

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 April 27, 1962

OVER-THE-COUNTER QUESTIONNAIRE CIRCULATED. Milton H. Cohen, Director of the Commission's Special Study of Securities Markets, announced today that a new questionnaire, designated OTC-4, has been mailed to approximately 2,000 companies having no securities traded on any national securities exchange but having one or more stock issues in which there is an apparent over-the-counter market interest. Form OTC-4 is to be completed and returned to the Special Study by May 21, 1962. The list includes substantially all the 200 corporations whose securities were included in Schedule I or II of the questionnaire (OTC-3) recently sent to all registered broker-dealers, plus about 1,800 issuers selected at random from the Monthly Quotation Summary (January 1962) of the National Quotation Bureau.

Issuers receiving the questionnaire are asked to report, among other things, the amount of their assets, the number of their security holders of each class, the amount of turnover in record holdings, and broker-dealer affiliations of their officers and directors. One-half of the recipients, also selected at random, are asked to submit copies of financial reports and proxy solicitation material sent to their stockholders during the last year. The new questionnaire is in many respects a counterpart of the previous OTC-3 in which broker-dealers were asked to supply data with regard to their over-the-counter activities. The two questionnaires, together with data being gathered through other means, are designed to provide basic statistical information as to the structure and composition of the over-the-counter market and the degree of public interest and activity in the various securities making up that market. The data provided by Form OTC-4 are also expected to be useful in formulating appropriate standards to be incorporated in any recommended legislation to extend reporting, proxy, and insider trading provisions -- now applicable primarily to securities listed on a stock exchange -- to securities in which there is an active public interest in the over-the-counter market.

EXTENSION FOR COMMENTS ON FORM 8-K AMENDMENT. The SEC today announced an extension of time, from May 7 to June 7, 1962, within which comments on its proposed amendments to Form 8-K may be submitted. Form 8-K is prescribed for use in filing current reports pursuant to Sections 13 and 15(d) of the Securities Exchange Act of 1934. The extension was granted at the request of persons who desire additional time to study the proposals and submit comments thereon.

TWO DELISTINGS APPROVED. The SEC has granted an application of Mergenthaler Linotype Company to withdraw its capital stock from listing on the Boston Stock Exchange (the stock remains listed on other exchanges), and an application of the New York Stock Exchange to delist the common stock of United Stockyards Corporation (which listing has been transferred to the American Stock Exchange), effective close of business May 11th (Release 34-6793).

UNLISTED TRADING SOUGHT. The SEC has issued an order (Release 34-6793) giving interested persons until May 11th to request a hearing upon a Boston Stock Exchange application for unlisted trading privileges in ADR's for Ordinary Shares of Unilever Limited.

COLUMBIA GAS SYSTEM PROPOSES DEBENTURE OFFERING. The Columbia Gas System, Inc., 120 East 41st Street, New York, filed a registration statement (File 2-20283) with the SEC on April 26th seeking registration of \$25,000,000 of debentures due 1987, to be offered for public sale at competitive bidding. The net proceeds from the debenture sale, together with other funds, will be used to finance the 1962 construction program of the company's subsidiaries, estimated at \$100,000,000.

ALABAMA POWER BONDS CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14628) authorizing Alabama Power Company, Birmingham, to issue \$2,899,000 of sinking fund bonds due 1987 for improvement or sinking fund purposes.

AIR REDUCTION PROPOSES DEBENTURE RIGHTS OFFERING. Air Reduction Company, Incorporated, 150 East 42nd Street, New York, today filed a registration statement (File 2-20284) with the SEC seeking registration of \$45,000,000 of convertible subordinated debentures due 1987. It is proposed to offer such debentures for subscription by common stockholders at the rate of \$100 of debentures for each 10 shares held on June 5, 1962. Kidder, Peabody & Co., 20 Exchange Place, and Dean Witter & Co., 14 Wall Street, both of New York, head the list of underwriters. The interest rate, subscription price and underwriting terms are to be supplied by amendment.

The company is a producer of oxygen, acetylene, nitrogen, argon, rare gases, welding and cutting equipment, vinyl acetate, carbon and graphite products, fixed composition resistors, carbon dioxide, and medical gases and related equipment. The net proceeds from the debenture sale will be used to prepay \$26,250,000 of 4 1/2% bank notes and \$25,000,000 on maturities and installments of the company's other long-term debt coming due during 1962-66, and to modernize and expand facilities. Capital expenditures aggregated \$21,100,000 in 1961 and are expected to aggregate about \$69,000,000 in 1962 and 1963. In addition to certain indebtedness, the company has outstanding 4,396,749 shares of common stock, of which management officials as a group own 1.5%. John A. Hill is president.

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MAIL ASSEMBLY SERVICE FILES FOR STOCK OFFERING. Mail Assembly Service, Inc., 145 Avenue of the Americas, New York, today filed a registration statement (File 2-20285) with the SEC seeking registration of 100,000 shares of common stock, to be offered for public sale at \$2.25 per share. The offering will be made through underwriters headed by Globus, Inc., 660 Madison Avenue, New York, which will receive a \$.225 per share commission and \$7,500 for expenses. The statement also includes 25,000 shares underlying 5-year warrants sold to the principal underwriter and 2,500 shares underlying like warrants sold to Elias Wertheim, the finder, for an aggregate of \$27.50, exercisable at \$2.25 per share. A \$1,000 finder's fee is also payable by the company to Wertheim.

The company is engaged principally in the assembling of packages on behalf of the general public for subsequent shipment to Post Offices in cities throughout the United States. Its operations are presently confined almost entirely to package shippers in the New York City area. The net proceeds from the stock sale will be used for general corporate purposes including principally enlargement of sales force and sales promotions, to finance the leasing of additional space, trucks and equipment to service additional accounts in the New York area, and to modernize and add to existing office and terminal equipment. Any balance will be added to working capital. In addition to certain indebtedness, the company has outstanding 110,000 shares of common stock (after giving effect to a recent recapitalization), of which Irving Weber, president, and five other management officials own 16-2/3% each. After sale of new stock to the public, present stockholders will own 52.4% of the outstanding shares which had an aggregate book value as of January 31, 1962 of \$21,614 (\$.196 per share), and the public will own 47.6% for an investment of \$225,000.

SEC COMPLAINT NAMES PHOENIX SECURITIES. The SEC New York Regional Office announced April 20th the filing of a Federal court complaint (USDC, Newark, N. J.) seeking to enjoin further violations of the Securities Act anti-fraud provisions in the offer and sale of Class A common stock of Jersey Planning Corporation, Inc., of Montclair, N. J., by Phoenix Securities of Montclair. Also named as defendants were (a) Henry S. Giannetti, Sr., partner of Phoenix, and the following salesmen of the latter: Frederick P. House, Michael Favata, Anthony Galanti and Lewis Moskowitz; and (b) Jersey Planning Corp., and three of the latter's officers: Henry Giannetti, Jr., Thomas Tullio and Raymond Filiberti. Temporary restraining order issued by court and SEC motion for preliminary injunction set for May 1st. (Lit Release 2250).

SECURITIES ACT REGISTRATIONS. Effective April 27: Colorado Interstate Gas Co. (File 2-20078); Cubic Corporation (File 2-19109); Dobbs Houses, Inc. (File 2-19541); The Gillette Co. (File 2-20247); Hercules Powder Co. (File 2-20197); Kulka Electronics Corp. (File 2-19063); Union Oil Co. of Calif. (File 2-20202); Visual Art Industries, Inc. (File 2-19522).

BLACK BEAR INDUSTRIES TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act continuing the suspension of trading in the common stock of Black Bear Industries, Inc., on the San Francisco Mining Exchange and over-the-counter market for a further ten-day period April 29 to May 8, 1962, inclusive.

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