

NEWS DIGEST

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



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FOR RELEASE March 5, 1962

Statistical Release No. 1810. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended March 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	
	3/2/62	2/23/62		High	Low
Composite	142.4	142.5	-0.1	146.5	118.3
Manufacturing	132.9	132.9	0.0	136.0	113.0
Durable Goods	132.7	133.1	-0.3	138.9	117.0
Non-Durable Goods	133.0	132.7	+0.2	133.7	109.2
Transportation	108.7	109.2	-0.5	111.0	97.8
Utility	184.5	184.6	-0.1	190.8	144.4
Trade, Finance & Service	173.9	175.1	-0.7	193.0	132.5
Mining	110.2	107.5	+2.5	113.3	83.3

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended March 1, 1962, 70 registration statements were filed, 29 became effective, 7 were withdrawn, and 793 were pending at the week-end.

DAGGETT CHOCOLATE SEEKS EXEMPTION. Daggett Chocolate Company and The Daggett Trust, Boston, have applied to the SEC for an order under the Investment Company Act declaring that they are entitled to exemption from the registration requirement of the Act; and the Commission has issued an order (Release IC-3437) giving interested persons until March 21st to request a hearing thereon. Daggett Chocolate represents that its outstanding common stock is beneficially owned by not more than seventy persons. The Trust is its wholly-owned subsidiary.

PURCHASE OF DISTRICT PHOTO STOCK PROPOSED. Shares in American Industry, Inc., Washington investment company, has applied to the SEC for an exemption order under the Investment Company Act permitting its purchase of up to 5,000 shares of common stock of District Photo, Inc.; and the Commission has issued an order (Release IC-3438) giving interested persons until March 16th to request a hearing thereon. The 5,000 shares of District Photo are part of 100,000 proposed to be offered for public sale by that company when its registration statement filed in November 1961 becomes effective. Auchincloss, Parker & Redpath is the principal underwriter of such offering. One of its partners, Mark Sullivan, Jr., is also a director of the applicant. In view of such affiliation, the proposed purchase is prohibited by the Investment Company Act in the absence of the granting of an exemption by the Commission.

NATIONAL INVESTORS SEEKS ORDER. National Investors Corporation, New York, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed purchase of substantially all the cash and securities of Munasca, Inc.; and the Commission has issued an order (Release IC-3439) giving interested persons until March 19th to request a hearing thereon. Munasca is a personal holding company with fifteen stockholders. National proposes to issue its shares at their net asset value in exchange for Munasca's assets (which had a value of \$1,344,131 as of January 16, 1962).

ALLEGHENY POWER SYSTEM PROPOSES SUBSIDIARY LOANS. Allegheny Power System, Inc., New York, has joined with two of its subsidiaries, The Potomac Edison Company and Cumberland Valley Electric Company, in the filing of a proposal under the Holding Company Act for Allegheny (1) to make loans to Potomac Edison aggregating \$5,000,000 from time to time prior to June 1, 1963 and (2) to loan \$500,000 to Cumberland Valley on March 21st. The Commission has issued an order (Release 35-14589) giving interested persons until March 19th to request a hearing thereon. The subsidiaries will use the funds to pay outstanding bank loans and for temporary financing of their construction programs.

GULF POWER PROPOSES BORROWINGS. Gulf Power Company, Pensacola, Fla., subsidiary of The Southern Company, has filed a proposal with the SEC under the Holding Company Act for \$4,100,000 of bank borrowings through April 1, 1963; and the Commission has issued an order (Release 35-14590) giving interested persons until March 19th to request a hearing thereon. The funds will be used for property additions and improvements. Gulf further proposes to issue \$490,000 of bonds for sinking fund purposes.

SEC TO PARTICIPATE IN ASTROTHERM PROCEEDING. The SEC has entered its appearance in Chapter X proceedings for the reorganization of Astrotherm Corporation pending in the U. S. District Court in Indianapolis. Earl N. Davis is the court-appointed trustee. The Debtor manufactured radar, communication and other electronic equipment; lubrication tanks for jet engines; and aircraft fuel tanks. It had stopped all

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operations, but the Court authorized the Trustee to complete an order for fuel tanks for the B-70 bomber. According to an unaudited balance sheet filed with the petition, the Debtor's books listed assets of \$1,740,000 at December 31, 1961, including \$1,248,000 of work in progress but not in current production. Total liabilities were reported at \$1,090,000, including \$290,000 principal amount of 8% subordinated convertible debentures. The Debtor has issued and outstanding 560,640 shares of \$0.10 par value common stock.

WOODS & CO. INC. ENJOINED. The SEC Fort Worth Regional Office announced February 22d (Lit-2202) the entry of a Federal court order (USDC, San Antonio, Tex.) permanently enjoining Woods & Company, Inc., from further violating the Securities Act registration and anti-fraud provisions and the SEC net capital and bookkeeping rules.

CORRECTION RE REPUBLIC-FRANKLIN LIFE INSURANCE OFFERING. The SEC News Digest of February 16th reported the filing of a registration statement (File 2-19787) by Republic-Franklin Life Insurance Company (Columbus, Ohio) seeking registration of 266,667 shares of Class A common stock, to be offered for public sale at \$7.50 per share. The item stated that the company has outstanding 66,667 shares of Class B common stock, of which RFI (Republic-Franklin Insurance Company) owns 66,655 shares. The Digest item indicated that these shares were purchased at \$3 per share, whereas the prospectus states that the purchase price was \$7.50 per share.

ALL-TECH INDUSTRIES FILES FOR SECONDARY. All-Tech Industries, Inc., 950 West 20th Street, Hialeah, Fla., filed a registration statement (File 2-19866) with the SEC on February 28th seeking registration of 53,000 outstanding shares of common stock, which may be offered for public sale by the holders thereof from time to time at prices related to current market prices prevailing in the over-the-counter market. (During the period January 1 to February 14, 1962, the market price of the shares ranged from 21½ to 30½). Of the 53,000 shares, 25,000 were purchased in January 1962 at \$20 per share. The statement also includes 10,000 shares underlying five-year warrants which (together with \$15,000 in cash) were originally issued to Robert L. Ferman & Company, Inc. and J. Peck Co. as finder's fees in connection with the said sale of the 25,000 shares at \$20 per share. Such warrants are exercisable at \$28 per share.

The company manufactures and markets coin-activated kiddie ride machines which are located in department stores, supermarkets, variety stores and shopping centers for ultimate use by the public. The company is not responsible for operate, site location or maintenance of the rides. In addition to certain indebtedness, the company has outstanding 175,000 shares of common stock, of which Justin J. Goldsmith, president, and Pearl Goldsmith, own 16,500 each, and propose to sell 3,500 shares each; and Sylvia Braun (wife of the secretary-treasurer of the company) owns 33,000 shares and proposes to sell 7,000 shares. The prospectus lists 20 other selling stockholders including Robert L. Ferman & Co., Inc. and J. Peck & Co., which propose to sell 10,500 and 5,000 shares, respectively, and others who propose to sell amounts ranging from 500 to 3,000 shares.

SCHNEIDER CORP. FILES RIGHTS OFFERING. Walter J. Schneider Corporation, 67 West 44th Street, New York, filed a registration statement (File 2-19867) with the SEC on February 28th seeking registration of \$5,500,000 of fifteen year 6½% subordinated convertible debentures due 1977 and 110,000 5-year warrants to purchase a like amount of Class A common shares. It is proposed to offer such securities in 5,500 units (each consisting of \$1,000 of debentures and warrants to purchase 20 shares), for subscription at \$1,000 per unit by holders of Class A stock and 10% debentures due 1976. The exercise price of the warrants and rate of subscription are to be supplied by amendment. No underwriting is involved. The statement also includes (1) 20,000 Class A shares underlying like warrants which may be issued to any dealers or other persons assisting in the distribution of unsubscribed units, (2) 15,000 Class A shares, and the 6,000 Class A shares issuable upon conversion of 6,000 Class B shares, issued by the company in connection with its acquisition of all the stock of Gramercy Brokerage, Inc., and (3) 2,000 Class A shares issued in connection with the company's acquisition of all the capital stock of M. Schwartzberg, Inc.

Organized under Delaware law in March 1961, the company is engaged in various phases of real estate and allied activities. Of the net proceeds from this financing, \$595,500 is required by the company in connection with the acquisition of the Barringer Hotel in Charlotte, N. C.; \$135,000 in connection with the acquisition of a garden apartment development in New Haven, Conn.; \$245,000 in connection with the acquisition of the Buckingham Apartment House in New Haven, Conn.; and \$303,500 in connection with the formation of the small business investment corporation which is wholly owned by the company. In addition to certain indebtedness, the company has outstanding 632,130 Class A and 446,283 Class B common shares, of which latter stock Walter J. Schneider, president and board chairman, and Henry Golet own 54.3% and 11.9%, respectively. Management officials as a group own 9.28% and 72.93%, respectively, of the Class A and Class B stock.

MAGELLAN SOUNDS CORP. FILES FOR OFFERING. Magellan Sounds Corporation, 130 East 40th Street, New York, filed a registration statement (File 2-19868) with the SEC on February 28th seeking registration of 60,000 shares of common stock (with attached 1-year Class A warrants to purchase 60,000 common shares at \$4 per share and 2-year Class B warrants to purchase 60,000 shares at \$4.50 per share), to be offered for public sale at \$4 per unit (one share, one Class A warrant and one Class B warrant). The offering will be made through underwriters headed by Darius Incorporated (80 Pine Street, New York), which will receive a 48¢ per unit commission and \$12,000 for expenses. The statement also includes (1) 9,000 outstanding shares sold to the principal underwriter by certain stockholders at 10¢ per share, and (2) 9,000 shares underlying Class A warrants sold to the underwriter for \$450.

The company began operations in July 1961 and is engaged in the business of producing and marketing educational and recreational audio-visual devices and games for children, adults and the family consisting of recordings and albums or publications. The \$240,000 estimated net proceeds from the sale of the units

will be used to implement a nation-wide sales and distribution campaign during 1962, to initiate and finance a department store charge account mailing program (\$150,000), and the balance for general working capital. The company has outstanding 185,000 shares of common stock (after giving effect to a recent 1,800-for-1 stock split), of which C.F.C. Funding Inc. and Harwyn Publishing Corp. own 60,000 shares each, and Paul Kwartin, president, 54,600 shares. The said companies purchased their shares at 54¢ per share, and Kwartin received his shares for his interest in the device "Dial-Along" album. Book value of stock now outstanding is 34¢ per share.

SELECTIVE FINANCIAL CORP. PROPOSES RIGHTS OFFERING. Selective Financial Corporation, 830 North Central Ave., Phoenix, Ariz., filed a registration statement (File 2-19869) with the SEC on February 28th seeking registration of 500,000 shares of common stock. It is proposed to offer up to 405,178 of such shares for subscription at \$5 per share by holders of the outstanding stock (Classes A, B and C) of Selective Life Insurance Company (an affiliate), at the rate of four company shares for each Class A, one company share for each Class B and two-thirds of a company share for each Class C share of Selective Life held. The rights to subscribe are evidenced by warrants which have been sent to the stockholders of Selective Life, which warrants expire 120 days from the effective date of this statement. After such date, the unsubscribed shares and the remaining 94,822 shares are to be offered for public sale at \$6 per share, and any brokers or dealers whom the company may employ will receive a 20% commission (including expenses).

The company was organized under Arizona law in September 1961 by its 12 directors who are also all of the directors of Selective Life. It intends to engage in the consumer finance, mortgage, general finance, and related businesses, and its operations are expected to be closely related to the operation of Selective Life. The net proceeds from the stock sale will be used in the conduct of a consumer finance and realty mortgage business, initially only in Arizona, but ultimately elsewhere in southwestern United States. The company has outstanding 5,400 common shares recently purchased at \$5 per share by its 12 directors who, by virtue of their holdings in Selective Life, may purchase an additional 63,901 company shares. Orson Secrist, Jr. is president of the company and executive vice president of Selective Life. Neilson Brown, president of Selective Life, is company treasurer.

CATERPILLAR TRACTOR FILES INVESTMENT PLAN. Caterpillar Tractor Co., Peoria, Ill., filed a registration statement (File 2-19870) with the SEC on February 28th seeking registration of 150,000 shares of common stock, to be offered pursuant to its Employees' Investment Plan.

AMERADA PROPERTIES TRUST FILES FOR OFFERING. Amerada Properties Trust, 6363 Wilshire Blvd., Los Angeles, filed a registration statement (File 2-19871) with the SEC on February 28th seeking registration of 112,000 shares of beneficial interest in the trust, to be offered for public sale at \$10 per interest. The offering will be made on a best efforts basis by Real Estate Underwriters, Inc. of the Wilshire Blvd. address, which will receive a 95¢ per share selling commission.

The trust was organized under California law in January 1962. Its objective is to achieve long term growth and tax sheltered income for its shareholders through the acquisition of a broadly diversified portfolio of selected investments in real estate. It is designed to qualify as a "real estate investment trust" under the Internal Revenue Code. Of the \$983,600 estimated net proceeds from this financing, the trust proposes to use approximately \$910,500 to acquire the ownership of Atlantic Square Shopping Center. The trust has acquired an option from Atlantic Associates, Inc., Brook-Lantic, Inc., and Riggins Investments, Inc. to purchase the fee title to the approximately 18 acres upon which the shopping center is located in Monterey Park, Calif., for \$2,900,000. The option was originally acquired by Edward John Golden, president of the trust (and the underwriter), for \$10,000 which amount will be applied on the ultimate purchase price. Golden has assigned the option to the trust subject to the reimbursement of the \$10,000 cost. The property will be subject to encumbrances totaling approximately \$1,989,500. The balance of the purchase price will be paid from the net proceeds of the sale of the shares. The remaining portion of the proceeds aggregating approximately \$73,100 will be used for working capital by the trust. The trust will enter into a contract with James M. Udall, Inc., by which the latter will manage the property and render all necessary services to the tenants thereof for a net charge to the trust equal to 3% of the gross rentals received from the property.

MIL NATIONAL CORP. FILES FOR STOCK OFFERING. Mil National Corporation, 1101 East Tremont Avenue, Bronx, N. Y., filed a registration statement (File 2-19872) with the SEC on February 28th seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. The offering will be made through underwriters headed by H. M. Frumkes & Co. and Abraham & Co., both of 120 Broadway, New York, and Berman, Sterling & Vine Co., 63 Wall Street, New York. The underwriters will receive a 50¢ per share commission and \$8,500 for expenses. A \$5,000 fee is payable by the company to Sidney Newman for assistance in connection with this offering. The statement also includes 22,500 shares underlying five-year warrants to be sold to the underwriters for \$225, exercisable at \$5 per share.

The company is engaged in the independent distribution of commercial dry cleaning and laundry equipment and related products and accessories, including the Mil coin-operated dry cleaning machine. Its operations are conducted principally in New York, Connecticut and New Jersey, but with the addition of the Mil line of equipment, its sales efforts have broadened into the national market. Of the \$408,200 estimated net proceeds from the stock sale, \$100,000 will be used for sales promotion of the new Mil dry cleaning machine, which will include an effort to license distributors throughout the country, \$200,000 to finance increased inventories, and the balance for working capital.

The company has outstanding 200,000 shares of common stock, of which Joseph Katz, president, and William Katz, executive vice president, own 25.5% each, and Robert Gelfand, vice president, and Benjamin Orland, secretary, 20% each. Sale of new stock to the public at \$5 per share will result in an increase in the book value of stock now outstanding from \$2.13 to \$2.75 per share and a corresponding dilution of \$2.25 per share in the book equity of stock purchased by the public.

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APPALACHIAN POWER FILES FINANCING PLAN. Appalachian Power Company, 40 Franklin Road, Roanoke, Va., filed a registration statement (File 2-19884) with the SEC on March 1st seeking registration of \$25,000,000 of first mortgage bonds due 1992 and \$20,000,000 of sinking fund debentures due 1992, to be offered for public sale at competitive bidding. Net proceeds from the sale of bonds and debentures will be applied to prepayment of outstanding notes payable to banks incurred for construction purposes, and the balance will be added to general funds. At December 1961, such notes were outstanding in the amount of \$20,000,000, and it is anticipated that not in excess of \$10,000,000 additional principal amount of such notes may be issued prior to the sale of new bonds and debentures. The cost of the company's construction program for 1962 is estimated at \$54,200,000 and for 1963 at \$28,900,000.

NATIONAL DAIRY PRODUCTS PROPOSES DEBENTURE OFFERING. National Dairy Products Corporation, 260 Madison Ave., New York, filed a registration statement (File 2-19885) with the SEC on March 1st seeking registration of \$35,000,000 of sinking fund debentures due 1992, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 20 Broad Street, and Lehman Brothers, One William Street, both in New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged principally in the purchase, manufacture, processing and distribution of diversified lines of dairy and other food products. It operates through seven divisions including the Kraft Foods Division and Sealtest Foods Division. The net proceeds from the debenture sale will be added to the general funds of the corporation. Such funds will be available for general corporate purposes, including retirement of short-term indebtedness to banks (expected to be approximately \$15,000,000 on March 28, 1962), investment in plant and equipment, carrying of increased inventories and receivables resulting from the growth of the business, and maintenance of an adequate working capital position. The sale of the debentures also will help provide funds for additional investment as opportunities arise in foreign markets, where operations have increased substantially during the past five years.

ACCURATE PACKAGING FILES FOR STOCK OFFERING. Accurate Packaging Corp., 651 Third Street, Newark, N.J., filed a registration statement (File 2-19874) with the SEC on February 28th seeking registration of 80,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Baruch Bros. & Co., Inc., 44 Wall Street, New York. The public offering price (maximum \$3 per share*) and underwriting terms are to be supplied by amendment. The statement also includes (1) 15,000 shares underlying 3-year warrants to be sold to the underwriters at 1¢ each, exercisable at the offering price (2) 5,000 shares underlying similar warrants sold to Morris L. Lewy, a vice president, (3) 2,500 outstanding shares sold to two employees of the underwriters by principal stockholders for \$250, and (4) 5,000 outstanding shares sold to Lewy by principal stockholders and 2,500 shares to Saul W. Goodman, company counsel, for \$200 and \$100, respectively.

The company (formerly Accurate Box Co., Inc.) is in the business of creating, designing, manufacturing and selling folding paperboard cartons for the packaging of individual products by manufacturers in a wide variety of fields, including the toy, pharmaceutical, cosmetic, beauty preparations, food and other industries. The company also manufactures point of sale displays to contain the products. It has recently commenced manufacturing cardboard jackets for the packaging of phonograph records. The net proceeds from the stock sale will be used to retire indebtedness, for purchase and installation of a two-color offset press, and for advertising and sales promotion, plant expansion and working capital. In addition to certain indebtedness, the company has outstanding 130,000 shares of common stock (after giving effect to a recent 260-for-1 stock split), of which Henry E. Hirsh, board chairman, and president, and Charles E. Hirsh, executive vice president, own 46.15% each.

SEEBURG CORP. FILES FOR SECONDARY. The Seeburg Corporation, 1500 North Dayton St., Chicago, filed a registration statement (File 2-19886) with the SEC on March 1st seeking registration of 1,200,000 shares of common stock, of which 712,688 shares are presently outstanding and were issued since 1956 in connection with past acquisitions, and 9,994 shares are reserved by contract for delivery in connection with a past acquisition. Such shares may be sold by the holders thereof publicly on the American Stock Exchange or otherwise at prices current at the time of such sales. The remaining 477,318 shares may be issued by the company from time to time in the acquisition of additional businesses.

The company (now a Pennsylvania corporation to be reincorporated as a Delaware corporation) 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, pastry, candy, and milk vendors. It also manufactures background music systems and hearing-aids, and engages in defense and commercial contract work. In addition to certain indebtedness, the company has outstanding 1,964,802 shares of common stock, of which Belbert W. Coleman, board chairman, owns about 10% and management officials as a group 11%. Frank B. O'Brien is president. Of the stock issued by the company since 1956, 417,132 shares were issued for all the outstanding capital stock of Jacob Siegel Company (Pittsburgh) and 189,650 shares for substantially all the assets of J. P. Seeburg Corp. (Chicago).

SECURITIES ACT REGISTRATIONS. Effective March 5: Arizona Biochemical Co. (File 2-19297); Dale System Inc. (File 2-18663); Gulf States Land & Industries, Inc. (File 2-18808); Margenthaler Linotype Co. (File 2-19732); Tyson Metal Products, Inc. (File 2-19189).

*As estimated for purposes of computing the registration fee.