

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 February 5, 1962

Statistical Release No. 1806. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended February 2, 1962, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1961 - 1962 is as follows:

	1957-59 = 100		Percent Change	1961 - 1962	
	2/2/62	1/26/62		High	Low
Composite	141.9	138.5	+2.5	146.5	118.3
Manufacturing	132.9	129.0	+3.0	136.0	113.0
Durable Goods	134.5	132.0	+1.9	138.9	117.0
Non-Durable Goods	131.5	126.2	+4.2	133.7	109.2
Transportation	110.9	107.4	+3.3	111.0	97.8
Utility	180.3	179.6	+0.4	190.8	144.4
Trade, Finance & Service	175.0	170.0	+2.9	193.0	132.5
Mining	105.9	105.1	+0.8	106.4	83.3

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended February 1, 1962, 65 registration statements were filed, 26 became effective, 5 were withdrawn, and 757 were pending at the week-end.

ALLIED METALS OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of stock by Allied Metals Company, 325 Broadway S. E., Albuquerque, New Mexico.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed on September 11, 1961, Allied proposed the public offering of 100,000 Class A shares (later reduced to 50,000) at \$1 per share. In its order, the Commission asserts that it has reasonable cause to believe that certain terms and conditions of the Regulation were not complied with by Allied; that such an exemption is not available to Allied because Clifford G. Taylor, president, is subject to a decree of permanent injunction; that Allied's offering circular is false and misleading with respect to various material facts; and that the offering if made would violate the anti-fraud provisions of the Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

The company was organized in March 1961 "to do research and development on powdered metals and alloys and to endeavor to produce the metal called Ber-Al," a metal bar said to have been developed by Taylor and associates during the period 1937 to 1942 and to be composed of beryllium, magnesium and aluminum. According to the Commission's order, the alleged misrepresentations, concern the failure of Allied's offering circular to disclose accurately and adequately the stage of research and development of the product, to define the principal market for the product or to disclose whether there has been adequately controlled laboratory testing of the product to determine the practicalities of its use and whether it has been subject to patent search, as well as (1) the failure to disclose accurately and adequately the speculative and adverse features of the offering and risks attendant to the proposed business, the proposed use of the proceeds of the stock sale (particularly in connection with the remuneration of management officials), and the background of officers and directors, and (2) the failure to disclose the percentage of outstanding securities held by officials and promoters as a group and the cost thereof in relation to shares being offered for public sale, the failure to disclose certain limitations on the transferability of shares, and the failure to file appropriate financial statements. Moreover, according to the order, the company's notification fails to disclose certain affiliates and predecessors and falsely disclaims that any officer or director is subject to any order, judgment or decree.

NATIONAL MERCANTILE CLEARING HOUSE HEARING. The Commission has scheduled a hearing for March 27, 1962, in Miami, Fla., on request of National Mercantile Clearing House, Inc., of 4539 Ponce de Leon Blvd., Miami, to determine whether to vacate or make permanent the Commission's order of January 15, 1962, temporarily suspending a Regulation A exemption from registration with respect to a proposed public offering of 75,000 shares of National common at \$4 per share (See Release 33-4441). The hearing will be held at 10:00 A.M. in Room 209, United States Post Office and Courthouse Building, 301 Northeast First Avenue, Miami, Florida.

TRADING IN APEX MINERALS SUSPENDED. The SEC on February 2d issued an order suspending trading in the common stock of Apex Minerals Corporation on the San Francisco Mining Exchange and over-the-counter market, for a further ten-day period February 5 - 14, 1962, inclusive.

CONSOLIDATED NATURAL GAS FINANCING. The SEC has issued an order under the Holding Company Act (Release 35-14571) giving interested persons until February 19th to request a hearing upon the debenture financing proposal of Consolidated Natural Gas Company, New York holding company. As reported in the SEC News Digest

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of February 2nd, Consolidated proposes to issue and sell at competitive bidding \$25,000,000 of debentures due 1987 and to use the proceeds to provide the long-term financing required for the 1962 construction program of its subsidiaries, presently estimated at \$69,600,000.

KINGSPORT UTILITIES STOCK SALE APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14572) authorizing Kingsport Utilities, Inc., subsidiary of American Electric Power Company, Inc., both of New York, to issue and sell to American from time to time during 1962 an aggregate of 55,600 common shares at \$10 per share. The funds will be used for Kingsport's current construction program.

SOUTH EUROPEAN PIPELINE PROPOSES DEBENTURE OFFERING. South European Pipeline Company (Societe du Pipe-Line Sud Europeen), Paris, France, filed a registration statement (File 2-19738) with the SEC on February 1st seeking registration of \$40,000,000 of sinking fund debentures due 1982, to be offered for public sale through underwriters headed by Morgan Stanley & Co. and Lazard Freres & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company, under authority of a decree of the French Government, is constructing and proposes to operate a 34 inch crude oil pipeline with an initial annual capacity of 200,000 barrels a day. The pipeline has been planned to extend about 475 miles from Lavera, a port about 30 miles west of Marseilles, France, to refining centers being constructed near Strasbourg, France and Karlsruhe, Germany, in the upper Rhine area. It is expected that the pipeline will be completed by January 1, 1963. The cost of construction of the pipeline to the point of commencing commercial operations at its initial capacity, including engineering and construction costs, initial working capital, provisions for contingencies and cost escalation, interest during construction, financing expenses and debt discount, is estimated at about \$121,530,000. The company proposes to finance the cost of the initial pipeline by the sale of NF 150,000,000 of equity capital to its shareholders and the sale of the equivalent of NF 450,000,000 of long term debt in various countries. In 1961 the company completed the first two phases of its public financing program, having sold over NF 120,000,00 of 5% debentures in France and N.fl. 50,000,000 of like debentures in The Netherlands. As of March 1962, it had sold to its shareholders NF 130,000,000 of capital stock. The net proceeds from the company's sale of debentures in the United States, together with over NF 70,000,000 of equity capital paid by the present shareholders since December 1961, have been or will be added to general funds to be applied toward payment of construction costs.

In addition to certain indebtedness, the company has outstanding 600,000 shares of capital stock, all of which are owned by 16 oil companies which represent the main groups supplying Western Europe with petroleum products. The group includes Standard Oil Company (New Jersey) which owns 28%, and Bataafse Petroleum Maatschappij N.V. (The Netherlands) and Compagnie de Raffinage Shell Berre (France), which own 11.6% each. Henri Debrabant is board chairman and general manager.

SOLID STATE PRODUCTS FILES FOR STOCK OFFERING. Solid State Products, Inc., 1 Pingree Street, Salem, Mass., filed a registration statement (File 2-19739) with the SEC on February 1st seeking registration of 110,000 shares of common stock, to be offered for public sale through underwriters headed by Tucker, Anthony & R. L. Day. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes 5,000 shares underlying three-year warrants to be sold to the principal underwriter for \$1,250, exercisable at a price to be supplied by amendment.

The company is principally engaged in the development, manufacture and sale of semiconductor devices for use in military and industrial electronics and electrical equipment. Its primary product line consists of PNP switching devices which are said to be physically similar to transistors but of a more complex metallurgical structure. The company is planning to construct a new plant at Danvers, Mass., at a total cost including land, engineering and architecture, construction and equipment, of \$1,300,000. Of the net proceeds from the stock sale, \$600,000 will be used to finance in part the construction and equipping of the new plant, and another portion will be used to retire bank loans and for working capital. A \$600,000 mortgage loan will finance the remaining cost of the new plant.

In addition to certain indebtedness, the company has outstanding 376,948 shares of common stock (not including 87,669 shares issuable upon exercise of stock options), of which management officials as a group own 45.2%. James B. Hangstefer is president.

TOWERS MARTS INTERNATIONAL FILES FOR STOCK OFFERING. Towers Marts International, Inc., 41 East 42nd Street, New York, filed a registration statement (File 2-19740) with the SEC on February 1st seeking registration of 550,000 shares of capital stock, to be offered for public sale through underwriters headed by W. C. Langley & Co. The public offering price and underwriting terms are to be supplied by amendment (a finder's fee of \$40,000 is payable by the underwriters to David Rubin).

The company was organized under Delaware law in July 1961 as the successor by merger to the business of Tower's Marts, Inc. and Tower's Properties, Inc. The company is engaged in the construction and operation of 23 retail discount department stores on leased premises, in suburban areas of the eastern United States and Canada. Its present policy is to license all available selling area in the stores it operates to concessionaires and not to engage in any direct retail sales to the public. It also enters into real estate transactions for the acquisition of stores or sites for stores or complete shopping centers. The net proceeds from the stock sale will be used for the most part in connection with the company's construction program, and \$1,000,000 may be made available to certain concessionaires of the company in the form of a capital assistance program. The prospectus states that the company plans to develop a substantial number of additional shopping centers and to build additional stores. It either has options to purchase or has purchased sites for an expects to develop during 1962 six shopping centers in the United States and nine shopping centers in Canada, each of which will include a Towers store, and to acquire property and construct four additional stores in the United States and three in Canada, to be located in shopping areas operated by unrelated parties. The company estimates that the cost of acquiring property for and carrying out this construction program will be about \$25,000,000.

In addition to certain indebtedness, the company has outstanding 1,786,667 shares of capital stock (after giving effect to a recent 4-for-3 stock split), of which Samuel J. Rosenstein, board chairman, Donald H. Jaffey and Marshall H. Jones, a director, own 18%, 18% and 14%, respectively, and management officials as a group 62%.

BERYLLIUM INTERNATIONAL FILES FOR STOCK OFFERING. Beryllium International, Inc., 528 Union Trust Bldg., Washington, D. C., filed a registration statement (File 2-19741) with the SEC on February 1st seeking registration of 1,000,000 shares of common stock, to be offered for public sale at \$5 per share. There are no underwriting arrangements at this time.

The company was organized under Delaware law in 1960 and intends to establish manufacturing facilities to produce a complete line of beryllium products from beryllium ore, beryllium metal, beryllium alloys and beryllium oxide in various forms. To date the company has acquired a nucleus of manufacturing facilities in a plant near Holyoke, Mass., and a number of mining prospects. Of the net proceeds from the stock sale (assuming all shares are sold), \$619,000 will be used for real estate and buildings, \$2,163,000 for equipment, and \$891,000 for working capital. The company has outstanding 571,995 shares of common stock, of which Charles R. Rudolph, president (and his family), and Matthew J. Donachie, president of Metals Research and Manufacturing Corp. (the company's wholly-owned subsidiary which owns the Holyoke plant), own 14% and 12.2% respectively. Management officials as a group own 44.1%. At the time of company's organization there were issued to certain directors an aggregate of 154,000 shares, including 100,000 shares to Rudolph. Donachie received his holdings for his proportionate interest in the subsidiary upon its acquisition by the company.

VAPOR CORP. FILES FOR SECONDARY. Vapor Corporation, 80 East Jackson Blvd., Chicago, filed a registration statement (File 2-19742) with the SEC on February 2nd seeking registration of 156,762 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 William Blair & Company. The public offering price and underwriting terms are to be supplied by amendment.

The company (formerly Vapor Heating Corporation) is engaged in the manufacture and sale of (1) steam generators for use in diesel passenger locomotives to supply steam heat to passenger cars (and related products), (2) temperature control systems for railroad refrigerator cars, metropolitan transit cars, buses and aircraft, and (3) door operating and control devices for passenger cars in metropolitan transit systems. The company has outstanding 741,038.6 shares of common stock, of which American Manufacturing Company, Harris Trust and Savings Bank (as trustee or cotrustee), and management officials as a group own 21.8%, 26.9% and 3.7%, respectively. Said bank is trustee or cotrustee of various trusts established by Egbert H. Gold, Sr. (a founder of the company) and his son (both deceased) for the benefit of various members of the former's family. Four of such trusts holding an aggregate of 167,427.1 shares (out of a total of 198,477.1 shares held by all the Trusts) propose to sell the 156,762 shares. Philip W. Buchen, the husband of one of the beneficiaries of the Trusts, is a director of the company. A. D. Bruce is president.

CHAMPION PARTS REBUILDERS FILES FOR OFFERING AND SECONDARY. Champion Parts Rebuilders, Inc., 4301 West 69th Street, Chicago, filed a registration statement (File 2-19743) with the SEC on February 2nd seeking registration of 150,000 shares of common stock, of which 90,000 shares are to be offered for public sale by the company and 60,000 shares, being outstanding stock, by the holders thereof. Each such share will bear an attached five-year warrant to purchase an additional one-half share from the company. The offering will be made on an all or none basis through underwriters headed by Straus, Blosser & McDowell. The statement also includes 20,000 shares underlying a five-year option to be sold to the principal underwriter for \$1,000. The exercise prices of the warrants and option, and the public offering price of the units and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the business of rebuilding functional parts for automobiles and trucks, including carburetors, water pumps, clutches, and brake shoes. Of the net proceeds from the company's sale of additional stock, \$250,000 will be used for the purchase of additional machinery, working capital and other corporate purposes of the company's recently organized wholly-owned subsidiary, Southwest Rebuilders, Inc.; \$100,000 to pay non-interest bearing loans made to the company by John Gross, president, William Gross, treasurer, and Joe E. Dinwiddie, secretary, the proceeds of which were used for working capital; and the balance for general corporate purposes including the carrying of inventory and accounts receivable, payments of indebtedness, and general working capital.

In addition to certain indebtedness, the company has outstanding 386,875 shares of common stock (after giving effect to a recent 1,081-for-1 stock split and the issuance of 19,335 shares pursuant to certain acquisitions), with a November 30th book value of \$2.17 per share. Of such outstanding stock, Carolyn Realty Corp., Marwill Realty Corp. and Cheryl Realty Corp. own 31.7%, 14.3% and 14.8%, respectively. Said realty companies are owned and controlled by John Gross, William Gross and Joe E. Dinwiddie (and members of their families), respectively. In addition, said three persons own directly 36,521, 15,487 and 16,745 shares, respectively, and propose to sell 33,000, 13,500 and 13,500 shares, respectively.

SILTRONICS ET AL HEARING POSTPONED. On request of counsel for some of the parties, the Commission has authorized a postponement from February 5 to March 5, 1962, of the hearing in proceedings with respect to the following: Siltronics, Inc., Atlantic Equities Co., Blair F. Claybaugh & Co., First Pennington Co., John Randolph Wilson, Jr., doing business as John R. Wilson, Jr. Co., Shawe & Co., Inc., Lenchner, Covato & Co., Inc., Klein, Runner and Co., Inc., and Strathmore Securities, Inc.

SECURITIES ACT REGISTRATIONS. Effective February 2: Aceto Chemical Co., Inc. (File 2-18989). Effective February 5: Harvey Radio Co., Inc. (File 2-19227); ADR's of International Computers and Tabulators Ltd. (Morgan Guaranty Trust Co. of New York) (File 2-19459); Pride Industries, Inc. (File 2-18807); Venus Drug Distributors, Inc. (File 2-19082). Withdrawn February 2: Bronzini, Ltd. (File 2-18737).