

NEWS DIGEST

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



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STANDARD FINANCIAL CORP. FILES FOR SECONDARY. Standard Financial Corporation, 530 Fifth Avenue, New York, filed a registration statement (File 2-20018) with the SEC on March 23rd seeking registration of 31,509 outstanding shares of \$5.80 cumulative prior preferred stock (without par), Series A-1, A-2, and A-3 (convertible after January 1963 into an aggregate of 426,002 common shares), to be offered for public sale by the holders thereof from time to time in the over-the-counter market, or at private sales at negotiated prices. The statement also includes (1) 50,000 common shares underlying warrants exercisable until 1974 initially at \$10 per share, which warrants were attached to \$2,000,000 of 6% notes sold to five insurance companies and a trust company in 1959 (one warrant having been exercised with respect to 12,500 shares), and (2) 292,500 common shares to be offered pursuant to the company's 1959 Executive Restricted Stock Option Plan.

The company furnishes working funds for a diversified group of industrial and commercial clients throughout the United States. It is engaged in non-notification commercial accounts receivable financing; accounts receivable factoring; mobile home financing; industrial time sales financing; consumer credit financing; making advances on inventory and chattel mortgages; rediscounting; and equipment lease financing. In addition to certain indebtedness and preferred stock, the company has outstanding 2,087,867 shares of common stock, of which management officials as a group own 11.2%. Theodore H. Silbert is president. The 31,509 preferred shares were issued by the company in September 1961 to the common stockholder of Universal Finance Corporation, a California company, upon consummation of the merger of Universal into the company. The prospectus lists six holders of such preferred stock, including Helen Jacobs (4,923 shares) and Sadye J. Moss (4,190 shares); and they are entitled to an aggregate of 251,442 common shares if converted. The New York Life Insurance Company is entitled to receive 23,750 common shares upon exercise of its warrant received in connection with the company's sale of notes.

DEVOE & RAYNOLDS FILES FOR OFFERING AND SECONDARY. Devoe & Reynolds Company, Inc., 401 West Main St., Louisville, Ky., filed a registration statement (File 2-20020) with the SEC on March 23rd seeking registration of 400,000 shares of common stock, of which 200,000 shares are to be offered for public sale by the company and 200,000 shares, being outstanding stock, by Merritt-Chapman & Scott Corporation, its parent. Shearson, Hammill & Co., 14 Wall Street, New York, heads the list of underwriters. The public offering price (maximum \$25 per share*) and underwriting terms are to be supplied by amendment.

The company manufactures high quality paints and other protective and decorative coatings and finishes, and epoxy and other synthetic resins. Of the net proceeds from the company's sale of additional stock, \$2,000,000 will be spent over the next three years on expansion of synthetic resin and chemical production facilities and \$1,000,000 on other production facilities, and the balance will be added to working capital. The prospectus states that over \$5,700,000 has been spent on the expansion of existing facilities and the addition of new facilities since 1954, of which more than \$1,900,000 was for additional synthetic resin and chemical production and laboratory facilities.

In addition to certain indebtedness, the company has outstanding 1,058,228 shares of common stock, of which said parent owns 96.9% (and proposes to sell the 200,000 shares). Doran S. Weinstein is president.

FIDELITY BANKERS LIFE INSURANCE FILES EXCHANGE PLAN AND FOR SECONDARY. Fidelity Bankers Life Insurance Corporation, Broad at Willow Lawn, Richmond, Va., filed a registration statement (File 2-20021) with the SEC on March 23rd seeking registration of 809,063 shares of common stock. It is proposed to offer such shares in exchange for the outstanding capital shares of American Fidelity & Casualty Company, Inc. (of the same address), at the rate of 2.065 company shares for each \$1.25 convertible preferred share (\$5 par) of American Fidelity, 1.965 company shares for each \$1.20 convertible junior preferred share (\$5 par) and for each common share of American Fidelity. Lee Higginson Corp., 20 Broad Street, and Shearson, Hammill & Co., both of New York, will form a group of soliciting dealers to solicit exchanges of stock and will receive fees of from 25¢ to 40¢ per share tendered for exchange. They will also receive a management fee of from \$15,000 to \$20,000. The statement also includes 175,000 outstanding common shares owned by company stockholders or to be received by certain holders of American Fidelity stock who have agreed to tender their shares in the exchange, which shares may be offered for sale in public or private sales. Certain of such holders propose to sell 100,000 of such shares at \$20 per share.

The company is engaged in the writing of ordinary life, group life and credit life insurance in 18 states and the District of Columbia; and it also writes accident and health risks in connection with its group life and credit life insurance and on an individual basis. American Fidelity writes casualty and property insurance and reinsurance, with the bulk of its operations devoted to automobile physical damage and liability insurance and reinsurance. The two companies are affiliated by reason of ownership of each other's stock (American Fidelity owns 100,667 of 1,369,657 outstanding shares of the company) and certain common stockholders and management officials. Of the 1,369,657 outstanding shares of the company, management officials as a group own 5.03%, and four brothers, Irvin S., Lewis C., Milton L. and Stanley B. Markel, and Markel Foundation, own 7.32%. They also own (together with family members and affiliates) about 35% of the outstanding stock of American Fidelity, and after the exchange is completed they will own about 17.6% of the outstanding stock of the company. If the exchange offer is completed, they propose to sell the

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100,000 shares to the public at \$20 per share. T. Coleman Andrews is board chairman and president of the company and of American Fidelity.

PUERTO RICO BREWING FILES FINANCING PLAN. Puerto Rico Brewing Company, Inc., Puerto Rico, filed a registration statement (File 2-20022) with the SEC on March 23rd seeking registration of \$2,500,000 of sinking fund debentures due 1977 and 500,000 shares of common stock, to be offered for public sale in units consisting of a \$10 debenture and 2 common shares. The offering will be made at \$18 per unit through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine Street, New York, which will receive a \$1.44 per unit commission. The company has sold to the principal underwriter for \$3,250 a 10-year option to purchase 65,000 common shares at \$4.40 per share. The statement also includes 116,428 shares to be sold to Amstel Brouwerij N.V. and 16,428 shares sold to International Basic Economy Corp., for an aggregate of \$531,424.

The company was organized under Puerto Rico law in March 1961 by Amstel and International Basic; and it proposes to engage in the production of premium quality light lager beer and natural malta (a non-alcoholic beverage) for sale under the Amstel label. Its brewery will be constructed in San Juan and it is expected that it will be completed and in operation by the latter part of 1963; and it is presently contemplated that initially the company's products will be distributed in Puerto Rico. The net proceeds from this financing (together with funds received from the sale of said option and shares to Amstel and International Basic) estimated to aggregate \$4,640,000, will be applied to the construction and operation of the brewery (including purchase of plant site). Of such amount, \$2,265,000 will be applied to construction and for machinery, and \$1,255,000 for working capital. The plant site was acquired from Amstel and International Basic for \$334,535 (\$50,000 in cash). Luis Lazaro Garcia is president.

L. P. MARTIN MAINTENANCE FILES FOR OFFERING AND SECONDARY. L. P. Martin Maintenance Corporation, 840 DeKalb Avenue, N. E., Atlanta, Ga., filed a registration statement (File 2-20023) with the SEC on March 23rd seeking registration of 100,000 shares of common stock, of which 20,000 shares are to be offered for public sale by the company and 80,000 shares, being outstanding stock, by Larry P. Martin, president, board chairman and principal stockholder. The offering will be made at \$5 per share through underwriters headed by The Johnson, Lane, Space Corp., which will receive a 50¢ per share commission.

The company was organized under Delaware law in March 1962 and a plan of reorganization was adopted pursuant to which all of the stock of five affiliated corporations was acquired by the company in exchange for 80,000 common and 162,300 Class B common shares of the company. It specializes in the cleaning and maintenance of various types of buildings, providing a wide variety of maintenance, janitorial and security services for office buildings, manufacturing plants, hotels, airports, restaurants, stores and other commercial and non-commercial space. The company also sells janitorial supplies and equipment. The net proceeds from the company's sale of additional stock will be used to pay the \$75,000 balance owing on a note incurred to purchase the stock of three subsidiaries, and the balance will be added to working capital. Said \$75,000 is part of the \$100,000 consideration paid by the three affiliates for minority stockholder's interest in such affiliates held by the estate of a former officer.

In addition to certain indebtedness, the company has outstanding 80,000 common and 162,500 Class B common shares, of which Martin owns 100% and 99%, respectively (and, as indicated, proposes to sell the 80,000 common shares).

COMPUTER APPLICATIONS FILES FOR STOCK OFFERING. Computer Applications Incorporated, 30 East 42nd St., New York, filed a registration statement (File 2-20024) with the SEC on March 23rd seeking registration of 87,000 shares of common stock, to be offered for public sale by L. M. Rosenthal and Company, Inc., 120 Broadway, New York. The public offering price (maximum \$5 per share*) and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in January 1962 under the name CAI Consolidating Corp., and on March 6, 1962 it became the successor by merger to Computer Applications Inc., a New York corporation, which had been incorporated on May 17, 1960 to engage in the business of providing services of varying types related to the use of electronic data processing equipment. The company provides trained personnel for all phases of numerical and mathematical analysis, systems analysis and programming required for the efficient and effective use of the complex data processing equipment currently available to government and industry. The net proceeds from the stock sale will be used to expand present office facilities and to establish branch offices, to expand staff, for set up and initial carrying charges for data processing equipment, and for additional working capital.

The company has outstanding 198,548 shares of common stock, of which John A. DeVries, president, and Charles G. Cooper, executive vice president, own 13.7% each, and three other management officials own 10% each. Net worth of stock now outstanding is 59¢ per share.

GENERAL CLASSICS FILES FOR STOCK OFFERING. General Classics Incorporated, 2555 West Diversey Avenue, Chicago, filed a registration statement (File 2-20025) with the SEC on March 23rd seeking registration of 105,000 shares of common stock, to be offered for public sale at \$3 per share. The offering will be made through underwriters headed by Michael G. Kletz & Co., Time and Life Building, New York, which will receive a 30¢ per share commission. The statement also includes (1) 10,000 shares underlying 3-year warrants to be sold to the principal underwriter for \$100, exercisable at \$3 per share, and (2) 5,000 outstanding shares sold by stockholders to Archie Lasser at \$1 per share for services in connection with this offering.

The company is engaged in the design, assembly and distribution of trophies, plaques and awards. It is the successor of the recent consolidation into the company of an affiliated corporation and certain partnerships owned by present stockholders of the company. The \$250,000 estimated net proceeds from the stock sale will be used to retire an unsecured bank loan incurred to provide additional working capital, for the design of new trophy components and purchase of additional dies and molds, to expand production activities, and

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for additional working capital primarily to finance expansion of inventories and establish new distributors. In addition to certain indebtedness, the company has outstanding 250,000 shares of common stock, of which Marvin Kramer, president, and three other management officials own 15.8% each.

ADMIRAL BENBOW INN FILES RIGHTS OFFERING. Admiral Benbow Inn, Inc., 29 South Bellevue Blvd., Memphis, Tenn., filed a registration statement (File 2-20026) with the SEC on March 23rd seeking registration of 101,578 shares of common stock. It is proposed to offer such shares for subscription by common stockholders at the rate of one new share for each five shares held. James N. Reddoch & Company, Sterick Bldg., Memphis, heads the list of underwriters. The record date, subscription price (\$18 per share*) and underwriting terms are to be supplied by amendment. The prospectus states that an additional 7,500 outstanding shares which were issued by the company to the trustees of the Psi Gamma Chapter of Psi Omega Fraternity in exchange for a parcel of land may be offered for public sale by said trustees from time to time in the over-the-counter market at prices prevailing at the time of sale.

The company is engaged in the operation of restaurants in 25 locations in eight states. With the exception of its home office, a restaurant in Clarksdale, Miss., and the new motor hotel, all of the company's operations are conducted under lease agreement (including certain Holiday Inn locations). It recently entered the field of motor hotel operation by opening the 134 room Admiral Benbow Inn motor hotel in Memphis. Of the net proceeds from the stock sale, \$140,000 will be used for equity money required for construction and furnishing of a 96-unit Admiral Benbow Inn motor hotel at Airways & Winchester, Memphis, \$110,000 to discharge loans from officers incurred in 1961 to finance equipment of a restaurant leased to the company, \$162,000 to discharge bank borrowings incurred in 1961 to finance equipment of other restaurants leased to the company and to furnish its motor hotel in Memphis, and the balance to finance restaurant furnishings and equipment in LaFayette, Indiana and for erection and furnishing of two additional Admiral Benbow motor hotels.

In addition to certain indebtedness, the company has outstanding 500,388 shares of common stock, of which Allen Gary, president, and George G. Early, vice president, own 19.09% and 22.78%, respectively, and management officials as a group 48.27%.

ALEX FORST & SONS FILES FOR SECONDARY. Alex Forst & Sons, Inc., 2885 Jerome Avenue, Bronx, N. Y., filed a registration statement (File 2-20027) with the SEC on March 23rd seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by McDonnell & Co., 120 Broadway, New York. The public offering price (maximum \$15 per share*) and underwriting terms are to be supplied by amendment.

The company was organized under New York law in September 1961 (succeeding to a business established in 1943) and is engaged in the wholesale distribution of toys and games. In addition to certain indebtedness, it has outstanding 250,000 shares of common stock (after giving effect to a recent 12,500-for-1 stock split), of which George Forst, president, and Jerry Forst, vice president, own 50% each. They propose to sell 50,000 shares each.

SALANT & SALANT FILES FOR SECONDARY. Salant & Salant, Incorporated, 330 Fifth Avenue, New York, filed a registration statement (File 2-20028) with the SEC on March 23rd seeking registration of 150,000 outstanding shares of Class A stock, to be offered for public sale by the holders thereof through underwriters headed by Kidder, Peabody & Co., 20 Exchange Place, and Jessup & Lamont, 26 Broadway, both of New York. The public offering price (maximum \$35 per share*) and underwriting terms are to be supplied by amendment.

The company produces men's, boys', and juvenile popular priced utility and sports shirts, utility pants, and casual slacks and jackets. It sells its products to national chain stores and mail order houses, including W. T. Grant, Montgomery Ward, J. C. Penney, Sears Roebuck, and Littlewoods (an English mail order and chain store company) and, through its "King Kole" Division, to regional chains, independent retailers, and wholesalers throughout the United States. In addition to certain indebtedness, the company has outstanding 108,665 Class A and 643,682 Class B shares, of which Robert S. Salant, president, and members of the Salant family (including Aaron B. Salant, board chairman) own, directly or indirectly, 150,000 Class A and 493,682 Class B shares, constituting in the aggregate 85.55% of the outstanding stock of the company. Robert S. Salant proposes to sell all of his holdings of 60,000 Class A shares, (he will retain 2,551 Class B shares); and the two Salants and Bessie L. Salant, as trustees under the will of Gabriel Salant, and the two Salants as trustees under a trust for the benefit of Ethel Salant Rodgers, propose to sell an aggregate of 90,000 shares.

SINCLAIR OIL FILES SAVINGS PLAN. Sinclair Oil Corporation, 600 Fifth Avenue, New York, filed a registration statement (File 2-20029) with the SEC on March 23rd seeking registration of \$12,000,000 of participations in its Employees Savings Plan, and 150,000 shares of common stock which may be acquired pursuant thereto.

MOSLER SAFE CO. FILES FOR SECONDARY. The Mosler Safe Company, 320 Park Avenue, New York, filed a registration statement (File 2-20030) with the SEC on March 23rd seeking registration of 260,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Blyth & Co., Inc., 14 Wall Street, New York. The public offering price (maximum \$20 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 35,000 common shares to be offered by the company (without underwriting) to certain employees at a price to be supplied by amendment.

The company is a manufacturer of safes, bank vault equipment and mechanical and electronic security products and systems to protect property against theft, destruction and intrusion, and it also manufactures various lines of office equipment, including record storage and data retrieval equipment. In addition to certain indebtedness, the company has outstanding 1,619,519 shares of common stock, of which Edwin H. Mosler, Jr., board chairman, and John Mosler, president, own 26.5% each (held for their benefit in certain trusts);

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Janet Mosler Coleman owns 25.2% (also held in certain trusts); and the Mosler Foundation, Inc., a charitable corporation, owns 13.3%. The latter proposes to sell all its holdings (215,627 shares); and the trustees under the will of Irma H. Mosler propose to sell 44,373 of 169,500 shares held.

INTERNATIONAL DRUG AND SURGICAL FILES FOR STOCK OFFERING. International Drug and Surgical Corporation, 375 Park Avenue, New York, filed a registration statement (File 2-20031) with the SEC on March 23rd seeking registration of 150,000 shares of Class A 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 Seymour Blauner Company, 111 Broadway, and Wm. Stix Wasserman & Co., Inc., 40 Wall Street, both of New York, which will receive a 48¢ per share commission and \$10,000 for expenses. The statement also includes (1) 10,000 Class A shares sold to the underwriters at 1¢ per share, (2) 13,300 shares sold to a Wasserman affiliate at \$2.50 per share, (3) 10,000 shares underlying 5-year warrants sold to the underwriters at 1 mil each, exercisable at the public offering price, and (4) 47,900 outstanding Class A shares also sold at \$2.50 per share to certain business associates of management officials and their affiliates.

The company was organized under New York law in December 1961, for the principal purposes of importing, licensing, distributing and/or manufacturing pharmaceutical and surgical and medical instruments. National Patent Development Corp. ("NPDC"), the founder of the company, recently acquired exclusive licenses to manufacture, sell and distribute various surgical instruments and medical technology from Amtorg Trading Corp. (acting on behalf of All-Union Export-Import Corp., of Moscow, U.S.S.R., which in turn acted on behalf of certain patent holders), including licenses relating to surgical suturing devices, a variable flexible panoramic gastroscope and an electronic sleep-inducing machine. NPDC has sublicensed its rights in these developments to the company. The company has also obtained an exclusive license to manufacture, sell and distribute a synthetic corneal transplant. The \$490,000 estimated net proceeds from the stock sale will be used for executive salaries and consultants' fees, for office and administrative overhead, for professional services, advertising and promotion, and for working capital (\$405,500), which working capital will be used to expand staff, manufacturing products, financing licenses for or acquisition of additional products, and to pay any royalties which may be due under existing licensing arrangements.

The company has outstanding 169,200 Class A and 2,000 Class B shares, of which NPDC owns 57.9% and 100%, respectively. NPDC acquired 108,000 Class A shares and 2,000 Class B shares for \$1,100, or \$.01 per share, and it subsequently resold 10,000 Class A shares in a private transaction for \$25,000. Fred Sands is president. Jess Larson, board chairman, also is board chairman of NPDC, and the two companies have other common management officials.

GRANCO PROPOSES DEBENTURE OFFERING. Granco, Inc., 182 Second Avenue, San Francisco, filed a registration statement (File 2-20032) with the SEC on March 23rd seeking registration of \$600,000 of 6% convertible subordinated debentures due 1977, to be offered for public sale in 1,200 units and at \$500 per unit. The offering will be made through underwriters headed by Midland Securities Company, Inc., 15 West Tenth Street, Kansas City, Mo., which will receive a \$50 per unit commission and \$20,000 for expenses.

The company and its wholly owned subsidiaries are engaged in the operation of two retail jewelry stores, ten jewelry concessions in discount department stores, and one liquor concession in a discount department store. The net proceeds from the debenture sale will be used to repay \$500,000 of bank loans incurred in part to pay for merchandise purchased for the opening of new licensed departments and in part to provide necessary capital to open such new departments, and the balance will be added to working capital. In addition to certain indebtedness, the company has outstanding 200,000 Series A and 320,000 Series B common shares (after giving effect to a recent 2-for-1 stock split), of which Charles R. Greenstone, president, and Ben K. Lerer, secretary-treasurer, each own 20% and 50%, respectively.

NATIONAL SECURITY LIFE INSURANCE FILES FOR OFFERING AND SECONDARY. National Security Life Insurance Company, 130 Alvarado, N.E., Albuquerque, New Mexico, filed a registration statement (File 2-20033) with the SEC on March 23rd seeking registration of 100,000 shares of common stock, of which 80,000 shares are to be offered for public sale by the company and 20,000 shares, being outstanding stock, by the holders thereof. The offering will be made at \$17.50 per share on a best efforts basis by an underwriter (whose name is to be supplied by amendment), which will receive a \$2.625 per share selling commission.

Organized in 1959, the company offers (in Arizona, N. Mexico, Utah & Wyoming) a variety of life (both participating and non-participating), credit life, credit accident and health policies. It also has a credit life insurance department which issues certificates on a group and individual basis, which certificates involve life insurance and accident and health coverage. The net proceeds from the company's sale of additional stock will be invested initially in securities or mortgages eligible under New Mexico Law for inclusion in the investment portfolio of a life insurance company. The company presently has outstanding 293,614½ capital shares and options to purchase an additional 232,385½ shares; and it has 2,250 stockholders of record. The prospectus states that none of such securities have been registered under the Securities Act and that a contingent liability may have been created by reason of such sales in the amount of \$1,143,960 plus interest at 6% from the various dates on which the sales were made. At the time of the company's organization, National Holding Corporation (43.76% owned by Jack R. Berry, president and board chairman of the company) invested \$112,600 and was issued 74,316 shares and 42 other persons invested \$42,400 and were issued 27,654 shares. Berry and National Holding own options (also issued at organization) to purchase 51,064½ and 107,787 shares, respectively, at \$1.52 per share, such options being binding on the company until September 30, 1964. National Holding and Berry presently own 24,957 and 7,716½ shares, respectively, and propose to sell 10,000 shares each. If all such shares are sold, National Holding and Berry intend to exercise their options in full. Giving effect to the stock sale and the exercise of the options, National Holding will own 19.92% of the outstanding stock for which it will have paid \$186,570.88, Berry will own 7.92% for \$74,147.12, and the public will own 16.23% for an investment of \$1,750,000.

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FREDERICK'S OF HOLLYWOOD FILES FOR OFFERING AND SECONDARY. Frederick's of Hollywood, Inc., 6608 Hollywood Boulevard, Los Angeles, filed a registration statement (File 2-20034) with the SEC on March 26th seeking registration of 150,000 shares of capital stock, of which 70,000 shares are to be offered for public sale by the company and 80,000 shares, being outstanding stock, by Frederick N. Mellinger, president and sole stockholder. The offering will be made at \$5 per share through underwriters headed by Garat & Polonitz, Inc., 9229 Sunset Boulevard, Los Angeles, which will receive a 50¢ per share commission. The statement also includes 8,000 outstanding shares underlying a 5-year option to be granted to the principal underwriter by the selling stockholder, exercisable at the public offering price.

The company was organized under Delaware law in March 1962 and in May intends to acquire for 360,000 shares all of the outstanding voting shares of Frederick's Inc. (formerly known as Frederick's of Hollywood, Inc.) and seven other corporations. The company will then operate the retail mail order business and a chain of ten retail women's apparel stores of the predecessors in California, Arizona and Nevada. The \$300,000 estimated net proceeds from the company's sale of additional stock will be used to establish franchise outlets for the company's products (primarily to develop an inventory for sale to the licensees), to open five additional retail stores, to expand the mail order business, and for general corporate purposes. It has outstanding the 360,000 shares of capital stock, all owned by Mellinger who, as indicated, proposes to sell the 80,000 shares. 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 \$1.41 to \$1.88 per share and corresponding dilution of \$3.12 per share in the book equity of stock purchased by the public.

INSTRON ENGINEERING FILES FOR SECONDARY. Instron Engineering Corporation, 2500 Washington Street, Canton, Mass., filed a registration statement (File 2-20035) with the SEC on March 26th seeking registration of 120,000 outstanding shares of common stock, to be offered for public sale by the holders thereof without underwriting. The selling stockholders intend to make direct sales of the shares through solicitation of orders by Tucker, Anthony & R. L. Day, 74 State Street, Boston, their financial adviser with respect to this offering. As compensation for such services, the financial adviser will receive from the selling stockholders a fee of 4½% of the gross proceeds of the offering. The public offering price (maximum \$14 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the development and production of Instron Universal Testers. This equipment is designed for use in testing the physical characteristics of a wide variety of materials including metals, plastics, rubber, paper and textiles. Instron equipment is designed for testing materials in both tension and compression and may be adapted for testing the flexure, torsion and shear characteristics of materials. In addition to certain indebtedness, the company has outstanding 610,000 shares of common stock (after giving effect to a proposed recapitalization), of which Harold Hindman, president, and George S. Burr, vice president, own 299,600 shares each and proposed to sell 60,000 shares each.

NORTHROP FILES STOCK PLAN. Northrop Corporation, 9744 Wilshire Boulevard, Beverly Hills, California, filed a registration statement (File 2-20036) with the SEC on March 26th seeking registration of 476,800 shares of common stock, to be offered pursuant to its 1957 Restricted Stock Option Plan.

AMERICAN GAS FILES FOR RIGHTS OFFERING. American Gas Company, 546 South 24th Avenue, Omaha, Nebraska, filed a registration statement (File 2-30037) with the SEC on March 26th seeking registration of 548,532 shares of common stock. It is proposed to offer such stock for subscription by common stockholders at the rate of 3.6 new shares for each share held. Cruttenden, Podesta & Miller, La Salle-Jackson Building, Chicago, heads the list of underwriters, which will receive for their commitments 5% of the public offering price in respect of the 548,532 shares plus 5% of the price in respect of all shares not subscribed by stockholders and offered for public sale. The record date and subscription price (maximum \$5 per share*) are to be supplied by amendment.

The company is engaged in the business of transportation, distribution and sale of natural, manufactured or mixed gas. It sells and distributes natural gas in the municipalities of Carter Lake, Iowa, and Tarkio, Rock Port and Fairfax, Mo. The company also holds franchises to supply natural gas to the communities of Hamburg, Sidney and Tabor, Iowa, and the town of Craig, Mo., as well as 16 towns in north central Wisconsin. The net proceeds from the stock sale, together with the proceeds of the private sale to an insurance company of \$285,000 of 6½% first mortgage revenue bonds due 1982, will be applied to the costs, estimated at \$738,000, of construction of the transmission and distribution systems for Tabor, Sidney and Hamburg, Iowa; \$1,050,000 to purchase additional capital stock of the company's Wisconsin subsidiary, American Gas Company of Wisconsin, Inc.; \$50,000 to pay a note to Norman L. Hahn, president and board chairman and the balance for general working capital, including additions to be made in 1962 to the Carter Lake and Missouri systems. In order to construct its transmission and distribution systems, the Wisconsin subsidiary will sell to the company 10,500 shares at \$100 per share, and upon completion of the construction, sell privately \$2,100,000 of 20-year first mortgage bonds.

In addition to certain indebtedness, the company has outstanding 138,519 shares of common stock, of which Hahn owns 10.02% and management officials as a group 23.70%.

ADR'S FOR N. V. KONINKLIJKE ZWANENBERG-ORGANON FILED. Morgan Guaranty Trust Company of New York filed a registration statement (File 2-20040) with the SEC on March 23rd seeking registration of 50,000 American Depositary Receipts for the ordinary shares of N.V. Koninklijke Zwanenberg-Organon, of The Netherlands.

CURRENCY MACHINES 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 offering of stock by Currency Machines Corporation ("Machines"), of 1050 N.E. 85th St., Miami, Fla.

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 February 26, 1962, Machines proposed the public offering of 100,000 common shares at \$1 per share. The Commission asserts in its suspension order that it has reasonable cause to believe that certain terms and conditions of the Regulation were not complied with and that Machines' offering circular was false and misleading in respect of certain material facts. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

According to the order, Machines failed to establish the jurisdiction for a Regulation A exemption or to include necessary financial statements in its offering circular. The alleged misrepresentations relate to the proper business address of the company, the space leased by Machines and the amount of rental paid, the failure to disclose the extent to which Machines is dependent upon the proceeds of the stock sale for funds to carry out its contemplated business activities and the extent to which such proceeds are to be used to pay officers' salaries, and the failure to disclose that Machines owns no property, machinery or equipment of any kind.

SEC ORDER CITES EDMUND REED & CO. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Edmund S. Reed, doing business as Edmund S. Reed & Co., 5 Colt Street, Paterson, N. J., has violated provisions of the Federal securities laws and, if so, whether his broker-dealer registration should be revoked.

Reed has been registered with the Commission as a broker-dealer since September 1961. His registration application disclaims any connection with another broker-dealer within the preceding ten years. The Commission's order recites charges by its staff that information developed in an investigation tends, if true, to show (1) that his disclaimer is false and misleading and violated the registration disclosure requirements; (2) that in the offer and sale of stock of U-Bowl, Inc., in 1960 while employed by another firm, Reed engaged in activities "which would and did operate as a fraud and deceit" upon the purchasers, in that he made false and misleading representations with respect to the earnings prospects of U-Bowl, anticipated increase in the price of its stock, the volume of shares sold, and the comparison of U-Bowl with other companies in the same business.

A hearing will be held to take evidence on the foregoing, at a time and place later to be announced.

INDIVIDUALS' SAVING UP. In a release for MORNING Newspapers of Wednesday, March 28th, the SEC reports that in 1961 individuals in the U.S. saved at a rate equalling the post-war record of 1958. Net financial saving amounted to \$16.9 billion, compared with \$10.4 billion in 1960 and \$13.6 billion in 1959. It is also estimated that individuals' equity in financial assets, net of liabilities, totalled almost \$900 billion as of the end of 1961, an increase of almost 15 percent during the year, chiefly reflecting higher market values of stock issues. (Stat Release 1816)

GULF POWER BORROWINGS CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14609) authorizing Gulf Power Company, Pensacola, Fla., to make bank borrowings through March 1963 in amounts aggregating \$4,100,000. The funds will be used for property additions and improvements. Gulf Power also was authorized to issue \$490,000 of bonds for sinking fund purposes.

WORK WEAR CORP. FILES FOR STOCK OFFERING. Work Wear Corporation, 1768 East 25th Street, Cleveland, filed a registration statement (File 2-20038) with the SEC on March 26th seeking registration of 130,000 shares of common stock, to be offered for public sale through underwriters headed by Hornblower & Weeks, One Chase Manhattan Plaza, New York. The public offering price (maximum \$27 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of work clothing and in the business of industrial laundering and garment rental. Of the net proceeds from the stock sale, \$1,030,000 will be used to repay the balance of short-term bank indebtedness incurred to help finance the purchase of laundry and garment rental businesses in Florida, New Orleans and Chicago, \$110,540 to make prepayments on notes issued in connection with the acquisition of a group of Florida laundry and garment rental companies, \$170,000 to retire a demand note held by Sadie D. Rosenthal, a principal stockholder, and the balance for working capital. In addition to certain indebtedness, the company has outstanding 320,604 common and 700,000 Class B common shares, of which latter stock Leighton A. Rosenthal, president, Charlotte R. Kramer, a director, and Sadie D. Rosenthal own 260,817, 231,080 and 188,906 shares, respectively. Management officials as a group own 496,320 Class B shares (and 600 common shares).

SECURITIES ACT REGISTRATIONS. Effective March 27: Atlanta Motor Lodges, Inc. (File 2-19247); Bacharach Industrial Instrument Co. (File 2-19300); Bechtold Engineering Co. (File 2-19404); District Photo, Inc. (File 2-19308); The First Republic Corporation of America (File 2-19478); Gulf American Fire and Casualty Co. (File 2-19054); Howard Johnson Co. (File 2-19892); IFC Collateral Corp. (File 2-19513); International Telephone & Telegraph Co. (File 2-19905); MCA, Inc. (File 2-19633); Melnor Industries, Inc. (File 2-19306); New Orleans Public Service, Inc. (File 2-19807); Western Casualty and Surety Co. (File 2-19793); Youthcraft Creations, Inc. (File 2-19427).

Correction. Pacific Big Wheel (File 2-19202), reported effective in March 26th News Digest, has NOT become effective.

*As estimated for purposes of computing the registration fee.