SAGARESE HEARING POSTPONED. At the request of counsel for Re, Re & Sagarese, New York, the SEC has authorized a postponement from September 19 to November 21, 1960, of the hearing to be held in its Washington office on the question whether the said firm's broker-dealer registration should be revoked and whether the two Re's should be suspended or expelled from membership in the American Stock Exchange.

TRADING IN CONSOLIDATED DEVELOPMENT (CUBA) SUSPENDED. The SEC has ordered the further suspension of trading in the common stock of Consolidated Development Corporation (formerly Consolidated Cuban Petroleum Corporation), of Havana, Cuba, for the ten-day period September 9 to 18, 1960, inclusive (Release 34-6365).

DAVEGA STORES FILES FOR DEBENTURE OFFERING. Davega Stores Corporation, 215 Fourth Avenue, New York, filed a registration statement (File 2-17011) with the SEC on September 7, 1960, seeking registration of \$1,500,000 of 6% convertible subordinated debentures due 1975, to be offered initially to holders of its common stock pursuant to preemptive rights at \$100 per debenture. Thereafter, the debentures are to be offered for public sale at said price through a group of underwriters headed by Amos Treat & Co., Inc. The underwriters will receive a 3% commission on debentures subscribed to by the company's stockholders and a 7½% commission on debentures publicly sold. In addition, the underwriters will receive an amount not to exceed \$10,000 for expenses and 7,500 5-year common stock purchase warrants exercisable at the market price on September 7, 1960. The company is also registering 5,000 common stock purchase warrants to be issued to Truman Securities Corp. for services and 99,250 common shares to be offered to certain executives under stock option agreements.

The company operates a chain of 29 stores in the metropolitan New York area, for the retail sale of radios, phonographs, televisions sets and accessories, electric refrigerators and washers, electrical appliances, sporting goods, sports apparel, camera, photographic equipment and supplies, and other similar items. Of the net proceeds from the debenture sale, \$300,000 will be used to furnish the fixtures for two new retail discount centers in Metropolitan New York, and \$500,000 for inventory required for the new locations. The balance of the net proceeds will be used for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 369,600 shares of common stock and 47,800 shares of \$20 par 5% preferred stock. In July 1959, H. M. Stein, Michael Cohen and Abram Davega, sold to a limited group of purchasers, represented by Joseph Axler, president, Melvin Axler, executive vice president, and Max A. Geller, board chairman, 98,260 common shares, representing approximately 40% of the company's outstanding common stock. In July 1959, 14,513 shares of preferred stock were purchased by the same parties (the two Axlers own 3,671 shares each), representing approximately 30% of the company's outstanding preferred stock. Management officials as a group own 29% and 16%, respectively, of the outstanding preferred and common stock.

AUSTRALIA PROPOSES BOND OFFERING. Commonwealth of Australia today filed a registration statement (File 2-17014) with the SEC seeking registration of \$25,000,000 of Twenty Year Bonds, due October 1, 1980, to be offered for public sale through a group of underwriters headed by Morgan Stanley & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The net dollar proceeds to be received by the Commonwealth from the sale of the bonds will be added to its international reserves. According to the prospectus, the Australian currency equivalent of these proceeds will be applied towards capital works expenditures being financed under the borrowing programme for 1960/61 approved by the Australian Loan Council for the Governments of the Commonwealth and the States. Funds are required from this programme to finance such public works projects as housing, the extension of electric power transmission facilities, the modernization of railroad equipment and the construction of additional water supply, irrigation and sewerage facilities.