

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 May 29, 1961

Statistical Release No. 1755. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended May 26, 1961, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1961 is as follows:

	1957-59 = 100		Percent Change	1961	
	5/26/61	5/19/61		High	Low
Composite	134.2	136.3	-1.6	136.3	118.3
Manufacturing	127.3	128.8	-1.2	128.8	113.0
Durable Goods	130.2	132.1	-1.4	132.1	117.0
Non-Durable Goods	124.5	125.8	-1.0	125.8	109.2
Transportation	107.7	109.4	-1.6	109.4	97.8
Utility	166.8	173.0	-3.6	173.0	144.4
Trade, Finance & Service	*155.4	153.3	+1.4	155.4	132.5
Mining	99.2	99.3	-0.1	99.3	83.3

*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended May 25, 1961, 48 registration statements were filed, 39 became effective, and 436 were pending at the week end.

GARDEN STATE MARINA 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 proposed public offering of stock by Garden State Marina, Inc. ("Marina"), of Absecon, N. J.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000. In a notification filed March 8th, Marina proposed the public offering of 300,000 common shares at \$3 per share, pursuant to such an exemption. In its suspension order, the Commission asserts (A) that the stock offering, when computed in accordance with requirements of Regulation A, would exceed the \$300,000 limitation; (B) that certain terms and conditions of Regulation A were not complied with; (C) that Marina's offering circular is false and misleading in respect of certain material facts; and (D) that the offering would violate the anti-fraud provisions of the Federal securities laws. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

The misrepresentations in the Marina offering circular alleged by the Commission relate to the statement that no underwriter is involved when in fact Gerald G. Bernheimer proposes to serve as underwriter; failure to disclose that Bernheimer would act as underwriter without registration with the Commission as a broker-dealer; failure to disclose the aggregate salary paid or to be paid to all management officials; failure to disclose the interests held by Bernheimer and Arno Apel in an affiliate of Marina and the payments made by them with respect to property to be acquired from an affiliate; and statements which imply the success of the venture based on conjecture and projections of gross income and profits. The order also challenges the company's financial statements included in its offering circular, including their failure to reflect among the assets a note receivable in the amount of \$2,000 which the notification states was received from Bernheimer for 200,000 shares of stock sold to him and the inclusion of a loan payable to Apel in the amount of \$1,983 whereas no record of the receipt of such sum is shown in the cash receipts and disbursements included in the notification. Similar deficiencies are cited with respect to Marina's notification, as well as the failure to list Absecon South Winds, Inc. and Apel Realty Co. as affiliates and the nature of such affiliation and the failure to name Bernheimer as a beneficial owner of 10% of the issuer's outstanding securities.

VIOLATIONS CHARGED TO DIVERSIFIED SECURITIES. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Diversified Securities, Inc., 3395 South Bannock Street, Englewood, Colo., defrauded investors in the offer and sale of stock of Diversified Industries of Colorado, Inc., ("DIOC") and, if so, whether its broker-dealer registration should be revoked and whether it should be suspended or expelled from membership in the National Association of Securities Dealers, Inc. For reasons set forth below, similar proceedings have been ordered with respect to Equity General Investment Corporation, of 604 Farmers Union Building, Denver; and the two proceedings have been consolidated for purposes of hearing. The hearing will be held at a time and place later to be determined.

Diversified Securities has been registered since December 1958. Gifford W. Gabriel, Jr., is president and owner of 60% of its outstanding stock. The company and Gabriel were permanently enjoined in September 1960 (USDC, Colo.) from engaging in and continuing certain conduct and practices in connection with the purchase and sale of securities. The Commission charges in its order that, in the sale of DIOC stock during the period January 1959 to March 1960, Diversified Securities, together with certain salesmen and Seymour J. Cassel, who was employed as sales-training director from January to April 1959, "engaged in acts, practices

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and a course of business which would and did operate as a fraud and deceit" upon the purchasers of the stock, in that they made false and misleading representations with respect to the earnings of and safety of an investment in DIOC; the value of and progress being made in selling stock of DIOC; contracts held by and the production of its subsidiary, Colorado Ladder Company; and research service performed by Diversified Securities for its customers. The salesmen referred to were Charles J. Anderson, Francis Brandt, Ray Roberts, Earell E. Kissinger, Jr., Hugh D. Whiteman, Thomas L. McCourt and Cleo P. Hartman.

It is further asserted in the Commission's order that, in connection with the offer and sale during March to June 1960 of common stock of Shield Chemical, Ltd., Diversified Securities, Gabriel and the said salesmen also made false and misleading representations with respect to an increase in the value of Shield stock and the research service performed by Diversified Securities for its customers and that such conduct operated as a fraud and deceit upon the purchasers of Shield stock.

The Commission's order with respect to Equity General Investment, which has been registered since 1954, states that Seymour J. Cassel is president and owner of 10% or more of its common and preferred stock. According to the order, Cassel was employed as sales-training director of Diversified Securities during the period January to April 1959 and instructed its salesmen in sales techniques, including false and misleading representations in the offer and sale of DIOC stock as set forth above; and it is further alleged that he participated in the offering and sale of such stock by means of such false and misleading representations.

BUILTWEEL HOMES FILES FINANCING PLAN. Builtwell Homes, Inc., Adrian, Ga., filed a registration statement (File 2-18186) with the SEC on May 25th seeking registration of \$1,000,000 of convertible subordinated debentures due 1981 and 300,000 shares of common stock, to be offered for public sale in 100,000 units, each consisting of \$10 of debentures and 3 common shares. The offering will be made on an all or none basis through underwriters headed by The Robinson-Humphrey Company, Inc. The interest rate of the debentures, public offering price of the units and underwriting terms are to be supplied by amendment. The registration statement also includes 25,000 common shares which underlie warrants sold to the principal underwriter for an aggregate of \$250, exercisable at \$2.25 per share.

The company manufactures, sells and finances "shell" homes, which are relatively low cost residences with unfinished interiors. Of the net proceeds from this financing, \$100,000 will be paid to Adrian Lumber Co. (a subsidiary whose business formerly was owned by the company's president) in discharge of indebtedness arising from purchases of lumber and other building materials, \$45,000 to open new sales offices in Stockbridge and Albany, Georgia and at six other undetermined locations, and the balance will be used in the finance business of the company.

In addition to certain indebtedness, the company has outstanding 604,265 shares of common stock, of which Carl L. Gillis, Jr., president, owns 64.4% and management officials as a group 84.7%.

FIFTH DIMENSION FILES FOR STOCK OFFERING. Fifth Dimension Inc., P.O. Box 483, Princeton, N. J., filed a registration statement (File 2-18187) with the SEC on May 25th seeking registration of 60,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Milton D. Blauner & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes (1) 7,500 common shares sold by the company to Milton D. Blauner at \$1.50 per share, and (2) 7,500 outstanding common shares which may be sold from time to time at market by Erwin Donath, president.

The company is engaged in the business of designing, developing, manufacturing and selling precision instruments for measurement and control applications. Virtually all of the company's sales to date have been of a single product line, "Scanalog" commutators, which are electro-mechanical data scanning and switching products. According to the prospectus, such sales were made either directly or indirectly to the government for application in missile or satellite development and test program. The net proceeds from the stock sale will be added to general funds for use particularly for increased research and new product development expenditures. The company has outstanding 518,196 shares of common stock, of which Erwin Donath owns 34.4% and management officials as a group 57.6%.

DALLAS AIRMOTIVE FILES FOR STOCK OFFERING AND SECONDARY. Dallas Airmotive, Inc., 6114 Forest Park Road, Dallas, Texas, filed a registration statement (File 2-18189) with the SEC on May 26th seeking registration of 390,000 shares of common stock, of which 350,000 shares are to be offered for public sale by the company and 40,000 shares, being outstanding stock, by the present holders thereof. Eppler, Guerin & Turner, Inc. heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes (1) 45,000 common shares issuable upon exercise of options granted or to be granted pursuant to the company's Employees' Restricted Stock Option Plan, and (2) 30,000 outstanding common shares which underlie 5-year warrants sold by the present holders thereof for \$300 to the principal underwriter, exercisable initially at \$5.89 per share.

The business of the company (formerly Aviation Activities Company) consists primarily of the overhaul of aircraft piston and prop jet engines for commercial and military customers. It is the survivor of a May 1961 merger with a wholly-owned subsidiary, the name of which the company has assumed. Of the net proceeds from the company's sale of new stock \$150,000 together with the proceeds of an institutional loan in the amount of \$850,000, will be used to purchase for \$1,000,000 the land and buildings which comprise its principal offices and plant in Dallas. Of the balance, \$740,000 will be used to retire existing bank indebtedness line to permit overhaul of prop jet engines; \$500,000 to expand gas turbine (jet and prop jet) overhaul capacity; and the remainder will be added to general funds for financing inventories and other general corporate purposes.

In addition to certain indebtedness, the company has outstanding 300,000 shares of common stock, of which Henry I. McGee, Jr., president, and S. Jack Ingram, vice president, own about 20% each. The selling

stockholders are listed as James M. McGee, Betty McGee Clements and LaMargaret McGee Davis, brother and sisters, respectively, of Henry I. McGee, Jr., who own 16,667 shares each and propose to sell 5,333 shares each (5,334 by James M.); and Robert J. Smith, Jr., Elsie Jean Lauratis and J. Douglas Snelling, who own 25,000 shares each and propose to sell 8,000 shares each.

TAFT BROADCASTING FILES FOR SECONDARY. Taft Broadcasting Company, 1906 Highland Ave., Cincinnati, filed a registration statement (File 2-18190) with the SEC on May 26th seeking registration of 376,369 outstanding shares of its common stock, to be offered for public sale by the present holders thereof through underwriters headed by Harriman Ripley & Co. Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company owns and operates television broadcasting stations and radio broadcast stations in Birmingham, Ala., Cincinnati and Columbus, O., and a television broadcast station in Lexington, Ky., consisting of four television, three standard (AM) and three frequency modulation (FM) radio broadcasting stations. In addition to certain indebtedness, it has outstanding 1,527,960 common shares. The prospectus lists twenty selling stockholders, who own an aggregate of 959,890 shares. The largest block (141,257 shares) is held by David S. Ingalls and Robert Taft, Jr., trustees under Trust Agreement with Jane Taft Ingalls, of which 56,503 shares are to be sold. In addition, the Estate of Hulbert Taft proposes to sell 44,443 of 111,343 shares held; Hulbert Taft, Jr., president, 46,288 of 115,722 shares; and David G. Taft, 40,546 of 91,222 shares; and the trustees of the Charles Phelps Taft Memorial Fund, 42,377 of 105,942 shares. The other amounts being sold range from 353 shares to 28,250 shares.

WEST COAST BOWLING FILES FOR OFFERING AND SECONDARY. West Coast Bowling Corp., 3300 West Olive Ave., Burbank, Calif., filed a registration statement (File 2-18198) with the SEC on May 26th seeking registration of 128,434 shares of common stock, of which 115,000 shares are to be offered for public sale by the company and 13,434 shares, being outstanding stock, by the present holders thereof. The stock is to be offered for sale at \$9.75 per share through underwriters headed by Hill Richards & Co. Inc., which will receive a commission of \$.8775 per share. Also included in the registration statement are an additional 16,000 common shares underlying 5-year warrants to be purchased by Richards & Co. for \$160 and exercisable initially at 110% of the offering price. One of the company's directors is an officer of the said underwriter.

The company was organized in February 1961 for the purpose of acquiring and operating bowling centers, primarily in California. In June it expects to assume operation of five centers with a total of 148 lanes as a result of a series of transactions whereby the company acquired the businesses and assets, subject to their liabilities, of five partnerships which now operate such centers. Each of these partnerships, prior to that time, had transferred the land and building used by the bowling center to other entities, in which the partners had interests and with whom the partnerships, shortly before the company acquired the operating assets, entered into leases covering such properties, which leases were assigned to and assumed by the company. In exchange therefor, the company issued 205,000 common shares to the partners of such partnerships; the cost to the partners of these shares, based on the original cost to them of the interests acquired by the company, averaged \$2.46 per share. Net proceeds of the sale of additional stock by the company will be added to its general funds to increase working capital and to be available for general corporate purposes, including the establishment of new centers or the acquisition of existing centers from others.

The prospectus lists John D. Howard as president and owner of some 21% of the outstanding stock. Management officials as a group own 63%.

AUTOMATIC CANTEN OF AMERICA PROPOSES DEBENTURE RIGHTS OFFERING. Automatic Canteen Company of America, Merchandise Mart, Chicago, filed a registration statement (File 2-18192) with the SEC on May 26th seeking registration of \$20,800,000 of convertible subordinated debentures due July 1, 1981. It is proposed to offer such debentures for subscription by common stockholders at the rate of \$100 of debentures for each 32 shares held. Glore, Forgan & Co. heads the list of underwriters. The interest rate, record date, subscription price and underwriting terms are to be supplied by amendment. The registration statement also includes an additional \$2,000,000 of debentures which are to be offered by the company to two insurance companies in exchange for an equal principal amount of the company's 5-3/4% notes.

The company is engaged in various phases of the automatic merchandising business including the development, manufacture and sale of vending machines, the leasing of such machines to independent franchised distributors, the purchase and sale of merchandise to such distributors, the operation and servicing of vending machines in certain territories and the manufacture, sale and lease of coin-operated automatic phonographs and accessories. It has formed a new plastic division to produce plastic cups for dispensing hot and cold liquids through its own vending machines. By its recent acquisition of (1) Nationwide Food Service, Inc., the company has expended its business into the field of food service management and contract catering, (2) Commercial Discount Corporation and Hubshman Factors Corp., the business of financing the operations of business firms, and (3) A.B.T. Manufacturing Corp., the manufacturing of coin and bill changers and slug rejectors. Of the net proceeds from the debenture sale, \$1,000,000 will be used to retire 6 1/2% debentures due 1970; \$6,500,000 to retire 5 1/2% bank notes; \$6,500,000 to retire short-term bank loans incurred to provide working capital; \$4,000,000 to construct and equip a factory addition at Whippany, N.J.; and the balance will be added to general funds.

In addition to various indebtedness, the company has outstanding 6,415,787 shares of common stock, of which management officials as a group own 17%. Frederick L. Schuster is listed as board chairman, Nathaniel Leverone as founder board chairman, and John W. Cox as president.

T.V. DEVELOPMENT FILES FOR STOCK OFFERING. T.V. Development Corporation, 469 Jericho Turnpike, Mineola, Long Island, N. Y., filed a registration statement (File 2-18194) with the SEC on May 26th seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share through underwriters

headed by Kesselman & Co., Inc. and Brand, Grumet & Seidel Inc. The underwriters will receive a 50¢ per share commission and \$10,000 for expenses. The registration statement also includes 16,000 common shares which the company sold Kesselman & Co. for 25¢ per share, and 10,000 common shares which underlie 5-year warrants sold to the underwriters for \$100, exercisable at \$5 per share.

The company is engaged in the manufacture and sale of plastic knobs for television sets to replace the knobs with which these sets were originally equipped. The net proceeds from the stock sale will be used to repay an obligation of \$10,500 or less (reduced by monthly payments of \$3,000) to Ingram S. Carner, secured by the pledging of certain accounts receivable, which obligation arises out of a purchase of Carner's stock, together with certain equipment; \$70,000 to expand the company's product line; and the balance to supplement working capital and for other general corporate purposes.

In addition to said notes, the company has outstanding 160,000 shares of common stock (after giving effect to a recapitalization in May 1961 whereby the 14 common shares then outstanding were reclassified in 144,000 common shares) of which Richard Zatzkin, president, owns 138,000 shares. According to the prospectus, after sale to the public of the 100,000 shares and before exercise of any of the warrants or stock options, the present stockholders (including the underwriters) will own about 62% of the outstanding shares, for which the company will have received a total of \$130,294, and the investing public will own about 38% of the outstanding shares at a cost of \$500,000.

AMERICAN ELECTRONIC LABORATORIES PROPOSES RIGHTS OFFERING. American Electronic Laboratories, Inc., 121 North Seventh Street, Philadelphia, filed a registration statement (File 2-18195) with the SEC on May 26th seeking registration of 10,632 shares of Class A common stock. It is proposed to offer such stock for subscription by stockholders at the rate of one new share for each ten shares held. The record date and offering price are to be supplied by amendment. Suplee, Yeatman, Mosley Co., Inc., the underwriter, will receive a fee of \$5,000 and a concession of \$1 or \$2 per share depending upon the number of shares not subscribed for. The registration statement also includes 23,100 Class A common shares, to be offered to officers and employees of the company to whom stock options have been or will be granted under its Stock Option Plan.

The company is engaged primarily in research and development in the field of electronic communication equipment. It also produces and sells on a commercial basis various electronic equipment and components. The company is presently engaged in constructing additional facilities at its Lansdale site at an approximate cost of \$400,000, of which \$250,000 will be obtained by means of a first mortgage. \$150,000 of the net proceeds from this stock sale will be used to finance such construction. The company plans to apply \$100,000 to purchase additional equipment for use in the new plant and the balance, if any, will be used for general corporate purposes.

The company has outstanding 82,486 Class A and 23,842 Class B common shares. Of the Class B shares, Leon Riebman, president, and his family, and Conrad J. Fowler, board chairman, and his family, own 21.33% and 18.16%, respectively. Management officials as a group own 50.1% of the Class B and 4.5% of the Class A shares. Holders of Class B shares have the sole right to elect the entire board of directors.

SOUTHERN REALTY & UTILITIES FILES FOR FINANCING AND SECONDARY. Southern Realty & Utilities Corp., 1674 Meridian Ave., Miami Beach, Fla., filed a registration statement (File 2-18199) with the SEC on May 26th seeking registration of \$4,000,000 of 6% Convertible Debentures due 1976 and five-year warrants to purchase 40,000 common shares. \$3,140,000 of the debentures are to be offered for public sale, with warrants, in units consisting of \$500 of debentures and warrants for five common shares. The offering price will be 100% of the principal amount of the debentures. Exercise price of the warrants will be supplied by amendment. Underwriters headed by Hirsch & Co. and Lee Higginson Corp. will receive a 7% commission.

The remaining \$860,000 of debentures are not to be underwritten but will be exchanged (with warrants) for \$960,000 of non-convertible debentures under certain conditions and restrictions. The registration statement also includes 152,186 outstanding shares of common stock, which may be offered and sold from time to time over the American Stock Exchange by the present holders thereof.

The company was organized in May 1959 under Delaware law to engage in the development of unimproved land in Florida. Its organizers included Morris S. Becker, board chairman, Irving Kipnis, executive committee chairman, Louis Feil, president, and three other officials. An earlier stock offering was made in September 1959. The company has eight subsidiaries, all organized in Florida. Of the net proceeds of this financing, \$1,700,000 is to be applied to the payment of bank borrowings and \$100,000 each is to be used to pay off loans from Feil and Becker. The balance of the funds will be added to the company's general funds and will be available for development of properties, working capital and for other corporate purposes. The company has outstanding, in addition to various indebtedness, 858,357 common shares, of which management officials own 252,170 shares.

ANDERSEN LABORATORIES FILES FOR SECONDARY. Andersen Laboratories, Inc., 501 New Park Ave., West Hartford, Conn., filed a registration statement (File 2-18200) with the SEC on May 26th seeking registration of 34,750 outstanding shares of common stock. The shares are held by The Bank of Bermuda, Ltd., as trustee of five trusts established largely by certain members of the family of Oliver R. Grace, board chairman. The bank proposes to offer such shares for sale from time to time in the over-the-counter market at prevailing prices thereon. The company designs, manufactures and sells high precision delay lines which act as data storage elements in various circuits. Delay lines are used in missiles, radar, counter-countermeasures and electronic computers. It has outstanding 440,500 common shares, of which management officials own 44.5% (including 18.4% by Grace and 13.6% by Francis E. Baker, Jr., president).

AIR MASTER CORP. FILES FOR OFFERING AND SECONDARY. Air Master Corporation, 20th St. and Allegheny Ave., Philadelphia, filed a registration statement (File 2-18201) with the SEC on May 26th seeking registration of

200,000 shares of Class A common, of which 50,000 shares are to be offered for public sale by the company and 150,000, being outstanding stock, by the two present holders thereof. The offering price and underwriting terms are to be supplied by amendment. Francis I. duPont & Co. is listed as the principal underwriter.

The company is engaged in the manufacture and sale of aluminum combination storm and screen windows and doors, aluminum extrusions required for the manufacture thereof, and other aluminum products. Net proceeds of its sale of additional stock will be added to general funds of the company and will be available as working capital and for general corporate purposes, including possible use for the building up of inventory in connection with the possible opening of additional branch warehouses.

The company now has outstanding 150,000 Class A and 450,000 Class B shares, of which Leroy H. Hewit, president, owns 50% each as does Harold L. Kapp, secretary-treasurer. Each proposes to sell his holdings of 75,000 Class A shares.

BALTIMORE GAS AND ELECTRIC PROPOSES DEBENTURE OFFERING. Baltimore Gas and Electric Company, Lexington and Liberty Streets, Baltimore, Md., filed a registration statement (File 2-18202) with the SEC on May 26th seeking registration of \$20,000,000 of sinking fund debentures due 1986, to be offered for public sale at competitive bidding. Net proceeds will be used for general corporate purposes, including construction expenditures, and to repay some \$8,000,000 of bank loans temporarily required pending sale of the debentures. 1961 construction expenditures are estimated at \$45,000,000 and for the five-year period 1961-65 in excess of \$250,000,000.

PHILADELPHIA LABORATORIES PROPOSES STOCK OFFERING. Philadelphia Laboratories, Inc., 400 Green St., Philadelphia, filed a registration statement (File 2-18203) with the SEC on May 26th seeking registration of 75,000 shares of common stock, to be offered for public sale at \$8 per share through Woodcock, Moyer, Fricke, & French, Inc., on an all or none basis. The underwriter will receive a commission of 88¢ per share. Also included in the registration statement are 9300 common shares underlying five-year warrants sold to the underwriter (7500 shares) for \$750 and to George Arnold, a finder (1800 shares) for \$180. The warrants are exercisable at \$8 per share.

Organized in January 1959, the company is engaged in the development, manufacture, compounding, packaging, distribution and sale of ethical pharmaceuticals, proprietary (non-prescription) drugs, vitamins and veterinary products. Of the net proceeds of the stock sale, estimated at \$514,000, the company proposes to apply \$305,000 to the repayment of a bank loan in like amount (to be followed by a further borrowing of \$150,000 from the same bank). The balance, together with the loan funds, will be available for general corporate purposes. A portion thereof will be used to finance an expansion of the company's sales organization and in sales efforts and an increase in product development activities, including an anticipated increase of sales personnel from 5 to 50 over the next several years.

In addition to indebtedness, the company now has outstanding 175,000 common shares, of which Theodore J. Harmatz, president, owns 50% and two other officials 25% each.

UNITED INVESTORS CORP. FILES FOR EXCHANGE AND OFFERING. United Investors Corporation of Delaware, 60 East 42nd St., New York City, filed a registration statement (File 2-18204) with the SEC on May 26th seeking registration of 1,114,452 shares of Class A stock, 858,600 Class B shares, and warrants to purchase 115,000 Class A shares. The company was organized under Delaware law in January 1961 by the organizers and managers of United Investors Corp., a New York corporation, and proposes to engage in all aspects of the real estate business now conducted by the New York corporation. The shares the subject of this registration statement are to be offered in exchange for the interests of partners in certain limited partnerships and for shares of stock and debentures in certain corporations, after which the company will own interests in fifteen properties in eight states, including two apartment buildings, two shopping centers, three parcels of vacant land on two of which apartment buildings are to be constructed and eight motels and restaurants, and will have contracts to acquire interests in four other properties. All of the 858,600 Class B shares and 769,452 Class A shares are to be issued in exchange for these interests, stock and debentures. An additional 230,000 Class A shares are to be offered for \$10 per share, of which 153,891 shares are to be offered initially to persons to whom Class A stock is being offered pursuant to the exchange offer. Any of such 153,891 shares not so purchased and 76,109 additional shares will be offered to the public at \$10 per share. The warrants will be issued to persons who purchase any of such 230,000 Class A shares, at the rate of a warrant to purchase one Class A share for \$10 per share for each two Class A shares purchased. Of the net proceeds of the cash sale of Class A shares, \$2,104,000 will be used as follows: \$285,000 to retire 8% debentures of United; \$400,000 to pay the New York corporation's indebtedness to Winkler Credit Corp.; \$100,000 to satisfy a second mortgage on a motel property; \$325,000 for acquisition of a Texas property; \$275,000 to acquire South Carolina property; \$282,500 to acquire New Jersey property; \$304,000 to acquire interests and loans of six partners in certain properties; and \$100,000 to acquire the fee on motel property, with the balance of the proceeds added to working capital.

United of New York was organized in 1957 by Harry Seeve, president of the new company, and other officials of the latter. He and other management officials will own nearly 7% of the Class A and initially 100% of the Class B stock of the new company.

GIBBS MEDICINE CO. PROPOSES STOCK OFFERING. T. R. Gibbs Medicine Co., Inc., 1496 H St., N.E., Washington, D. C., filed a registration statement (File 2-18205) with the SEC on May 26th, seeking registration of 110,000 shares of Class A stock, to be offered for public sale at \$3 per share through company officials and employees. A 45¢ per share selling commission will be paid to them or broker-dealers participating in the offering. Persons engaged in the offering will be granted 3-year options to purchase an additional 11,000 Class A shares at \$3 per share. Also included in the registration statement are all the 173,000 outstanding Class B shares, now owned by Thomas R. Gibbs, president, and three other promoters of the company.

Organized in 1958, the company is engaged in the manufacture, marketing and distribution of a multiple line of proprietary drug products, sold principally to wholesale druggists and other distributors. Net proceeds of the sale of Class A stock, estimated at \$255,000, will be used largely for advertising and general corporate purposes. If all the shares are sold, the equity of the management officials will increase from a minus value to about 73¢ per share.

U. S. SHELL HOMES SHARES IN REGISTRATION. United States Shell Homes, Inc., 4415 Beach Blvd., Jacksonville, Fla., filed a registration statement (File 2-18206) with the SEC on May 26th seeking registration of 8,000 shares of 5% cumulative convertible preferred stock, \$100 par, and 50,000 shares of common stock reserved for conversion of such preferred. The prospectus also covers the offering of 49,980 common shares to holders of warrants expiring 1975, 10,000 shares to holders of warrants expiring 1965, and 174,650 shares to holders of warrants expiring 1970.

CADOR PRODUCTION PROPOSES STOCK OFFERING. Cador Production Corporation, 14 North Robinson, Oklahoma City, filed a registration statement (File 2-18207) with the SEC on May 26th seeking registration of 200,000 common shares, to be offered for public sale through underwriters headed by Shearson, Hammill & Co. The public offering price and underwriting terms are to be supplied by amendment. Also included in the registration statement are an additional 200,000 shares, for subsequent offering from time to time in exchange for interests in producing oil and gas properties (for which Shearson, Hammill will also act as exclusive agent for the company, for which it will be compensated with warrants to purchase shares equal to 15% of the number of shares issued in exchange).

The company (whose name is to be changed to Consolidated Production Corporation) is engaged in a program of acquiring fractional interests in producing oil and gas properties, managing them and reinvesting cash flow generated thereby in the acquisition of additional property interests. It now owns interests in about 270 oil and gas leases. Net proceeds of the cash sale of additional stock will be used, as needed, for the acquisition of interests in additional producing oil and gas properties, for the development of the company's secondary reserves, and for working capital. Initially, \$275,000 will be used to repay bank borrowings for partial payment of producing properties.

The company has outstanding (in addition to indebtedness) 42,791 common shares (after giving effect to a recapitalization recommended by the directors), of which management officials own or will own about 9% and David G. Baird of New York 14.6%. Charles S. Dewey, Jr., is president.

BUCKEYE CORP. SHARES IN REGISTRATION. The Buckeye Corporation, 16 East 34th Street, New York, filed a registration statement (File 2-18208) with the SEC on May 26th seeking registration of 2,106,220 shares of common stock. Of this stock, 1,106,220 shares have been, or are to be, issued in connection with the acquisition of certain businesses and properties and in connection with the refunding of certain indebtedness and obligations of the company and its subsidiaries. Some of such shares may be reoffered or sold to the public by persons so acquiring same. The remaining 1,000,000 shares may be issued, or committed for issuance, from time to time in connection with the acquisition of additional businesses and properties or in connection with the refunding of indebtedness or obligations of the company and its subsidiaries existing on April 30, 1961. Of the 1,106,220 shares, (a) 211,391 shares were issued for the stock of Sunray Chairs, Inc., Sunray Plastics, Inc., and Langro Realty Corp., Florida companies, and 10,515 for services; (b) 107,143 shares to acquire Flamingo Telefilm Sales, Inc.; and (c) 777,171 shares under an agreement with Massachusetts Mohair Plush Co., Inc., a New York company, in liquidation of, or exchange for, obligations and indebtedness aggregating \$1,884,640.

Giving effect to the issuance of the 1,106,220 shares, the company has outstanding, in addition to indebtedness and preferred stock, 2,144,813 common shares of which management officials own 39.5%. Massachusetts Mohair Plush owns nearly 37%. The prospectus lists Ernest V. Horvath as board chairman and George A. Horvath as president. They and a sister own all the outstanding stock of Massachusetts Mohair Plush.

COSNAT RECORD DISTRIBUTING FILES FOR STOCK OFFERING AND SECONDARY. Cosnat Record Distributing Corporation, 315 West 47th Street, New York, filed a registration statement (File 2-18193) with the SEC on May 26th seeking registration of 150,000 shares of common stock, of which 105,556 shares are to be offered for public sale by the issuing company and 44,444 shares, being outstanding stock, by the present holders thereof. Amos Treat & Co., Inc. heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 15,000 Class A shares which underlie 5-year warrants granted to Amos S. Treat, exercisable at the public offering price; 10,000 Class A shares and options to purchase an additional 10,000 Class A shares, issued by the company to certain persons for services rendered; 12,000 Class A shares which were purchased by Mortimer B. Burnside at 10¢ per share as part of underwriting compensation for a previous offering by the company.

Organized under Delaware law in 1960, the company is engaged in the business of manufacturing and distributing phonograph records through 8 wholly-owned operating subsidiaries, 5 of which are distributing outlets and 3 of which are engaged in record manufacturing. In March 1961 the company purchased from Nathan DuRoff and Nathan Rothstein all of the outstanding stock of the Monarch Record Group, consisting of three California companies, for \$625,000 in cash (of which \$600,000 was paid and the balance is due in March 1962) and 81,758 Class A shares of the company. Of such stock, 59,258 shares were equally divided between DuRoff and Rothstein and 44,444 shares are to be offered for public sale through the underwriters and the balance will be sold from time to time at prices related to the current market price at the time of sale. The net proceeds from the company's sale of additional stock will be used for the repayment of a \$500,000 loan from Alben Affiliates and a \$350,000 loan from Jones & Co., which funds were principally used toward the purchase of Monarch Record Group and to repay an outstanding bank loan of \$150,000. The balance will be added to general funds and be available for working capital and other general corporate purposes.

In addition to certain indebtedness, the company has outstanding 198,758 Class A and 225,000 Class B shares, of which Jerry Blaine, president, owns 87% of the Class B shares and management officials as a group own 95.5% Class B and 12.8% Class A shares. The prospectus lists the selling stockholders as DuRoff and Rothstein who propose to sell 29,629 Class A shares each of 37,129 shares owned by each; and Mortimer B. Burnside, Arthur Meyer and Brozan & Holman propose to sell all of their holdings of 12,000, 5,000, and 5,000 shares, respectively.

ADVISER BOOKKEEPING RULES CLARIFIED. The SEC News Digest of May 25th discussed the newly-adopted Rule 204-2 under the Investment Advisers Act prescribing the books and records which all investment advisers are required to keep. The last paragraph of such discussion related to Paragraph (c) of the new rule, which is applicable only to investment advisers who render any investment supervisory or management service to any client.

GREAT WESTERN OIL OFFERING PERMANENTLY SUSPENDED. The SEC has issued an order under the Securities Act (Release 33-4367) making permanent its June 29, 1960 order temporarily suspending a Regulation A exemption from registration with respect to a public offering of 290,000 common shares at \$1 per share by Great Western Oil Co., of Las Vegas. The earlier order asserted that the company had failed to comply with certain terms and conditions of the Regulation and that its offering circular was false and misleading in respect of certain material facts. On request of the company, a hearing was held to determine whether the suspension order should be vacated or made permanent. Thereafter, the company filed notice that there is no issue as to the allegations contained in the prior order, withdrew its request for a hearing, and consented that the suspension be made permanent.

APEX MINERALS TRADING BAN CONTINUED. The SEC has ordered the suspension of trading on the San Francisco Stock Exchange and the over-the-counter market in the common stock of Apex Minerals Corporation, of Reno, Nevada, for the further ten-day period May 31 to June 9, 1961, inclusive.

MOTION FILED TO DEREGISTER PIONEER NATIONAL CORP. The SEC on its own motion proposes to issue and order under the Investment Company Act declaiming that Pioneer National Corporation, Kansas City, Mo., has ceased to be an investment company; and it has given interested persons until June 8th to request a hearing thereon (Release IC-3260). Pioneer became registered as an investment company in January 1941, but no securities have been offered for sale subsequent thereto. Correspondence directed to its last known address has been returned by the post office marked "Unknown."

CENTENNIAL FUND II SEEKS ORDER. Centennial Fund II, Inc., Denver, has filed an application with the SEC under the Investment Company Act for an exemption from certain provisions of the Act; and the Commission has issued an order (Release IC-3261) giving interested persons until June 12th to request a hearing thereon. Under a registration statement previously filed by Fund II, it offered 4,000,000 common shares to investors in exchange for such investors' securities. Centennial Management and Research Corporation has solicited the deposit of such securities, now held by an escrow agent in safekeeping. It is intended that the exchange of deposited securities for shares of Fund II will be carried out between June 14 and 23, 1961, in a simultaneous exchange of Fund II shares for the deposited securities. No shares are now outstanding. The present application seeks an exemption from the requirements of the Act that no person may serve as an investment adviser of a registered investment company except pursuant to a written contract approved by shareholders, and that no person shall serve as a director unless elected by shareholders. If the exemption is granted, Fund II proposes to call a meeting of shareholders in September to vote on the investment advisory contract and for the election of directors.

GENERAL ACCEPTANCE SHARES IN REGISTRATION. General Acceptance Corporation, 1105 Hamilton Street, Allentown, Pa., filed a registration statement (File 2-18197) with the SEC on May 26th seeking registration of 9,018 shares of voting preference stock 60¢ convertible series, no par (limited voting rights), and 27,672 shares of common stock, which preference and common stock were issued as a portion of the consideration in the company's acquisition in March 1961 of substantially all the assets of Consumer Finance Corporation of America, of Denver. Such stock may be sold from time to time by the holders thereof on the New York Stock Exchange or in the over-the-counter market at prices related to the current market prices at the time of sale. The registration statement also relates to 250,000 shares of common stock issuable by the company upon exercise of 10,000 warrants (each warrant covering 25 shares and exercisable at \$20 per share) attached to \$10,000,000 of debentures sold by the company pursuant to a prospectus dated November 5, 1959. Net proceeds from the company's sale of the 250,000 shares will be used to increase or maintain working capital.

SECURITIES ACT REGISTRATIONS. Effective May 29: Arnoux Corp. (File 2-16617); Dodge Wire Corp. (File 2-17367); National Food Marketers, Inc. (File 2-17534); Industrial Instrument Corp. (File 2-17646); Chemical Bank New York Trust Co., ADR's of Societa Italiana Per Le Strade Ferrate Meridionali (File 2-17998); Eastern Transmission Corp. (File 2-18005); Community Public Service Co. (File 2-18015).