

## NEWS DIGEST

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



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**HALLICRAFTERS FILES FOR SECONDARY.** The Hallicrafters Co., 4401 W. Fifth Avenue, Chicago, Ill., filed a registration statement (File 2-18003) with the SEC on April 25th seeking registration of 300,000 outstanding shares of capital stock, to be offered for public sale by the holders thereof through underwriters headed by Paine, Webber, Jackson & Curtis. The public offering price and underwriting terms are to be supplied by amendment.

The company, through its Military Electronics Division, is engaged in the research, development and manufacture of electronic equipment for military use, and, through its Commercial Division, in the manufacture and sale, under the "Hallicrafters" name, of shortwave radio transmitting and receiving equipment designed primarily for amateur, commercial and industrial communications use. The company also is the exclusive contract manufacturer of the Lowrey Electronic Organ.

In addition to certain indebtedness, the company has outstanding 2,218,600 shares of capital stock (giving effect to a one-for-one stock split by way of a 100% stock dividend in May 1961). William J. Halligan, board chairman, Robert F. Halligan, president, and Katherine M., John R. and William J. Halligan, Jr., directors, owns 306,400, 250,700, 308,500, 314,500 and 285,700 shares, respectively, and propose to sell 60,000 shares each. Members of the Halligan family own 70.3% of the outstanding stock and, after the sale of said shares, will own 56.8%.

**TEXAS EASTERN TRANSMISSION FILES STOCK PLAN.** Texas Eastern Transmission Corporation, Memorial Professional Bldg., Houston, Texas, filed a registration statement (File 2-18005) with the SEC on April 25th seeking registration of \$10,000,000 of interest in the company's Employees' Stock Purchase Plan, together with 500,000 shares of common stock which may be acquired pursuant to the Plan.

**DOLLAR MUTUAL FUND FILES FOR STOCK OFFERING.** Dollar Mutual Fund, Inc., 736 Midland Bank Bldg., Minneapolis, Minn., filed a registration statement (File 2-18006) with the SEC on April 25th seeking registration of 100,000,000 shares of capital stock, to be offered for public sale initially at \$1 per share plus a sales charge of 8½%, and later at the net asset value of the shares plus the sales charge. Fund Distributors, Inc., is listed as the Fund's underwriter.

The Fund was organized under Minnesota law in March 1961 and is registered under the Investment Company of 1940 as a diversified open-end mutual investment fund. Cardinal Management Corporation will furnish investment advice, management, and other services to the Fund. Philip J. Krelitz is listed as president and board chairman of the Fund and president of Cardinal Management.

**TRANSITION SYSTEMS FILES STOCK OFFERING.** Transition Systems, Inc., 160 Broadway, New York, filed a registration statement (File 2-18007) with the SEC on April 25th seeking registration of 72,200 shares of common stock, to be offered for public sale at \$4.50 per share. The offering will be made on a best efforts basis through Richard Bruce & Co., Inc., which will receive a \$.675 per share commission and \$16,250 for expenses. The registration statement also includes 7,500 common shares which the company sold to a limited group of persons associated with the underwriter at \$1 per share, and 3,000 common shares which underlie 3-year warrants exercisable at \$4.50 per share, which the company has agreed to sell the underwriter at one mill per warrant.

Organized under Delaware law in December 1960, the company has not yet commenced operations, has no present facilities or employees (other than certain officers), and has not entered into any arrangements for the sale of any products or services. The company proposes to engage in research in connection with, and if feasible, to develop correlation devices to be used principally for improving the performance of existing information retrieval systems. The company will endeavor to obtain the funds for such research and development from governmental agencies which may be interested in the production of such devices. The company also proposes to offer data processing services to governmental, industrial and commercial users. The \$245,000 net proceeds from the stock sale will be used as follows: \$10,000 for leasehold improvements in the premises which it proposes to lease and for office furniture and fixtures; \$19,000 for the purchase of test equipment and related engineering and drafting materials; \$25,000, during the first year of operations, for the rental of analog and digital computers and for security deposits in connection therewith; \$40,000 during the same period purposes as required, including the employment of engineers and the preparation of proposals to governmental and other prospective clients in connection with the solicitation of orders.

The company has outstanding 28,500 shares of common stock and 23,800 3-year warrants to purchase a like amount of common shares (exercisable at \$1 per share), of which Jesse L. Weinberger, promoter and president, owns 6,000 shares and 18,000 warrants, Jack Ross, a director, 5,000 shares and 2,000 warrants, and Erich Griminger, a vice president, 4,000 shares and 1,600 warrants.

**ACME WHOLESALE CORP. STOCK 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 public offering of stock by Acme Wholesale Corporation, 615 Sudekum Bldg., Nashville, Tenn. The order provides an

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opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

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 March 16, 1960, Acme proposed the public offering of 295,000 common shares at \$1 per share pursuant to such an exemption. Crescent Securities Co., Inc., of Bowling Green, Ky., was the underwriter. The Commission's suspension order asserts that certain terms and conditions of Regulation A were not complied with; that the company's offering circular was false and misleading in respect of certain material facts; that by reason thereof and the use of proceeds of the stock sale for purposes other than those stated in the circular, Acme and Crescent "engaged in transactions, practices and a course of business which operated as a fraud or deceit upon purchasers of the securities;" and that Acme failed to cooperate with the Commission's staff by its failure to comply with requests of the staff for clarification of the underwriting arrangements for its stock offering.

According to the Commission's order, Acme's offering circular and/or the underwriting agreement stated (1) that the issuer would receive 85¢ and the underwriter 15¢ for each share sold, but failed to disclose the existence of a separate agreement under which the underwriter would retain an additional \$5,000 of the proceeds; (2) that the underwriter would pay all costs and expenses of the offering, including legal fees of counsel for the issuer and underwriter and printing costs, but failed to disclose that certain legal expenses would be advanced by the issuer, accounting, printing and advertising expenses would be paid out of income of the issuer from an existing small store, and a separate agreement with the underwriter provided for the first \$5,000 received from the offering to be paid to counsel for the underwriter; and (3) that in the event less than the full amount of the proceeds was received, the funds would be retained by the issuer and allocated to purposes specified in the circular, but failed to disclose that if, as occurred, less than \$5,000 was received from the offering, all such funds would be applied to underwriting and legal expenses. Moreover, Acme failed to comply with requirements of Regulation A by reason of its failure to file copies of an agreement between it and Crescent which materially modified the terms of the underwriting contract or to disclose adequately and accurately the arrangement with the underwriter, the purposes for which the proceeds were to be used, and the order or priority of such use.

VAIL ASSOCIATES FILES FOR OFFERING. Vail Associates, Ltd. 1700 Broadway, Denver, filed a registration statement (File 2-18009) with the SEC on April 25th seeking registration of \$1,000,000 in Limited Partnership Interests, to be offered for sale at \$10,000 per unit. A 5% commission is payable if all the units are sold. Peter W. Seibert and the Original Limited Partners have agreed to contribute \$100,000 in cash, as a supplemental cash contribution to the partnership, \$41,500 of which is intended to defray in part the costs of such commissions. Proceeds of the sale are to be used with other funds for the purchase, construction and operation of a gondola lift, two double-chair lifts, a beginners' lift and related facilities to be erected on Forest Service land and on real estate to be owned by Vail Associates in Gore Creek Valley near Mintur, Eagle County, Colo. The properties to be developed are located about 107 miles west of Denver.

Seibert and The Vail Corporation are listed as general partners of Associates. Seibert, together with John F. Conway, Jr., Earl V. Eaton, and J. Robert Fowler, propose to contribute, as their capital contribution to Associates, the following: (a) \$100,000 in cash, and (b) 800 acres, more or less, consisting of the Katsos Ranch, (500 acres, more or less), and 300 acres, more or less, of the Hanson Ranch at an agreed valuation of \$341,500, being 800 acres at \$500 per acre, less the unpaid balance due on the Katsos note of \$58,500. The original cost of the Hanson Ranch land and improvements in 1957 to Messrs. Conway, Eaton, Fowler and Seibert was \$36,060, or \$120 per acre. The 300 acres of land comprising the balance of the Hanson Ranch was contributed in May 1960 to The Transmontane Company at an agreed value of \$150 per acre. The Katsos Ranch shall be contributed subject to the lien of the deed of trust given to secure the purchase money note, which is to be assumed by Vail Associates. The First National Bank of Denver has agreed to loan Associates \$500,000 subject to certain conditions, including the agreement of Small Business Administration to participate in such loan to the extent of \$350,000. The Vail Corporation, owned by the four individuals and others, will contribute the results of their organization and development expenditures, property and equipment, a Conditional Permit for the financing of the development of a summer and winter recreational area on forest land abutting the southern boundary of Hanson Ranch, and some 200 acres of land.

SHASTA MINERALS & CHEMICAL PROPOSES OFFERING. Shasta Minerals & Chemical Company, 1406 Walker Bank Bldg., Salt Lake City, Utah, filed a registration statement (File 2-18004) with the SEC on April 24th seeking registration of 500,000 shares of common stock, to be offered for public sale at \$2.50 per share. No underwriting is involved.

The company resulted from a 1956 merger with a prior company known as Shasta Copper and Uranium Company, Inc., a Utah corporation. It now has outstanding 1,392,242 common shares. The principal business of the company is the acquisition, exploration and development of mining properties; and its immediate specific purpose is the exploration and development of properties in the West Shasta Copper-Zinc Mining District, Shasta County, Calif., including the production of sulfuric acid. Net proceeds of the stock sale will be used for these and related purposes.

The prospectus lists Kay L. Stoker as president and owner of 16.5% of the outstanding stock.

SECURITIES ACT REGISTRATIONS. Effective April 26: Endeveco Corporation (File 2-17667); The Bell Telephone Company of Pennsylvania (File 2-17923); American Depositary Receipts, Simca Automobiles (File 2-17961); American Depositary Receipts, Simca Industries (File 2-17962).