

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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SECURITY ALUMINUM FILES FOR STOCK OFFERING. Security Aluminum Corporation, 503 East Pine Avenue, Compton, Calif., filed a registration statement (File 2-19703) with the SEC on January 26th seeking registration of 200,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Vickers, MacPherson & Warwick, Inc. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes 30,000 outstanding shares underlying three-year options to be sold to the principal underwriter by stockholders for \$300, exercisable at a price to be supplied by amendment, and 5,000 outstanding shares underlying like options to be granted to David Paul Kane, as a finder's fee. A \$10,000 fee is also payable to Kane by the company.

The company engages primarily in the manufacture of aluminum sliding windows and doors for sale through distributors located in eleven Western states and Illinois. The net proceeds from the stock sale will be used as follows: \$100,000 to purchase additional equipment and machinery to permit added production of the company's four new lines of windows and doors, and to acquire and install fixtures and other leasehold improvements, and to pay moving and related expenses in connection with the company's proposed move to new premises; an undetermined amount to reduce the bank loan incurred to obtain working capital for operating expenses such as payroll, raw materials and taxes; \$400,000 to purchase and install special machinery and equipment to produce materials and perform processes presently acquired from or done by outside sources; \$100,000 to finance its accounts receivable and increased inventory; and the balance as working capital for operating expenses such as payroll, raw materials and taxes.

The company has outstanding 330,000 shares of common stock (after giving effect to a recent 44-for-1 stock split), of which Harry M. Riegelman, Jr., president, Jack Gatain, Jr., vice president, Robert A. Riegelman, treasurer, and Jerome Stewart, secretary, own 21.5% each. Of such stock 323,400 shares were issued in consideration of cancellation of \$36,000 of loans to the company and promotional and legal services.

DYNASCAN CORP. FILES FOR SECONDARY. Dynascan Corporation, 1801 West Belle Plaine Avenue, Chicago, filed a registration statement (File 2-19704) with the SEC on January 29th seeking registration of 190,000 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 H. M. Byllesby and Company. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes 10,000 shares underlying a 5-year option to be sold by the company to the underwriter for \$200, exercisable at a price to be supplied by amendment, and 10,000 outstanding shares to be sold by the selling stockholders to certain employees and others performing services for the company.

The company was organized under Delaware law in November 1961 to acquire by merger (1) B & K Manufacturing Co., Dyna-Scan Manufacturing Co. and Cheri Engineering Co., engaged in the business of developing, designing, manufacturing and selling electronic test equipment; and (2) EFH Mark Microwave, Inc., Mark Mobile, Inc., and Janline, Inc., engaged in the business of developing, designing, manufacturing and selling antennas and microwave equipment. As a result of the proposed merger, the stock of the latter group will be converted into 312,000 common shares of the company and of the former group into 488,000 shares of the company. Giving effect to said merger, the company will have outstanding 800,000 shares of common stock, of which Carl Korn, president, and Edward F. Harris, executive vice president, will own 29.86% and 15.66%, respectively, and management officials as a group 73.31%. The prospectus lists 8 selling stockholders, including Korn and Harris who propose to sell 42,782 and 36,800 shares, respectively. Others propose to sell amounts ranging from 3,441 to 20,785 shares.

GOULD PROPERTIES FILES FOR OFFERING AND EXCHANGE PLAN. Gould Properties, Inc., 370 Lexington Avenue, New York, filed a registration statement (File 2-19706) with the SEC on January 26th seeking registration of 200,000 shares of Class A stock, to be offered for public sale at \$10 per share. The offering will be made through underwriters headed by Stanley Heller & Co., which will receive a \$1 per share commission and \$40,000 for expenses. The statement also includes (1) 20,000 Class A shares underlying 4-year warrants to be sold to the underwriters for \$20, exercisable initially at \$11 per share, and 2,500 shares underlying like warrants to be sold to Herman Sulken, the finder, for \$2.50, (2) 169,782 Class A shares and \$3,361,800 of 10% subordinated debentures due 1972 to be offered in exchange for outstanding interests of partners in six partnerships and of joint venturers in two joint ventures, and (3) \$650,000 of 10% convertible notes due 1962, to be offered to 122 Fifth Avenue Company and 130 Fifth Avenue Company, New York limited partnerships, in consideration of the transfer to the company of the fee title to the properties at 122 and 130 Fifth Avenue, New York.

The company was organized under Delaware law in November 1961 by Stuart S. Gould, president, and Fredric H. Gould, executive vice president, to engage in diversified real estate activities. It commenced participation in the real estate field by acquiring (1) a ground lease subject to a net operating lease of the Wanderer Motel located in Jekyll Island, Georgia (purchase price of \$400,000), (2) the fee to a parcel of unimproved land in Dunmore, Pa. where the company intends to have a discount mart and bowling center constructed (purchase price \$110,000), (3) the fee to an office building located in Philadelphia which the company net leased back to the seller (purchase price \$400,000), and (4) the fee to a discount

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center located in Warren, Michigan which is also leased back to the seller (purchase price \$990,000). The net proceeds from the sale of the Class A stock to the public (and Class B shares to the Goulds and others) will be used as follows: \$1,160,000 to repay a promissory note due to James Talcott, Inc. incurred in order for the company to acquire properties in advance of this offering, \$40,500 to repay Stuart S. Gould for advances made in connection with such acquisitions, \$340,000 to pay a non interest bearing obligation which arose in connection with the Warren Discount Center acquisition, and the balance for general corporate purposes, including \$150,000 to be applied toward the conversion of the manually operated elevators at 370 Lexington Avenue, New York, to automatic electronic selective control elevators.

In addition to certain indebtedness, the company has outstanding 5,500 Class B shares which were sold at \$1 per share to the Goulds, Abraham Kamber, board chairman, Arthur L. Feinstein, secretary, and Nathan Kupin, treasurer. The Goulds, Kamber and Feinstein have each agreed, in the event the exchange offer is consummated, to exchange for shares of Class A stock and subordinated debentures of the company all of the Capital Interests held by them in the Partnerships and Joint Ventures which are the subject of the exchange offer. Each of them and Kupin will purchase from the company, for a cash payment of \$1 per share, additional shares of Class B stock so that each will own the following amount of Class B stock: Stuart S. Gould, 44,251 shares; Abraham Kamber, 9,800 shares; Arthur L. Feinstein, 9,834 share; Fredric H. Gould 3,120 shares; and Nathan Kupin, 7,109 shares. The Goulds and certain others will also receive in exchange for certain subordinated capital interests in two of the partnerships, an aggregate of 8,204 Class A shares and \$109,600 of the debentures. Assuming 100% acceptance of the exchange, Stuart S. Gould will own \$162,500 of the debentures, 4.83% of the outstanding Class A and 52.06% of the outstanding Class B stock of the company for a total original cash contribution of \$124,418.

CONTINENTAL INVESTMENT AND MORTGAGE FILES FINANCING PLAN. Continental Investment and Mortgage Company, 44 Forsyth Street, N. W., Atlanta, Ga., filed a registration statement (File 2-19707) with the SEC on January 26th seeking registration of 130,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 30,000 shares, being outstanding stock, by the holder thereof. The statement also includes \$600,000 of 6½% convertible subordinated debentures due 1974. The stock is to be offered at \$5 per share and the debentures at 100% of principal amount (in \$1,000 units) through underwriters headed by Joseph Walker & Sons and Clark, Landstreet & Kirkpatrick, Inc. The underwriting terms are to be supplied by amendment.

The company (CIMCO) was organized under Georgia law in July 1961 for the purpose of acquiring all of the outstanding stock of Georgia Securities Investment Corporation, Georgia Land Co., and Georgia Securities Insurance Agency, Inc., all Georgia corporations in exchange for 305,759 shares of CIMCO's stock. The Mortgage Company subsidiary is engaged primarily in the mortgage banking business, the Land Company subsidiary in the acquisition and development of raw land for residential housing and the construction and sale of residential housing, and the Insurance Agency subsidiary in the general insurance agency business. Net proceeds from this financing will be used to retire Mortgage Company subsidiary notes of \$70,000 to Jere M. Mills (board chairman and president), and John L. Mills and Land Company subsidiary notes of approximately \$90,000 to Phoenix, Inc. The balance of approximately \$800,000 will be added to working capital and used primarily for land and subdivision development and for making real estate loans of the same types as currently being made by CIMCO subsidiaries.

In addition to certain indebtedness, the company has outstanding 305,759 shares of common stock, of which Jere M. Mills owns 253,397 shares and proposes to sell the 30,000 shares, and management officials as a group 289,959 shares.

SKI AND RECREATION CORP. FILES FOR STOCK OFFERING. Ski and Recreation Corporation, Sheridan Springs Road, Lake Geneva, Wisc., filed a registration statement (File 2-19708) with the SEC on January 29th seeking registration of 120,000 shares of Class A common stock (and warrants to purchase a like amount of common shares, initially at \$11 per share, expiring December 1964), to be offered for public sale at \$4.45 per unit (one share and one warrant). The underwriters (the names to be supplied by amendment) will offer the securities on a best efforts basis and will receive a 5¾ per unit commission.

The company was organized under Delaware law in December 1961 for the purpose of developing and operating a ski and year-round resort known as "Indian Nob" near Lake Geneva, Wisc. The company has no operating history. In December Hayden Leason, president and a promoter of the company, and members of his immediate family transferred 300 acres of land located near Lake Geneva to the company. In consideration of the transfer of such property, Leason received 100,000 common shares. Leason and members of his immediate family had purchased the property in November 1961, for \$25,000 cash and executed a purchase money mortgage to secure the payment of a \$25,000 mortgage note on the property. The only business conducted by the company to date has been the acquisition and clearance of land and the in-process construction of a ski chalet, snow making system, ski tow lines, lighting and electrical system, and parking facilities. The \$455,400 estimated net proceeds from the stock sale will be used to begin construction of the resort, including a lodge, swimming pool, and restaurant and lounge.

In addition to certain indebtedness, the company has outstanding 172,000 shares of common stock, of which Leason owns 100,000 shares and management officials as a group 120,000 shares. A total of 100,000 shares were subscribed for at \$1 per share by some 17 persons prior to this offering, of which subscriptions for 28,000 shares have not been paid.

RITE ELECTRONICS FILES FOR STOCK OFFERING. Rite Electronics, Inc., 1927 New York Ave., Huntington Station, N. Y., filed a registration statement (File 2-19709) with the SEC on January 29th seeking registration of 62,000 shares of common stock, to be offered for public sale at \$6 per share. The offering will be made on an all or none best efforts basis by Robbins, Clark & Co., Inc., which will receive a 7¾ per share commission and \$10,000 for expenses. The statement also includes 5,000 shares to be sold to the underwriter and 5,000 shares to Hyman Gardner, the finder, all at \$1 per share; and 20,000 shares underlying 5-year

warrants to be sold in equal amounts to the underwriter and finder at 1¢ per warrant, exercisable at \$6 per share.

The company sells and distributes a broad line of receiving tubes and television picture tubes, and also a wide variety of electronic components, parts and equipment, including high fidelity, radio and television components and equipment. All of the components, parts and equipment which it distributes are manufactured by others. The \$295,000 estimated net proceeds from the stock sale will be used to acquire all of the outstanding stock of a company which presently owns the land and the new building being constructed for the company's use, for fixtures and equipment for the new building, to investigate, acquire, furnish, equip and stock new franchised outlets, and for working capital.

In addition to certain indebtedness, the company has outstanding 75,000 shares of common stock (after giving effect to a recent recapitalization), of which Louis Richman, president, and Nicolas Petkoff, secretary-treasurer, own 48.4% each. Sale of new stock at \$6 per share will result in an increase in the book value of stock now outstanding from \$1.24 to \$2.82 per share and a corresponding dilution of \$3.18 in the book equity of stock purchased by the public.

SIGNALITE FILES FOR STOCK OFFERING. Signalite Incorporated, 1933 Heck Avenue, Neptune, N. J., filed a registration statement (File 2-19710) with the SEC on January 29th seeking registration of 140,000 shares of common stock, to be offered for public sale at \$4.50 per share. The offering will be made through underwriters headed by Milton D. Blauner & Co., Inc., which will receive a 45¢ per share commission and \$15,000 for expenses. The statement also includes 12,600 outstanding shares sold to Milton D. Blauner by principal stockholders, and 2,400 such shares to Harold Goldman for advice in connection with this offering, all at \$1.50 per share.

The company's business consists of the manufacture, sale, research and development of glow lamps as indicators and circuit components. The \$527,000 estimated net proceeds from the stock sale will be used as follows: \$137,500 for payment of an obligation of the company to Gustov Herzberg, a company consultant, in connection with the purchase of common shares of the company owned by him; \$75,000 to purchase additional manufacturing and laboratory equipment; an undetermined amount to repay loans from certain management officials incurred for working capital; and the balance for working capital.

In addition to certain indebtedness, the company has outstanding 315,000 shares of common stock (after giving effect to a recent 5,250-for-1 stock split), of which Alvin W. Gershon, president, Herbert Schor, vice president, and Herman Altschule, secretary-treasurer, own 31.7% each. The prospectus indicates that as of October 31, 1961, the company had a book value deficiency of \$24,610, which resulted from the acquisition by the company from Herzberg, of 25% of its outstanding stock for \$137,500; from the election by the company to have its corporate profits taxed to its stockholders as if the company had operated as partnership and from the distribution of such profits to its stockholders. Sale of new stock will result in an increase of the book value of stock now outstanding to \$1.10 per share and a corresponding dilution of \$3.40 per share in the book equity of stock purchased by the public.

BLANE CHEMICAL FILES FOR STOCK OFFERING. Blane Chemical Corp., 35 Pequit Street, Canton, Mass., filed a registration statement (File 2-19711) with the SEC on January 29th seeking registration of 120,000 shares of common stock, to be offered for public sale at \$3 per share. The offering will be made on an all or none basis through underwriters headed by Godfrey, Hamilton, Taylor & Co., which will receive a 36¢ per share commission and \$5,000 for expenses. The statement also includes 12,000 outstanding shares sold to the underwriter by principal stockholders at 50¢ per share.

The company was organized under Delaware law in October 1961 and succeeded by merger to the business of The Blane Corporation, a Massachusetts company. It processes plastic raw materials, composed of polyvinyl chloride and polyethylene, into plastic compounds for extruding and molding by others into plastic products, primarily for use by the wire and cable industry. The company also warehouses and distributes other plastic raw materials, and manufactures color concentrates for plastics. The \$288,800 estimated net proceeds from the stock sale will be used to repay bank loans incurred for working capital purposes, to acquire certain pigment dispersion equipment for the manufacture of color concentrates, and for working capital purposes.

In addition to certain indebtedness, the company has outstanding 252,000 shares of common stock, of which Joseph Neipris, president, and Albert D. Neipris, a vice president, own 40.9% and 16.2%, respectively, and management officials as a group 95.2%.

CHEMWAY FILES FOR SECONDARY. Chemway Corporation, Fairfield Road, Wayne, N. J., filed a registration statement (File 2-19712) with the SEC on January 29th seeking registration of 71,594 outstanding shares of capital stock, to be offered for public sale by the holders thereof from time to time on the New York Stock Exchange or otherwise at prices current at the time of sale. Such shares are a portion of the 719,026 to be issued on a 2-for-1 basis by the company to the common stockholders of Weco Products Company, a Delaware company, which is to be merged into the company in January 1962.

The company manufactures and sells a diverse line of drugs, cosmetics, toiletries and household products. Weco is principally engaged in the manufacture, packaging and sale of toothbrushes distributed under the names "Oral B" and "Dr. West's" and, to a lesser extent, hairbrushes and nail brushes. It also sells toothpaste, hair nets, powder puffs, handkerchiefs, bobby pins, a liquid denture cleanser, lip pomades and insect repellents. Weco presently has 452,347 shares outstanding. The company entered into an agreement with Margaret K. Woodside (the widow of a former president of Weco), certain members of her family and the trustee of certain trusts for their benefit. These parties to the agreement own an aggregate of 107,844 Weco shares. Such agreement, as amended, provides for the purchase by Chemway from Margaret K. Woodside and certain of the other parties of 92,834 shares of Weco stock, at a price of \$18 per share, the purchase to be consummated simultaneously with the effective date of the merger of Weco into Chemway. The remaining parties to the agreement, whose 15,010 Weco shares will be converted into Chemway shares upon the merger, agreed not to exercise the rights of dissenters and gave similar proxies to Chemway. The principal holders

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of the shares being registered are J. D. Casey, of Chicago (28,774 shares) and William S. Woodside of Park Ridge, Ill. (27,620 shares).

In addition to certain indebtedness, the company has outstanding 1,222,556 shares of capital stock, of which Serge Semenenko owns 28.97%. Charles T. Silloway is president.

WOLF CORP. PROPOSES DEBENTURE RIGHTS OFFERING. The Wolf Corporation, 10 East 40th Street, New York, filed a registration statement (File 2-19705) with the SEC on January 26th seeking registration of \$4,500,000 of 6.5% convertible subordinated debentures due 1977 (with attached warrants to purchase 450,000 shares of Class A stock). It is proposed to offer such debentures for subscription by holders of Class A stock at the rate of \$500 of debentures (with an attached warrant to purchase 50 shares) for each 100 Class A shares held, and at \$500 per unit. The underwriter, S. E. Securities Inc., will receive a minimum commission of \$150,000 in consideration of its commitment to purchase such amount of debentures, if unsubscribed, so that at least \$2,500,000 thereof will be sold by the company; and it will receive a 6% commission on the balance. The record date for subscriptions is to be supplied by amendment.

Organized under Delaware law in January 1961, the company is engaged in the real estate business. At that time it acquired the fee of the Mayflower Hotel and Lake Trail Apartments, Palm Beach, Florida and the operating leaseholds of the Mayflower Hotel and Mayflower Motel, both in Atlantic City, N. J. In June it acquired in exchange for 724,500 Class A shares and \$2,758,985 of 7.2% subordinated debentures, from partners in certain New York limited partnerships, their capital interests in nine properties which were the subject of an exchange offer. Since that time it has acquired four other properties and a 50% interest in Palm Beach Spa, Inc., which had previously leased the said Palm Beach properties from the company. In January 1962 the company acquired the hotels, Harbor Island Spa, (South) (total purchase price of \$1,530,000), and Harbor Island Spa, North (total purchase price of \$1,520,000), subject to net leases to Harbor Island Spa, Inc., a Florida company, and Harbor Island Spa, North, a New Jersey company, respectively. Simultaneously, the company acquired 50% of the outstanding stock of the former company for \$10,000 and a 50% interest in the latter. The company has also contracted to purchase the Shopping Center, Allen Park, Mich., and the Shopper's Fair, Southgate, Mich. Of the \$4,230,000 estimated net proceeds from the debenture sale (assuming all are sold), \$574,000 will be used to acquire the Southgate and Allen Park, Mich. properties, \$1,775,000 to pay certain unsecured obligations of the company in connection with the acquisition of the two Harbor Island properties, and the balance will be used to reduce existing unsecured bank loans.

In addition to certain indebtedness, the company has outstanding 784,600 Class A and 305,000 Class B common shares, of which Joseph Wolf, president and board chairman, Joseph Eckhaus, secretary, and Leon Spilky, treasurer, own 65.57%, 16.39%, and 16.39%, respectively, of the Class B shares. Management officials as a group own 8.98% of the Class A and 98.86% of the Class B shares.

SOUTHWESTERN PUBLIC SERVICE PROPOSES RIGHTS OFFERING. Southwestern Public Service Company, 720 Mercantile Dallas Bldg., Dallas, filed a registration statement (File 2-19731) with the SEC on January 30th seeking registration of 442,362 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 20 shares held on March 6, 1962. Dillon, Read & Co., Inc. heads the list of underwriters. The subscription price and commissions to soliciting dealers are to be supplied by amendment.

The company is engaged in the generation, transmission, distribution and sale of electric energy in the "Texas Panhandle" and other areas of Texas, Oklahoma & New Mexico. The net proceeds from the stock sale will be applied to the payment in full of bank loans (expected to be about \$7,500,000) obtained for construction of additions and improvements to properties, and the balance will be added to general funds for payment of further such costs. The company's construction program contemplates the expenditure of about \$19,220,000 for the 1962 fiscal year and about \$24,643,000 for the 1963 fiscal year.

In addition to certain indebtedness and preferred stock, the company has outstanding 8,846,200 shares of common stock, of which management officials as a group own 1.5%. Herbert L. Nichols is board chairman and A. R. Watson is president.

MERGENTHALER LINOTYPE FILES EXCHANGE PLAN. Mergenthaler Linotype Company, 29 Ryerson Street, Brooklyn, N. Y., today filed a registration statement (File 2-19732) with the SEC seeking registration of 300,000 shares of capital stock and \$9,000,000 of 5% subordinated debentures due 1977 (convertible up to 1967). It is proposed to offer such securities in exchange for not in excess of 300,000 outstanding common shares of The Electric Autolite Company (Toledo), at the rate of one share plus debentures (in an amount to be supplied by amendment) for each share of Electric Autolite. If tenders for less than 188,000 shares are received, the company may elect to withdraw its offer. Georgeson & Co. has been retained to assist the company in the exchange at an estimated cost of \$7,500 and any dealers who render assistance will receive a 50¢ per share commission on shares of Electric Autolite exchanged. The company commenced to acquire substantial amounts of common stock of Electric Autolite in 1957 and now owns 408,950 shares, or 34% of its outstanding stock. The company's ownership of such stock is now of such significant proportions that Mergenthaler believes it desirable to acquire a majority interest in Electric Autolite in order to obtain the benefits accruing to a majority stockholder.

The company and its subsidiaries are principally engaged in the production and distribution of Linotype machines, matrices and parts, Linofilm systems, and other printing equipment, and in the design and manufacture of military equipment. Electric Autolite is a supplier of original equipment parts to automobile and truck manufacturers, and of replacement parts to their parts departments and to independent distribution organizations under various brand names such as "Prestolite." It also is engaged in the manufacture of light helicopters, industrial batteries and industrial instruments and in the leasing of industrial and business equipment. In addition to certain indebtedness, the company has outstanding 2,435,667 shares of capital stock, of which American Manufacturing Company, Inc. owns 31.67% and management officials as a group 1.2%. Gurdon W. Wattles, board chairman of the company, owns 34.7% of the outstanding common stock of American Manufacturing and is its president. J. A. Kaller is president of the company.

GREAT EASTERN FOODS FILES FOR STOCK OFFERING. Great Eastern Foods Corporation, 3325 Keswick Road, Baltimore, Md., filed a registration statement (File 2-19713) with the SEC on January 29th seeking registration of 150,000 shares of common stock, to be offered for public sale at \$4 per share. The offering will be made on a best efforts basis by Switzer and Company, Inc., which will receive a 48¢ per share selling commission and \$12,000 for expenses. The statement also includes 10,000 shares underlying a 2-year option granted to the underwriter, exercisable (if all shares are sold) at 25¢ per share.

The company was organized under Maryland law in August 1961 to acquire the assets and liabilities of Home Food Buyers Service of Md., Inc.; Home Frozen Foods Service, Inc.; Better Food Service, Inc., and L & G Distributing Corporation, all of which were affiliated corporations. The company is engaged in the business of distributing at retail, food freezers, frozen foods, groceries, vitamins, drugs, proprietary medicines and sundries in and around the Baltimore, Md., and Washington, D. C., trading areas and also the financing of the sales of such products. Consumers are offered several food freezer service plans which include freezer maintenance, life insurance and spoilage insurance coverage. The \$504,000 estimated net proceeds from the stock sale will be used to finance consumer installment contracts, for additional sales offices and personnel, for promotion and advertising, for equipment and capital expenditures, and for operating capital.

The company has outstanding 160,959 shares of common stock, of which Leroy S. Girson, president, and William S. Ledbetter, executive vice president, own 48.1% and 50.7%, respectively. The prospectus states that they received 158,959 company shares in exchange for all of the stock of four predecessor companies on the basis of one share for each 27¢ net worth of the companies at the time of exchange.

PRESIDENTIAL REALTY FILES FOR OFFERING, SECONDARY AND EXCHANGE. Presidential Realty Corporation, 180 South Broadway, White Plains, N. Y., filed a registration statement (File 2-19714) with the SEC on January 29th seeking registration of 260,000 shares of Class B common stock, of which 250,000 shares are to be offered for public sale by the company and 10,000 shares, being outstanding stock, by the holders thereof. Burnham and Company heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes (1) 50,000 Class B shares to be offered by the company only to stockholders of The 645-651 Madison Avenue Corporation in exchange for its outstanding stock, and (2) 37,233 outstanding Class B shares to be offered for public sale later by the holders thereof on the American Stock Exchange at prices current at the time of sale.

The company was organized under Delaware law in January 1961 by certain directors and substantial stockholders of M. Shapiro & Son, Inc. (the Shapiro company), the stock of which was acquired in April 1961. It is engaged in the development and acquisition of real estate projects of various types, the ownership and operation of residential and commercial rental properties in various parts of the country and in property management. The company proposes to acquire full ownership of four properties in which it holds minority interests and to apply approximately \$1,000,000 to the "funding" of replacement reserve obligations of subsidiaries holding properties subject to mortgages insured by the Federal Housing Administration. The company will issue (inclusive of 49,036 shares to be received by the Shapiro company) 50,000 Class B shares for the 645-651 Madison Avenue property, 71,000 shares for the Westgate Manor (Columbus, Ohio), and 144,000 shares for the Fairlawn Apartments (Stamford, Conn.). Of the net proceeds from the company's cash sale of the 250,000 Class B shares, \$1,050,000 will be used to purchase the stocks of the operating subsidiaries of The Audubon Park Company, which owns the fourth property, Audubon Park (St. Louis, Mo.); \$646,000 to discharge indebtedness of The Audubon Park Company or its subsidiaries; \$1,000,000 for the "funding" of replacement reserve obligations of subsidiaries, as indicated; and \$306,000 will be applied to the company's requirements for equity money for Presidential Towers, an apartment building located on West 70th Street in New York City. Of the said purchase price for the subsidiaries of The Audubon Park Company, \$242,500 is ultimately distributable to the Shapiro Company as holder of a 23% interest in said company; and of the indebtedness to The Audubon Park Company, \$64,000 is payable to the company or Presidential Management Corp. The balance of such net proceeds, if any, will be applied to the company's general corporate purposes which include the acquisition of equities in other properties, and the reduction of bank debt, currently \$350,000, owed to The Chase Manhattan Bank.

In addition to certain indebtedness and preferred stock, the company has outstanding 458,941 Class A and 229,471 Class B common shares (after giving effect to proposed recapitalization whereby the holders of the 688,412 common shares now outstanding will receive two Class A and one Class B share for each three shares held). Assuming such recapitalization, Robert E. Shapiro, board chairman, and Joseph Viertel and Jules Shapiro, directors, each own over 13% of each class; and management officials as a group own 49.82% of each class. The two Shapiros each propose to sell 5,000 Class B shares through the underwriters; and the prospectus lists 13 other selling stockholders, including persons who were formerly stockholders of other companies whose properties are being acquired by the company, owning an aggregate of 83,116 shares and proposing to sell amounts ranging from 1,000 to 6,000 shares.

SECURITIES ACT REGISTRATIONS. Effective January 31: Harleysville Life Insurance Co. (File 2-18933); Hygiene Industries, Inc. (File 2-18927); Markite Corp. (File 2-19201); McCall Corp. (File 2-19412).