

# 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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**INTERNATIONAL BANK SEEKS ORDER.** International Bank, Washington, D. C., has applied to the SEC for an exemption order under the Investment Company Act permitting loans by twelve banks controlled by applicant to officers, employees, or directors of such banks; and the Commission has issued an order (Release 40-3290) giving interested persons until July 27th to request a hearing thereon. Under an earlier application scheduled for hearing on July 24, 1961, applicant seeks an exemption from all provisions of the said Act.

**CHASE FUND OF BOSTON SEEKS ORDER.** The Chase Fund of Boston, Boston investment company, has applied to the SEC for an exemption order under the Investment Company Act permitting the offering of shares at net asset value where such shares represent investments of cash distributions paid under a proposed Systematic Withdrawal Plan; and the Commission has issued an order (Release 40-3291) giving interested persons until July 28th to request a hearing thereon.

**FEE PAYMENTS BY BOND AND SHARE APPROVED.** The SEC has issued an order under the Holding Company Act (Release 35-14476) permitting Electric Bond and Share Company, New York, to pay an aggregate of some \$37,000 to counsel for a stockholder of United Gas and for a stockholder of Middle South Utilities, for services rendered in connection with proceedings resulting in the December 1960 order of the Commission exempting Bond and Share from the said Act (except Section 9(a)(2) thereof).

**GENERAL PUBLIC UTILITIES STOCK ACQUISITION APPROVED.** The SEC has issued an order under the Holding Company Act (Release 35-14477) authorizing General Public Utilities Corp., New York holding company, to purchase from Altoona and Logan Valley Electric Railway Company, a non-affiliate, in exchange for 81,191 shares of GPU common, all the outstanding common stock of Home Electric Company and all the cash of Logan Valley after the latter provides for payment of its liabilities and expenses of dissolution. In the dissolution of Logan Valley, holders of its outstanding shares will receive 1.6 shares of GPU common for each share of Logan Valley common. Home Electric operates near Altoona, Pa.

**UNLISTED TRADING SOUGHT.** The SEC has issued orders (Release 34-6594) giving interested persons until July 28th to request a hearing on an application of the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in the common stock of Chadbourn Gotham, Inc., and upon an application for such privileges in the common stock of New York Central Railroad Company (Del.) filed by the Cincinnati, Philadelphia-Baltimore, Pittsburgh, Boston, Pacific Coast, and Detroit Stock Exchanges.

**FOUR DELISTINGS PROPOSED.** The Pacific Coast Stock Exchange has filed applications to delist the common stocks of Brock & Company, Barnhart-Morrow Consolidated and United Cuban Oil Inc. and the capital stock of Mindanao Mother Lode Mines, Inc.; and the Commission has issued an order (Release 34-6594) giving interested persons until July 28th to request a hearing thereon. According to the applications, (1) Brock & Co. has only 7 stockholders and 7,000 outstanding shares; (2) the Exchange suspended trading in the Barnhart-Morrow stock on October 11, 1960, in view of unsatisfactory financial statements, and is now informed that registrar facilities for the stock have been discontinued; (3) Mindanao's mining operations ceased in September 1958 and its stock has been suspended from dealings on the Exchange since March 6, 1959; and (4) registrar and transfer facilities for United Cuban Oil stock have been terminated, in contravention of Exchange rules.

**UNITED INDUSTRIAL TRADING BAN CONTINUED.** The SEC has issued an order temporarily suspending trading in securities of United Industrial Corporation (Del.) on the exchange and over-the-counter markets for the further ten-day period July 15 to 24, 1961, inclusive.

**INTERCONTINENTAL MOTELS, LTD. HEARING SCHEDULED.** At the request of Intercontinental Motels, Ltd., Martinsville, Va., the SEC has scheduled a hearing for July 31, 1961, to determine whether to vacate, or make permanent, its Order of July 5th temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed offering of 150,000 common shares by Intercontinental at \$2 per share. The suspension order asserted that the company's offering circular contained false and misleading representations of material facts.

**BURKA INC. REGISTRATION CANCELLED.** The SEC has issued an order under the Securities Exchange Act of 1934 cancelling the broker-dealer registration of E. A. Burka, Inc., of Washington, D. C. On August 31, 1960, the said company and its president, E. A. Burka, were enjoined by Federal court order (USDC D.C.) from violating provisions of Sections 15 and 17 of the said Act and Commission rules thereunder; and on September 23, 1960, Burka was convicted by said court of grand larceny and violation of the anti-fraud provision (Section 17) of the Securities Act of 1933. The company is no longer engaged in the securities business.

OVER

**GYRODYNE FILES FOR OFFERING AND SECONDARY.** Gyrodyne Company of America, Inc., St. James, L.I., N. Y., filed a registration statement (File 2-18490) with the SEC on July 13, 1961 seeking registration of \$1,500,000 of convertible subordinated debentures due 1976 (with attached 6-year warrants) and 90,000 shares of common stock, to be offered for public sale in units consisting of \$50 of debentures (with a warrant to purchase one common share) and three common shares. Of the 90,000 common shares, 30,000 are now outstanding and are to be offered with the units by Peter J. Papadakos, president and principal stockholder. Harriman Ripley & Co. heads the list of underwriters. The interest rate of the debentures, public offering price of the units and underwriting terms are to be supplied by amendment.

The company is engaged in the design, engineering and manufacture of helicopters of the coaxial design which have two rotors, mounted one above the other on a single axis and rotating in opposite directions. According to the prospectus, the company's business is currently dependent upon one customer, the Department of the Navy, which accounts for all of its business, primarily in connection with its Destroyer Anti-Submarine Helicopter program. The net proceeds to the company from the sale of the units will be used as follows: \$138,259 for the redemption of preferred stock; \$900,000 for the construction of an engineering office building and a flight test hanger together with concrete aprons; \$700,000 for the purchase of machinery and equipment, to be used for the fabrication of helicopter components, and for purchase of furniture and fixtures; \$350,000 to replace working capital used for plant expansion and purchase of equipment since May 1959; and the balance will be added to working capital to finance increased work in process inventories.

In addition to certain indebtedness and the preferred stock, the company has outstanding 589,935 shares of common stock, of which Papadakos owns 38.74% and holds an additional 3.74% as custodian for minor children (and he proposes to sell the 30,000 shares). He also owns of record 28.18% of the outstanding 5% preferred stock.

**COLUMBIAN BRONZE FILES FOR OFFERING.** Columbian Bronze Corporation, 216 North Main Street, Freeport, New York, filed a registration statement (File 2-18491) with the SEC on July 13th seeking registration of 150,000 shares of common stock, to be offered for public sale at \$5 per share. The offering will be made through underwriters headed by Lomasney, Loving & Co., which will receive a 60¢ per share commission and \$7,500 for expenses. The registration statement also includes 10,000 common shares which underlie 5-year warrants to be sold to the underwriters for 1¢ each, exercisable at \$5 per share, and 20,000 outstanding common shares which the holders thereof sold to the underwriters at \$3 per share.

The company is a diversified manufacturer of marine propellers, marine accessories, hydraulic equipment, electronic marine equipment and metal furniture. The \$619,650 estimated net proceeds from the stock sale will be applied to the reduction of moneys owed to officers since 1959 (\$65,000), for the purchase of equipment for the melting of stainless steel and copper-nickel alloys (\$65,000), and to provide additional working capital to be used with other funds for the payment of bank loans and trade accounts payable, expanding operations in the field of manufacturing and selling schoolroom furniture, for possible acquisitions or for further expanding the operations of the company in the marine electronic field.

In addition to certain indebtedness, the company has outstanding 404,114 shares of common stock, of which Bernard N. Ames, Alexander Paulsen, board chairman, and Douglas Paulsen, treasurer, own about 30% each.

**MEDCO FILES FOR OFFERING AND SECONDARY.** Medco, Inc., 1211 Walnut Street, Kansas City, Mo., filed a registration statement (File 2-18492) with the SEC on July 13th seeking registration of 125,000 shares of Class A common stock, to be offered for public sale through underwriters headed by Midland Securities Company, Inc. and Barret, Fitch, North & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 45,000 shares of Class B common stock, to be offered for public sale from time to time by the holders thereof privately or publicly at prices related to market prices then prevailing.

The company operates a licensed jewelry department in a closed-door membership department store and has formed and owns all of the stock of 12 subsidiary companies, each of which likewise operates like jewelry departments in such a store. The company estimates that the initial inventory, equipment and opening of each new license department requires an investment of from \$85,000 to \$125,000. It has tentatively agreed to open such departments between August and November 1961 in 12 additional stores throughout the United States. The net proceeds from the company's sale of additional stock will provide necessary capital to open such departments.

In addition to certain indebtedness, the company has outstanding 180,000 shares of Class A common stock and 450,000 shares of Class B common, of which latter stock Fred Goldman, board chairman, Fred Goldman, Jr., president, and Richard A. Goldman, executive vice president, own 73,125, 180,375 and 180,375 shares, respectively. They propose to sell (after converting to an equal amount of Class A shares) 7,312, 18,037 and 18,038 shares, respectively. In addition, Ralph J. Tucker, a director, proposes to sell 1,613 shares.

**DELTA VENTURE CAPITAL FILES FOR STOCK OFFERING.** Delta Venture Capital Corporation, 1011 North Hill St., Hopkins, Minn., filed a registration statement (File 2-18493) with the SEC on July 13th seeking registration of 520,000 shares of common stock, to be offered for public sale at \$3.30 per share. The shares are to be offered through the company's management officials who will receive no commission. The company may elect to sell certain amounts through certain brokers and dealers on a "best efforts" basis for which a 30¢ per share selling commission will be paid.

The company was organized under Minnesota law in December 1960 and is registered under the Investment Company Act of 1940 as a closed-end, non-diversified, management investment company. Its principal business will be to invest in small, carefully selected business concerns which are involved in fields of new technology, developments and techniques. The net proceeds from the stock sale will be used for general corporate purposes and invested in accordance with the company's investment policy.

The company has outstanding 80,000 shares of common stock (after giving effect to a 2-for-1 stock split in May 1961), of which Dale R. Wikman and Joseph C. Mahoney own 12.4% and 11.9% respectively. Joseph L. Vodonik is listed as president.

**BORNE CHEMICAL FILES FOR SECONDARY AND ACQUISITIONS.** Borne Chemical Company, Inc., 632 South Front St., Elizabeth, N. J., filed a registration statement (File 2-18494) with the SEC on July 13th seeking registration of 168,965 outstanding shares of capital stock, to be offered for public sale by the holders thereof on the American Stock Exchange or otherwise from time to time at prices current at the time of sale. The registration statement also includes 100,000 shares of capital stock which may be issued by the company from time to time for the acquisition of additional businesses or properties, the development of the company's properties, and for use as working capital.

The company is engaged in the manufacture and sale of industrial lubricating oils and greases for use in various industries, process oils used by manufacturers in processing natural and synthetic textiles and in the sole leather tanning and finishing industries and other specialty oils for various industries, as well as industrial paints and all purpose alkyl-aryl detergents. In addition to certain indebtedness, the company has outstanding 1,022,175 shares of capital stock, of which Thomas E. Betner, president, owns 213,093 shares and proposes to sell 95,000 shares; and management officials as a group own 377,675 shares. The prospectus lists 20 other selling stockholders who propose to sell amounts ranging from 200 to 12,000 shares.

**THRIFTWAY FOODS FILES RESCISSION OFFER.** Thriftway Foods, Inc., Church and Henderson Roads, King of Prussia, Pa., filed a registration statement (File 2-18495) with the SEC on July 13th seeking registration of 69,175 shares of common stock, which the company heretofore sold for cash at prices varying from \$6.80 per share to \$8.80 per share (number of shares and prices thereof adjusted for the 5-for-1 split effected by the company on May 24, 1961) to approximately 370 persons without registering such shares or obtaining an exemption therefor under either the Securities Act of 1933 or the Pennsylvania Securities Act. In order to correct this situation and preliminary to making a public offering of 140,000 shares of such stock at a price estimated to be not less than \$12 per share, the company is offering to repurchase from such stockholders the shares not previously registered.

**THRIFTWAY FOODS FILES FOR OFFERING AND SECONDARY.** Thriftway Foods, Inc., also filed a registration statement (File 2-18496) with the SEC on July 13th seeking registration of 140,000 shares of common stock, of which 66,915 shares are to be offered for public sale by the company and 73,085 shares, being outstanding stock, by the present holders thereof. Kidder, Peabody & Co. heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the wholesale distribution of food and non-food items in Philadelphia and the surrounding areas in Pennsylvania, New Jersey and Delaware to approximately 3,500 independent retailers of whom approximately 850 are members of the four voluntary groups sponsored by the company. The company operates a modern warehouse containing 258,000 square feet and twelve wholesale "cash and carry" branches located in the same area. The company also operates four retail markets. Of the net proceeds from the company's sale of additional stock, \$379,000 will be applied to the reduction of indebtedness and the remainder will be added to the general funds of the company to help finance additional inventory and to finance possible acquisitions of retail outlets not in competition with the company's customers or wholesale outlets to expand the services now offered to retail members.

In addition to certain indebtedness and preferred stock, the company has outstanding 493,230 shares of common stock, of which Robert L. Montgomery, Jr., board chairman, owns about 27%, Louis J. Davis, president, 10.95%, and management officials as a group 43.98%. Montgomery and Davis propose to sell 30,000 and 15,000 shares, respectively, and six others propose to sell amounts ranging from 800 to 15,000 shares.

**GERBER SCIENTIFIC INSTRUMENT FILES FOR OFFERING AND SECONDARY.** The Gerber Scientific Instrument Company, 140 Van Block Ave., Hartford, Conn., filed a registration statement (File 2-18497) with the SEC on July 14th seeking registration of 78,000 shares of common stock, of which 60,000 shares are to be offered for sale by the company and 18,000 shares, being outstanding stock, by the present holders thereof. The offering is to be made on an all or none basis through Estabrook & Co. The offering price and underwriting terms are to be supplied by amendment.

The company designs, manufactures and sells various types of scientific instruments. Of the net proceeds of its sale of additional stock, \$30,000 will be used to repay bank borrowings, \$55,500 to repay notes payable to Abraham Kopplemann, a director, \$40,000 to establish a new sales office and to expanding the existing office, and the balance for working capital. Of the 240,000 outstanding common shares, Kopplemann owns 118,000 shares and proposes to sell 8,000 shares and H. Joseph Gerber, president, owns 120,000 shares and proposes to sell 10,000 shares.

**COMPUTER INSTRUMENTS FILES FOR SECONDARY.** Computer Instruments Corporation, 92 Madison Ave., Hempstead, N. Y., filed a registration statement (File 2-18498) with the SEC on July 13th seeking registration of 160,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Hayden, Stone & Co. on an all or none basis, the offering price and underwriting terms to be supplied by amendment.

The company is engaged in the design, manufacture and sale of precision potentiometers and is presently the sole manufacturer of carbon film type precision potentiometers, its most important product. It also manufactures related precision electronic components and measuring instruments. Of the 800,000 outstanding common shares, Herbert H. Adise, president, and Henry Siegel, secretary-treasurer, own 365,950 shares each and propose to sell 80,000 shares each.

**DRUG & FOOD CAPITAL CORP. FILES FOR STOCK OFFERING.** Drug & Food Capital Corporation, 30 North La Salle St., Chicago, today filed a registration statement (File 2-18499) with the SEC seeking registration of 500,000 shares of common stock, to be offered for public sale at \$10 per share. The offering will be made on an all or none basis through underwriters headed by A. C. Allyn and Company and Westheimer & Company, which will receive a \$1 per share commission.

The company was organized under Illinois law in May 1961 and expects to be licensed as a small business investment company under the Small Business Investment Act of 1958. It is registered under the Investment Company Act of 1940 as a closed-end, non-diversified management investment company. The principal business of the company will be to provide capital to selected small business concerns active primarily, but not exclusively, in the areas of drug, cosmetic and proprietary drug companies, and to other companies which market products through drug or tobacco distribution channels; novelty food producers, and other companies which market their products through grocery distribution channels; beverage companies, including those which market soft drinks, coffee and tea; and other companies which market products through department or variety stores, including mail order firms. The net proceeds from the stock sale will be added to other general funds and will be used to finance activities of providing equity capital, long term funds and consulting and advisory services to such concerns.

The company has outstanding 38,775 shares of common stock, of which the two principal underwriters, Harry Greensfelder, Jr., a director, G. Eldon Holmquist, treasurer, and Gordon L. Nereim, president, own 10.3% each and management officials as a group 58.8%.

**MISSOURI FIDELITY LIFE INSURANCE FILES FOR STOCK OFFERING.** Missouri Fidelity Life Insurance Company, 4221 Lindell Blvd., St. Louis, Mo., today filed a registration statement (File 2-18500) with the SEC seeking registration of 250,000 shares of common stock, of which 200,000 shares are to be offered for public sale on an all or none basis through underwriters headed by A. C. Allyn and Company. The public offering price and underwriting terms are to be supplied by amendment. The remaining 50,000 shares are to be repurchased by the company from the underwriters at the initial public offering price and used for stock purchase options granted to certain officers, employees, agents and general agents.

The company is a legal reserve life insurance company. The net proceeds from the stock sale will be added to the capital and surplus of the company and will be employed from time to time in expansion of business. Substantially all of such proceeds will be invested initially in securities eligible under Missouri Law for investment by life insurance companies. The company has outstanding 165,000 shares of common stock, of which St. Louis Investment Club, Inc., a Missouri corporation organized in 1960 by certain officers and directors of the company and others, owns 76.7%. No person owns 10% or more of the outstanding stock of St. Louis Investment Club. Jack L. Lewis is listed as president.

**SECURITIES ACT REGISTRATIONS.** Effective July 14: Chemical Bank New York Trust Co., ADR's of G. J. Coles & Coy, Ltd. (File 2-18412); Chemical Bank New York Trust Co., ADR's of The Myer Emporium, Ltd. (File 2-18413); Chemical Bank New York Trust Co., ADR's of Sears Holdings Ltd. (File 2-18411); Industrial Control Products, Inc. (File 2-17702).

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