

# 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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**POULSEN INSURANCE FILES FOR STOCK OFFERING.** The Poulsen Insurance Company of America, Executive Plaza, Park Ridge, Ill., filed a registration statement (File 2-20676) with the SEC on August 27th seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by A.C. Allyn & Co., 122 S. LaSalle St., Chicago. The public offering price (maximum \$10 per share\*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in selling and underwriting group and franchise forms of accident and sickness insurance in the midwestern United States. It also has recently entered the life insurance business. Of the net proceeds from the stock sale, \$150,000 will be used to retire a 5 $\frac{1}{2}$ % note issued to one of the company's affiliated agencies (located in Illinois) in March 1962, and the balance will be added to surplus to permit the company to engage more aggressively in the pursuit of its new life insurance business and to permit an increase in present volume. In addition to certain indebtedness, the company has outstanding 200,000 shares of common stock, of which G. H. Poulsen & Co. (the Illinois agency) owns 32.64% and Robert A. Schneider, president, 10.01%. Management officials as a group own 37.57%. About 75% of the Illinois agency is owned by The Ohio Citizens Trust Company, as trustee under trust for the benefit of Janet H. Kline (widow of the company's founder) and members of her family. The trustee also holds for the benefit of Janet H. Kline and her family an additional 17.25%. The prospectus reflects a net loss for the six months ended June 30, 1962 of \$69,296.

**ASSOCIATED OIL & GAS FILES FOR SECONDARY.** Associated Oil & Gas Co., P.O. Box 66465, Houston, Texas, filed a registration statement (File 2-20677) with the SEC on August 27th seeking registration of 507,201 outstanding shares of capital stock, to be offered for public sale by the holders thereof from time to time on or off the American Stock Exchange at the market price for such shares at the time of sale.

The company is primarily engaged in the acquisition, exploration and development of gas and oil properties, the production and sale of such gas and oil and the processing of gas through its processing plants for the extraction of natural gasoline and other hydrocarbons. The company is also engaged, through a subsidiary, in the pipeline construction business. In addition to certain indebtedness, the company has outstanding 5,090,440 shares of capital stock, of which Walter N. Maguire, board chairman, owns 15.5% and management officials as a group 25.6%. Walter L. Maguire is president. The prospectus lists 25 selling stockholders who propose to sell all of their holdings (with one exception), including Charles C. Winn (185,000 shares) and Michel T. Halbouty (75,000 shares). Others propose to sell amounts ranging from 430 to 50,892 shares. In addition, the prospectus lists 24 persons as a group (associated with three of the other selling stockholders) who propose to sell all of their aggregate holdings of 36,963 shares. The shares were received by the selling stockholders for undivided interests in seven gas processing plants, for interests in a drilling program of a subsidiary, in connection with the settlement of certain litigation, and in connection with the acquisition of a subsidiary.

**WYLE LABS PROPOSES DEBENTURE OFFERING.** Wyle Laboratories, 128 Maryland Street, El Segundo, Calif., filed a registration statement (File 2-20678) with the SEC on August 27th seeking registration of \$2,500,000 of convertible subordinated debentures due 1977, to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Place, New York, and Mitchum, Jones & Templeton, Inc., 650 S. Spring St., Los Angeles. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company provides a number of services and products principally to the aerospace industry, including testing full scale operation of components and systems under simulated extreme environmental conditions, and the manufacture of an extremely high force electro-hydraulic vibration system, printed circuit boards and digital computer systems and subsystems utilizing such boards, and other products. The company is also engaged in specialized industrial distribution of electronic supplies and components. Of the net proceeds from the debenture sale, \$2,000,000 will be used to repay short and long term bank borrowings incurred for working capital, and the balance will be added to general funds which, together with other borrowings, will be used for corporate purposes including purchase or financing of additional businesses. In addition to certain indebtedness, the company has outstanding 606,500 shares of common stock, of which Frank S. Wyle, president, owns 53%, and management officials as a group 65%.

**FEDERAL-MOGUL-BOWER BEARINGS FILES INVESTMENT PLAN.** Federal-Mogul-Bower Bearings, Inc., 11031 Shoemaker Avenue, Detroit, filed a registration statement (File 2-20679) with the SEC on August 24th seeking registration of \$600,000 of participations in its Salaried Employees' Investment Plan, and 25,000 common shares which may be acquired pursuant thereto.

**PEOPLES GAS LIGHT AND COKE FILES EXCHANGE PLAN.** The Peoples Gas Light and Coke Company, 122 South Michigan Avenue, Chicago, filed a registration statement (File 2-20680) with the SEC on August 27th seeking registration of 756,984 shares of capital stock. It is proposed to offer such shares in exchange for the common shares of North Shore Gas Company, an Illinois company, at the rate of  $\frac{3}{4}$  of one share of Peoples Gas for each share of North Shore. The First Boston Corp., 75 Federal St., Boston, and H. M. Byllesby and Company, 135 S. La Salle St., Chicago, will manage a group of soliciting dealers and will receive a dealer manager's fee of \$50,000 and expenses of \$10,000.

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Peoples Gas and its subsidiary companies comprise an integrated system engaged in the exploration for and production, purchase, transportation, storage, distribution and sale of natural gas. The system supplies natural gas to 38 utilities (including Peoples Gas Light and North Shore) and sells gas at retail to customers within the City of Chicago. North Shore is engaged principally in the distribution and sale of natural gas at retail to customers in a territory of approximately 275 square miles in the northeastern section of Illinois. According to the prospectus, the company's acquisition of North Shore will permit the Peoples Gas system to participate in gas sales at retail outside the corporate limits of Chicago in a territory with good growth potential. In addition to certain indebtedness and preferred stock, the company has outstanding 11,794,924 shares of capital stock. Remick McDowell is board chairman and Leslie A. Brandt is president.

**RED-O-LIER CORP.** Red-O-Lier Corporation, 577 Courtlandt Avenue, New York, filed a registration statement (File 2-20681) with the SEC on August 27th seeking registration of 100,000 shares of Class A common stock, to be offered for public sale at \$3.25 per share. The offering will be made through underwriters headed by Crosse & Company, Inc., 37 Wall Street, New York, which will receive a \$.406 per share commission and \$16,000 for expenses. The statement also includes (1) 10,000 Class A shares underlying 5-year warrants to be sold to the underwriters at 1¢ each, exercisable at \$3.25 per share, and (2) 20,000 outstanding Class A shares sold to the underwriters by the principal stockholder at \$3.25 per share.

The company is engaged in the distribution of electrical supplies and equipment to commercial and industrial users. The \$265,000 estimated net proceeds from the stock sale will be used to finance increased inventories and accounts receivables resulting from the company's sales for electrical parts for elevator alterations and elevator installation business. The company has outstanding 140,000 Class A and 60,000 Class B common shares (after giving effect to a proposed recapitalization whereby such shares will be issued in exchange for the 100 common and 300 preferred shares now outstanding), of which Marvin Lichtenstein, president, owns 46% and 100%, respectively. After the stock sale, book value of all stock then outstanding will be \$1.88 per share.

**LARSEN CO. FILES FOR SECONDARY.** The Larsen Company, 520 North Broadway, Green Bay, Wisc., filed a registration statement (File 2-20682) with the SEC on August 27th seeking registration of 103,638 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Robert W. Baird & Co., Incorporated, 110 E. Wisconsin Ave., Milwaukee. The public offering price (maximum \$11.50 per share\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of processing and marketing canned and frozen vegetables. In addition to certain indebtedness, it has outstanding 319,656 shares of common stock (after giving effect to a proposed 6-for-1 stock split), of which R. H. Winters owns 10.6% and management officials as a group 20.6%. Mark H. Mitchell is president. The prospectus lists 16 selling stockholders (two of which are custodians for several persons) including Winters, who proposes to sell all of his holdings, and Northwestern National Life Insurance Company, which proposes to sell 24,000 shares (to be acquired upon conversion of a \$133,000 note). Others propose to sell amounts ranging from 600 to 12,000 shares.

**PROPOSED RICHMOND CORP. OFFERING CHALLENGED.** The SEC has ordered proceedings under the Securities Act of 1933 which question the accuracy and adequacy of informational disclosures contained in a registration statement filed by The Richmond Corporation, of 220 K Street, N.W., Washington, D. C. A hearing has been scheduled for September 11, 1962, to take evidence with respect to the alleged deficiencies in the statement for the purpose of determining whether certain representations therein are false and misleading and, if so, whether a "stop order" should be issued suspending the statement.

According to the Richmond prospectus the company was organized in December 1959 to engage in a "diversified" real estate business and owns undeveloped acreage, income producing properties and mortgage and deed of trust promissory notes. The company proposes the public offering of 142,858 shares of common stock at \$7 per share; and the offering is to be made on a best efforts basis by Hirschel & Company of Silver Spring, Md., for which an 84¢ per share selling commission is to be paid.

Among the items of disclosure challenged by the Commission are the following: The speculative risks to be borne by purchasers of Richmond stock; the training, experience and ability of the underwriter to distribute the shares; the extent to which management officials engage for their own account in real estate business activities and the extent to which such activities have or will result in conflicts of interest; the specific purposes for which the proceeds of the stock sale will be used and the amount intended for each such purpose; the present or proposed use of Richmond's investments in land and their adequacy and suitability for such use; the program for improvement or development of Richmond's properties, including the estimated cost and method of financing; and the extent to which Richmond intends to engage in making unsecured loans to management officials.

The issuer now has outstanding 116,500 common shares, of which Frederick Richmond, board chairman, owns 64.3%. Other officials own the balance of the shares.

**RAY EIZENMAN, OTHERS INDICTED.** The SEC Atlanta Regional Office announced August 23d (Lit-2357) the return of a Federal court indictment (USDC, Miami, Fla.) charging Ray Eizenman (a/k/a Mrs. Norman Herman, Mrs. Martin Lemlich), Leon Gradsky, Norman Gradsky and Norman Herman with violations of the Securities Act anti-fraud provisions in the sale of 12% and 15% promissory notes of Inter-City Finance Corp. of Miami.

**SECURITIES ACT REGISTRATIONS.** Effective August 28: Control Data Corp. (File 2-20641); Pennsylvania Power Co. (File 2-20586).

\*As estimated for purposes of computing the registration fee.