SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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

(In ordering full text of Releases from Publications Unit, cite number)

Washington 25, D.C.

FOR RELEASE September 15, 1959

ALTEC COMPANIES SEEKS REPORTING EXEMPTION

The Securities and Exchange Commission has issued an order giving interested persons until September 30, 1959, to request a hearing upon an application filed pursuant to Rule 15d-20 under the Securities Exchange Act of 1934 by Altec Companies Inc., of New York City, for exemption from the requirements for filing annual and other periodic reports.

The obligation to file reports arose in connection with the filing of a Securities Act registration statement in 1956 proposing the public offering of capital stock.

Altec Companies now seeks exemption from the reporting requirement; and in support thereof it asserts that it has outstanding 335,000 shares of common stock, of which in excess of 99% is owned by Ling Electronics, Inc. The remaining shares are owned by about 20 persons. The continued filing of reports by Altec Companies is not necessary in the public interest and for the protection of investors, according to the application, because all events which would normally be included in such reports will be included in reports filed and to be filed by the parent company.

WEY-DO MANUFACTURING STOCK OFFERING SUSPENDED

In a decision announced today (Release 33-4142), the SEC ordered the permanent suspension of a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Wey-Do Manufacturing Co., Inc., because of misleading and inadequate statements in its notification and offering circular.

The company was organized in 1955 to merchandise a preparation claimed to be able to control dandruff and excessive hair loss. Prior to the filing of its notification in August 1957 it had sold stock to about 73 stockholders, of whom 61 resided in New York State and 12 resided in five other states and the District of Columbia. The notification proposed the sale of an additional 1,000 shares at $50 per share, the offering to be made first to existing stockholders.

According to the Commission's decision, Wey-Do's offering circular is admittedly deficient in that it fails to disclose the amount of expenses of the issuer in connection with the offering, the method by which the securities will be offered, the remuneration of the company's officers and directors, the stock holdings or other interests of directors and officers, the percentage of outstanding securities which will be held by directors, officers and promoters and by the public assuming the entire issue is sold, or the issuer's contingent liability for sales of unregistered stock during the previous year. Furthermore, the offering circular does not contain an adequate statement of the purposes for which the proceeds of the offering will be used or the required financial statements.

Moreover, according to the decision, Wey-Do's notification incorrectly stated that the securities would be offered for sale only in New York State; and, despite a requirement that the offering circular must be given to all persons to whom a written offer or a sale of the securities is made, the notification stated that Wey-Do did not intend to use an offering circular (although one was included as an exhibit to the notification).

OVER

Wey-Do requested that it be permitted to withdraw its filing, stating that it no longer wishes to sell any securities and has abandoned its plans to embark on an expanded advertising promotional program. The Commission concluded, however, that Wey-Do had not "demonstrated a responsible attempt in good faith to adhere to the required standards of careful filings," nor were other mitigating circumstances apparent which would warrant granting the withdrawal request.

PERFECT PHOTO FILES FOR OFFERING AND SECONDARY

Perfect Photo, Inc., 4747 North Broad St., Philadelphia, filed a registration statement (File 2-15590) with the SEC on September 14, 1959, seeking registration of 150,000 shares of common stock. Of this stock, 60,000 shares are to be offered for sale in behalf of the issuing company and 90,000 shares, representing outstanding stock, by Karl Hope, company president. Drexel & Co. is listed as the principal underwriter; and the public offering price and underwriting terms are to be supplied by amendment.

The principal business of the company consists of processing and printing of photographic film. It now has outstanding 300,000 common shares. Net proceeds of the company's sale of additional stock will be added to working capital, and a substantial portion will be used for construction or acquisition of additional facilities.

The prospectus states that Hope was the sole stockholder of the company from 1952 up until the time of this offering. After giving effect to the sale of additional stock by the company and the sale of 90,000 shares by Hope, the latter will own 210,000 shares of stock or 58% of the total then outstanding.

CALIFORNIA MUTUAL CO-PLY PROPOSES STOCK OFFERING

California Mutual Co-Ply, Inc., Calpella, Calif., filed a registration statement (File 2-15591) with the SEC on September 14, 1959, seeking registration of 140 shares of Voting Common Stock, $5,000 par value each, to be offered for public sale at par. The offering is to be made by Ramond Benjamin Robbins, one of the promoters, who will receive no cash discounts or commissions or free stock; but he will serve as sales agent for the company's plywood production and will receive a 5% commission on all sales of plywood made by him.

The company was newly organized to purchase a Douglas fir plywood mill, sawmill and planing mill near Calpella from Durable Plywood Company and to engage in the business of manufacturing plywood and lumber and their allied products and by-products. It has an option to purchase the mill and related facilities from Durable Plywood for $690,000. Of this sum, $350,000 is to be paid in cash and the balance will be evidenced by a $340,000 promissory note. The company will also expend up to $100,000 for inventory and operating supplies. In addition, $150,000 is to be paid to Durable Plywood for 2-1/2 million feet of logs to be transferred to the new company. The balance of the proceeds will be available for working capital and other purposes.

The prospectus lists Harry Ernest Holt of Eureka, Calif., as president and one of the nine promoters. No stock is owned by management officials; but the company expects that five such persons will subscribe to one share each.

PITNEY-BOWES FILES EMPLOYEE STOCK PLAN

Pitney-Bowes, Inc., Walnut and Pacific Streets, Stamford, Conn., filed a registration statement (File 2-15589) with the SEC on September 14, 1959, seeking registration of $1,000,000 of participations in its Employees' Stock Purchase Plan, together with shares of Pitney-Bowes common stock which may be acquired pursuant to said plan.

GRAYBAR ELECTRIC FILES EMPLOYEE STOCK PLAN

Graybar Electric Company, Inc., 420 Lexington Avenue, New York, filed a registration statement (File 2-15587) with the SEC on September 14, 1959, seeking registration of 210,000 shares of its common stock, to be offered for subscription at $20 per share by employees of the company pursuant to its Stock Purchase Plan.

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GRAYBAR ELECTRIC VOTING TRUST FILES

W. E. Menges, President, Graybar Electric Company, Inc., and other trustees under a Voting Trust Agreement for Graybar Electric stock, filed a registration statement (File 2-15588) with the SEC on September 14, 1959, seeking registration of voting trust certificates for the 210,000 common shares to be offered to company employees. Stock so acquired shall be deposited under the Voting Trust Agreement, and voting trust certificates therefor will be issued.

NOTICE OF COLUMBIA GAS FINANCING ISSUED

The SEC has issued an order (Release 35-14054) giving interested persons until September 29, 1959, to request a hearing upon a financing proposal filed by The Columbia Gas System, Inc., New York. As previously indicated (SEC News Digest of September 14, 1959), Columbia Gas proposes to issue and sell $25,000,000 of Debentures at competitive bidding; and it also proposes to make $10,000,000 of bank borrowings. The funds will be used to purchase additional securities of subsidiaries to assist them in completing their 1959 construction programs, presently estimated at about $100,000,000.

CENTRAL AND SOUTH WEST PROPOSES STOCK SALE

Central and South West Corporation, Wilmington, Del., has applied to the SEC for authorization to issue and sell at competitive bidding 350,000 shares of common stock; and the Commission has issued an order (Release 35-14055) giving interested persons until September 29, 1959, to request a hearing thereon.

Net proceeds of the stock sale (estimated at $21,000,000) will be used in part to prepay all notes to banks issued under its February 1959 loan agreement (of which $3,200,000 are presently outstanding). Subject to further Commission approval, the company also proposes to apply $6,000,000 of the proceeds of the stock sale to the purchase during 1959 and 1960 of additional stocks of subsidiary companies. The remainder of the proceeds will be used to purchase, subject to further Commission approval, additional stock of one or more of the subsidiaries or will be used by the issuer for its general corporate purposes.

THRIFT DRUG OF PA. PROPOSES STOCK OFFERING

Thrift Drug Company of Pennsylvania, Sixteenth and Mary Streets, Pittsburgh, filed a registration statement (File 2-15592) with the SEC on September 14, 1959, seeking registration of 75,000 shares of common stock, to be offered for public sale through an underwriting group headed by Singer, Deane & Scribner. The public offering price and underwriting terms are to be supplied by amendment.

The company operates a chain of 58 retail drug stores, 41 in the Greater Pittsburgh area. It has outstanding 142,900 common shares and $996,000 of 5 3/4% notes. Net proceeds of the sale of additional stock will be used, together with $750,000 to be borrowed under a credit agreement with The Union National Bank of Pittsburgh, to retire the present bank indebtedness and to finance the opening of 15 new stores during 1959 and 1960.

According to the prospectus, 140,000 shares of the outstanding stock are owned by management officials, including 57,200 shares each by Reuben Helfant, president, and Phillip Hoffman, board chairman and treasurer.

AMERICAN SERVICE LIFE PROPOSES STOCK OFFERING

American Service Life Insurance Company, 113 Northeast 23rd St., Oklahoma City, Okla., filed a registration statement (File 2-15593) with the SEC on September 14, 1959, seeking registration of 375,000 shares of common stock. The company proposes to make a public offering of 300,000 shares at $3.50 per share. The offering is to be made on a best efforts basis by First Investment Planning Co., of Washington, D. C., which will receive a selling commission of 50¢ per share. The company also has agreed to sell the the underwriter two-year warrants to purchase 30,000 common shares at $3.50 per share. J. C. Spellman, sole proprietor of the underwriter and a vice president and director of the issuer, together with the other founders and directors of the company, will be entitled to purchase warrants for an additional 45,000 shares of stock.

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The company was organized under Oklahoma law in February 1959 to engage in the business of writing numerous forms of life insurance, but primarily for the purpose of selling insurance policies to veterans' groups and through the mail to individual veterans. It has outstanding 125,000 common shares. Net proceeds of the sale of additional stock will be added to the general funds of the company. The prospectus states that the company may acquire control of other life insurance companies to aid in expansion of the company and to administer policies on a nationwide basis; and the proceeds of this financing may be used for that purpose. The proceeds also may be used for the acquisition of additional home office facilities.

According to the prospectus, 125,000 common shares are now outstanding, of which 63,750 shares (51%) are owned by A. Dana Hodgdon of Washington, D. C., a director. James L. Fisk of Oklahoma City, president, Spellman, and Preston J. Moore, vice president, general counsel and a director, own 20,625, 20,625 and 20,000 shares, respectively.

VERNORS GINGER ALE FILES FINANCING PROPOSAL

Vernors Ginger Ale, Inc., 4501 Woodward Ave., Detroit, today filed a registration statement (File 2-15594) with the SEC seeking registration of $750,000 of 6½% Sinking Fund Debentures, due October 1, 1974 (with common stock purchase warrants attached), and 282,760 shares of common stock.

The debentures are to be offered for public sale at 100% of principal amount. The prospectus lists Baker, Simonds & Co., Inc., and Wm. J. Mericka & Co., Inc., as the principal underwriters; and the underwriting terms are to be supplied by amendment.

The 282,760 common shares are to be offered for sale by the Estate of James Vernor, Deceased. The underwriters will purchase from the Estate 15,000 shares of the company's 5½% Convertible Preferred Stock and 267,390 shares of common stock. Of the 282,760 common shares, 267,390 are those so sold by the Estate to the underwriters, and 15,370 shares arise from the conversion by the underwriters of 2,255 shares of the preferred stock. The remaining 12,745 preferred shares are being purchased by the company from the underwriters at the $51 per share redemption price. The issuing company will not receive any of the proceeds of the public sale of common stock by the Estate. The underwriting terms of the common stock offering also are to be supplied by amendment.

The company manufactures a soft drink which is sold under the name Vernors. Of the net proceeds of its sale of debentures, about $650,000 will be used to redeem the 12,745 shares of preferred stock to be purchased by the underwriters from the Estate. Under the underwriting agreement, the underwriters are required to convert the remaining 2255 preferred shares into 15,370 common shares. The balance of the net proceeds of the sale of debentures will be added to working capital.

According to the prospectus, the Estate of James Vernor owns 267,390 shares (54.51%) of the outstanding common stock and all of the 15,000 preferred shares.

VULCAN MATERIALS SHARES IN REGISTRATION

Vulcan Materials Company, Mountain Brook, Ala., today filed a registration statement (File 2-15595) with the SEC seeking registration of 230,000 shares of its common stock.

According to the prospectus, Vulcan has entered into agreements contemplating the issuance of the 230,000 common shares and the payment of $560,000 in cash to the partners of W. E. Graham and Sons for substantially all the business and assets of that partnership and to Wegco Equipment Rentals, Inc., for substantially all of the business and assets of that corporation. Since some of such persons receiving shares of Vulcan stock may offer for sale all or part of such shares, the company seeks to register the stock.

The Graham partnership is engaged in the commercial aggregate and general construction businesses. Its principal aggregate properties are stone quarries located at Winston-Salem and Mt. Airy, N. Car., and its construction business, which is conducted largely in North Carolina, consists primarily of the construction of highways and bridges. All the outstanding Wegco stock is owned by the Graham partnership. Wegco owns and leases to the partnership substantially all of the equipment used by the latter in its construction business as well as certain items of equipment used in its aggregate operations.

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INTER-ISLAND RESORTS FILES FOR STOCK OFFERING

Inter-Island Resorts, Ltd., 305 Royal Hawaiian Ave., Honolulu, Hawaii, filed a registration statement (File 2-15570) with the SEC on September 10, 1959, seeking registration of 99,000 shares of common stock. The company proposes to offer this stock for sale to its stockholders and to the general public, the offering to stockholders to be at a fixed price (to be supplied by amendment) and to the public "at the prevailing market price." No underwriting is involved. The offering to stockholders is to be at the rate of one new share for each four shares held of record October 10, 1959.

The company and its subsidiaries are primarily engaged in the tourist business in Hawaii. It owns and operates three hotels; and it also operates a fourth hotel, leased from a wholly-owned subsidiary. A subsidiary also conducts tours on the Island. The company now has outstanding 396,000 common shares and certain indebtedness. Management officials own 65.63% of the outstanding stock.

The prospectus further indicates that the company plans to construct a new hotel at Kalapaki Bay on the Island of Kauai, to be completed in 1960. This expansion program calls for capital expenditures of about $2,006,216 during 1959 and 1960. In addition, the company has outstanding $335,000 of bank loans which it plans to repay. Of this latter figure, $235,770 was used to make the initial payment for the site of the new hotel, acquired for $813,000.

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