

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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Washington 25, D.C.

FOR RELEASE November 17, 1961

W. A. BENJAMIN FILES FOR STOCK OFFERING. W. A. Benjamin, Inc., 2465 Broadway, New York, filed a registration statement (File 2-19303) with the SEC on November 15th seeking registration of 50,000 shares of common stock, to be offered for public sale (without underwriting) at a price to be supplied by amendment. The statement also includes 24,170 shares underlying certain warrants which the company has offered or will offer to past and prospective authors and consultants of certain basic books.

Organized in 1960, the company is engaged in the publication and sale of scientific text and reference books for undergraduate and graduate students in the physical sciences. All the company's present titles are concentrated in the fields of chemistry, biochemistry, and physics, and are intended for use in colleges and universities and in academic and industrial research. The company contracts directly with authors to publish their manuscripts and compensates them through royalties on sales. Net proceeds from the stock sale will be added to working capital and used in the company's publishing program.

The company has outstanding 70,150 shares of common stock, of which William A. Benjamin, president, and Robert R. Worth, editorial director, own 30,000 and 10,000 shares, respectively.

DISTRICT PHOTO FILES FOR OFFERING AND SECONDARY. District Photo, Inc., 3306 Wisconsin Ave., N. W., Washington, D. C., filed a registration statement (File 2-19308) with the SEC on November 16th seeking registration of 100,000 shares of common stock, of which 80,000 shares are to be offered for public sale by the company and 20,000, being outstanding stock, by Melvin S. Cohen, president and sole stockholder. Auchincloss, Parker and Redpath is listed as the principal underwriter. The public offering price and underwriting terms are to be supplied by amendment. Also included in the statement are an additional 5,000 shares issuable pursuant to five-year warrants sold to the principal underwriter, exercisable at a price to be supplied by amendment.

The company is the successor by merger in September 1961 of District Photo Service, Inc. into District Photo Supply, Inc., the corporate name of the latter being changed to the company's present name. It is engaged in the processing and printing of black and white and color photographic film, and the wholesale distribution of photographic equipment and supplies. Prior to September 1961, Cohen was a 50% stockholder in three companies which operate leased camera departments in four G.E.M. "closed membership" department stores. Cohen recently acquired the remaining 50% interest in these companies for \$9,500 and proposes to sell all of their outstanding stock to the company for \$19,000. The company has performed exclusive film-processing services for, and has sold equipment and supplies to, the three companies, which have shown losses aggregating \$9,017 for the latest periods of operation. Of the net proceeds from the company's sale of additional stock, \$71,000 will be used to retire a note issued to Cohen in September 1961 in consideration of his assumption of \$71,000 of company debt to various individuals (\$25,000 of which had been incurred to provide additional working capital), \$30,000 for the purchase of additional office and warehouse equipment and for plant modification in connection with the installation of additional color processing and printing equipment, and the balance will be added to working capital.

In addition to certain indebtedness, the company has outstanding 180,000 shares of common stock (after giving effect to a recent recapitalization whereby the 100 shares then outstanding were reclassified into the 180,000 shares), all owned by Cohen. As indicated, he proposes to sell 20,000 shares.

COMMONWEALTH EDISON PROPOSES DEBENTURE OFFERING. Commonwealth Edison Company, 72 West Adams Street, Chicago, today filed a registration statement (File 2-19310) with the SEC seeking registration of \$40,000,000 of sinking fund debentures due 2011, to be offered for public sale at competitive bidding. Net proceeds from the debenture sale (not in excess of \$40,000,000) will be applied toward the redemption of 400,000 outstanding shares of 4.64% cumulative preferred stock, \$100 par. The \$2,600,000 redemption premium (\$6.50 per share), plus accrued and unpaid dividends, together with expenses in connection with the redemption, will be supplied out of the company's general funds. Any excess of proceeds from the debenture sale over, or any deficiency in such proceeds under, \$40,000,000 will be added to or provided out of general funds.

JAMES TALCOTT FILES FOR SECONDARY. James Talcott, Inc., 225 Park Avenue South, New York, today filed a registration statement (File 2-19309) with the SEC seeking registration of 57,396 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by F. Eberstadt & Co. and White, Weld & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the business of commercial financing and accounts receivable factoring. In addition to certain indebtedness and preferred stock, the company has outstanding 2,656,518 shares of common stock, of which management officials as a group own 13.4%. The 57,396 outstanding shares are owned by The Lincoln National Life Insurance Company (47,285 shares) and Bankers Life Company (10,111 shares). Such shares of the former were obtained upon its conversion into common stock of 10,000 shares of the company's 5-1/4% cumulative preferred stock, \$50 par, and \$500,000 of 5% capital notes due 1974; and the shares of the latter were obtained upon conversion of \$200,000 of said 5% notes. As indicated, they propose to sell all such shares. James Talcott is board chairman and Herbert R. Silverman is president.

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BLACK BEAR INDUSTRIES TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Black Bear Industries, Inc., on the San Francisco Mining Exchange and over-the-counter market for a further ten-day period November 20 to 29, 1961, inclusive.

AMERICAN TV & RADIO ENJOINED. The SEC Chicago Regional Office announced November 14th (Lit-2141) the entry of a Federal court order (USDC, Minn.), on consent of the defendants, permanently enjoining American Television & Radio Co., of St. Paul, Minn., and Albert A. Goffstein, its president, from further violating the Securities Act anti-fraud provisions.

CORRECTION RE DIVERSIFIED AUTOMATED SALES INJUNCTION. The SEC News Digest of November 7th reported an injunction decree issued against Diversified Automated Sales Corporation, of Nashville, and two individuals. One of the individual defendants, Frazier N. James, Sr., was incorrectly identified as "Frazier N. Jones, Sr."

SEC ADOPTS NEW SBIC RULES. The SEC today announced the adoption of new rules under Investment Company Act (Release IC-3361) to provide an exemption applicable to Small Business Investment Companies (SBICs) from certain requirements of Sections 17(a), 17(d) and 18(c) of that Act.

One of the basic purposes of Section 17(a) of the Act, which prohibits transactions between affiliates, is to protect investment companies against overreaching by affiliated persons. Section 17(b) provides that the Commission shall exempt a proposed transaction from such prohibition if the terms are found to be reasonable and fair and to involve no overreaching on the part of any person. The Commission has adopted a new Rule 17a-6 which provides an exemption from the prohibitions of Sections 17(a)(1) and (3), subject to certain conditions, for loans and other securities transactions which would be prohibited by such sections solely because of an affiliation created through the ownership or control by the SBIC of the voting securities of a small business concern. The rule is intended to operate in an area where there is small likelihood of overreaching of the small business investment company by an affiliate.

The Commission also has adopted an amendment to Rule 17d-1 which exempts from that rule's requirements certain transactions where banks and an affiliated SBIC make investments in the same small business concern. The rule has prohibited any joint enterprise or other arrangement or profit-sharing plan, where the investment company and the affiliate are participants, unless an application for an exemption order has been made to and granted by the Commission. In a number of instances, banks have promoted the formation of SBICs registered under the Investment Company Act, or are substantial stockholders of such companies. The Commission considers that investments in the same small business concern by the SBIC and by a bank which is affiliated with the SBIC by reason of stock ownership, an investment advisory contract, etc., subject such investments to the risk of the same enterprise under circumstances that generally should be deemed to constitute such transactions by the SBIC and the affiliated bank a joint enterprise whether such transactions be contemporaneous or separated in time. The amendment to Rule 17d-1 would provide an exception for banks affiliated with SBICs from the requirements of the present rule, provided certain conditions are satisfied. One of such conditions would require the submission of reports containing pertinent details of transactions by an SBIC and an affiliated bank with the same small business concern, for which report the Commission has adopted a new Form N-17D-1.

Section 18(c) prohibits a closed-end investment company from issuing more than one class of senior security representing indebtedness and provides, for this purpose, that bank loans and other privately arranged indebtedness not intended to be publicly distributed shall not be deemed a separate class of senior security representing indebtedness. A new Rule 18c-1 will permit a small business investment company to issue more than one class of senior security representing indebtedness so long as all such indebtedness is privately held by the Small Business Administration, or banks, insurance companies or other institutional investors, and the company does not have outstanding any publicly held indebtedness.

SECURITIES ACT REGISTRATIONS. Effective November 17: Associated Products, Inc. (File 2-18765); Halco Chemical Co. (File 2-18752); Pennsalt Chemical Corp. (File 2-19160). Withdrawn November 17: 30 North LaSalle Street Realty Fund (File 2-18468).

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