

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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HEARING SET ON DELISTING BLACK BEAR INDUSTRIES. The SEC has initiated proceedings pursuant to Section 19(a)(2) of the Securities Exchange Act of 1934 to determine whether it should order withdrawal of the common stock of Black Bear Industries, Inc., of New York City, from listing and registration on the San Francisco Mining Exchange.

Pursuant to Commission orders issued under Section 19(a)(2) of the Act, trading in the common shares of the said company ("Industries") has been suspended since April 24, 1961, both on the Exchange and in the over-the-counter market. The trading ban was invoked because the financial and other information filed by the company appeared substantially inadequate for purposes of an evaluation of the stock by investors.

In its order authorizing the proceedings on the question of delisting, the Commission asserts that it has reason to believe that the requirements of Section 13 of the Act for the filing of periodic reports was violated by Industries in the following respects: (1) On March 2, 1959 Industries filed a Form 8-K report for June 1958 disclosing its acquisition of 51.83% of the outstanding common stock of Bolling Oil Corporation, the principal asset of which is 68.44% of the outstanding common stock of Leche Oil Company. Industries failed to file with this report financial statements of either of these companies, as required; and (2) on March 26, 1962, Industries filed its annual reports for the fiscal years ended May 31, 1960 and 1961, and the financial statements included therein were not certified by an independent public accountant, as required.

A hearing will be held in the Commission's Washington office on June 4, 1962, for the purpose of taking testimony on the foregoing matters and on the question whether to delist Industries stock from the Exchange.

SANDERS INVESTMENT HEARING SCHEDULED. A hearing has been scheduled for May 28, 1962, in the Commission's Denver Regional Office in proceedings to determine whether to revoke the broker-dealer registration of Sanders Investment Company, Inc., of 205 Gold Ave., S. W., Albuquerque, N. Mex. The Commission's earlier order authorizing these proceedings charges violations of the anti-fraud and other provisions of the Federal securities laws.

GEORGIA-PACIFIC FILES STOCK PLAN. Georgia-Pacific Corporation, Equitable Building, Portland, Oregon, filed a registration statement (File 2-20349) with the SEC on May 9th seeking registration of \$4,125,000 of interests in its Employee Stock Purchase Plan, and an undetermined amount of common shares which may be acquired pursuant thereto.

FIRST VIRGINIA CORP. FILES EXCHANGE PLAN. The First Virginia Corporation, 2924 Columbia Pike, Arlington, Va. filed a registration statement (File 2-20351) with the SEC on May 9th seeking registration of 2,362,500 shares of Class A common stock. It is proposed to offer 700,000 of such shares in exchange for all of the 35,000 outstanding capital shares of Farmers and Merchants National Bank, Winchester, Va. (on a 20-for-1 basis), 1,500,000 shares in exchange for all of the 100,000 outstanding capital shares of Southern Bank of Norfolk, Norfolk, Va. (on a 15-for-1 basis), 62,500 shares in exchange for all of the 500 outstanding capital shares of Peoples' Bank of Mt. Jackson, Mt. Jackson, Va. (on a 125-for-1 basis) and 100,000 shares in exchange for all of the 1,000 outstanding capital shares of Shenandoah County Bank and Trust Company, Woodstock, Va. (on a 100-for-1 basis). In the case of each bank the company's offer is subject to the acceptance thereof by the holders of at least 80% of the capital shares of the bank.

The company is a registered bank holding company and has six banking subsidiaries engaged in the general commercial banking business in Virginia. The company functions primarily as a controlling stockholder of the banks and as such supplies them with various services. The company also has two insurance agency subsidiaries and an interest in a bank building subsidiary. In addition to certain indebtedness, the company has outstanding 1,438,428 Class A and 1,095,792 Class B common shares. Edwin T. Holland, board chairman and president, owns 32.26% of the Class B shares; and management officials as a group own 10.26% and 53.25%, respectively, of the outstanding Class A and Class B shares.

MOUNTAIN STATES T & T PROPOSES DEBENTURE OFFERING. The Mountain States Telephone and Telegraph Co., 931 Fourteenth St., Denver, Colo., today filed a registration statement (File 2-20352) with the SEC seeking registration of \$50,000,000 of debentures due 2002, to be offered for public sale at competitive bidding. The net proceeds from the debenture sale will be applied toward repayment of advances (estimated at \$107,000,000) from the company's parent, American Telephone and Telegraph Company (which owns 86.75% of the company's outstanding stock). Such advances were obtained for general corporate purposes, including extensions, additions and improvements to telephone plant. Construction expenditures were about \$137,200,000 for 1961 and it is anticipated that such expenditures for 1962 will be about the same.

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AVNET ELECTRONICS FILES EXCHANGE PLAN AND SECONDARY. Avnet Electronics Corp., 70 State Street, Westbury, L.I., N. Y., filed a registration statement (File 2-20350) with the SEC on May 9th seeking registration of 93,000 shares of common stock. It is proposed to offer such stock in exchange for the outstanding Class A and common shares of Pitt Products Limited, of Ontario, Canada, at the rate of one share of the company for each two Class A shares of Pitt and 43/100 of a share for each share of Pitt common. St. Lawrence Industries, Inc., which owns all of the outstanding common shares of Pitt, has agreed to accept the company's exchange offer with respect to such common shares and any Class A shares of Pitt which it may own or control. The prospectus states that St. Lawrence also intends to offer and sell from time to time up to 10,750 of the 43,000 common shares of the company to be received by it pursuant to the exchange offer, and may, to the extent that they are not sold, pledge all or any part of the 43,000 shares. The statement also includes an aggregate of 81,500 outstanding common shares of the company recently issued for or in connection with certain acquisitions.

The company is engaged in the business of assembling, processing and marketing an extensive line of electrical connectors and in marketing transistors, diodes, capacitors and other items related to the electronics, communications, aircraft, missile, utility and business machine industries. Pitt is engaged in the wholesale distribution of automotive parts, principally replacement parts for starting, lighting and ignition systems, and electrical replacement parts for the electronics and television industries. In May, the company will acquire in exchange for an aggregate of 368,366 common shares, substantially all of the assets of Liberty Records, Inc., which is engaged in the production and distribution of single records and popular long-playing albums, both in monaural and stereophonic sound, and to a minor extent in the music publishing business. The company also recently acquired the outstanding stock of Freeman Products Corporation in exchange for common shares (not less than 50,000), based on a purchase price of \$1,350,000. Freeman is engaged in the distribution of metal, wood and plastic component items utilized in the assembly of various lighting fixtures, lamps and giftware products.

In addition to certain indebtedness, the company has outstanding 2,208,105 shares of common stock (prior to said acquisitions), of which Lester Avnet, president, and Robert H. Avnet, board chairman, own 12% and 13.1%, respectively, and management officials as a group 34.8%. Jack Stadler, Shirley Freeman and Mervin Hurwitz, former stockholders of Freeman, intend to sell from time to time up to 12,500 shares received by them pursuant to the company's acquisition of Freeman; Simon Waronker, Alvin S. Bennett and other persons or trusts intend to sell up to 65,000 shares of the company received (or to be received) pursuant to the company's acquisition of Liberty Records (including partners of Crowell, Weedon & Co. who received 4,500 shares of Liberty's stock in connection with an underwriting of Liberty's securities in 1960); and Merrill Lynch, Pierce, Fenner & Smith Incorporated intend to sell 4,000 shares of the company received in consideration for services in connection with the Liberty acquisition.

UNION ELECTRIC STOCK PLAN WITHDRAWN. The SEC has issued an order under the Holding Company Act (Release 35-14634) granting a request of Union Electric Company, of St. Louis, for withdrawal of its employees' stock option plan. During the pendency of that plan, the Commission on April 2d granted Union Electric's prior application for an exemption from all provisions of the said Act.

COLUMBIA GAS SYSTEM FINANCING. The SEC has issued an order under the Holding Company Act (Release 35-14635) giving interested persons until May 28th to request a hearing upon the debenture financing proposal of The Columbia Gas System, Inc., New York holding company. As previously reported (News Digest of April 27th), Columbia Gas proposes to issue and sell \$25,000,000 of debentures at competitive bidding, the proceeds to be used to aid its subsidiaries in financing their 1962 construction programs estimated at \$100,000,000.

INVESTMENT COMPANY ACT RULES AVAILABLE. A new pamphlet of General Rules and Regulations under the Investment Company Act of 1940, as in effect April 1, 1962, is available for purchase at 30¢ per copy from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

LEE WILSON ENGINEERING FILES STOCK PLAN. Lee Wilson Engineering Company, Inc., Rocky River, Ohio, today filed a registration statement (File 2-20353) with the SEC seeking registration of 36,000 shares of common stock, to be offered pursuant to its Employees Restricted Stock Option Plan.

SECURITIES ACT REGISTRATIONS. Effective May 10: Albee Homes, Inc. (File 2-19936); Alison Ayres, Inc. (File 2-19853); Arlan's Department Store, Inc. (File 2-20262); Daisy Manufacturing Co. (File 2-19916); Tri-Department Stores Associates (File 2-19771).

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