

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 September 20, 1960

SUPERVISED SHARES PROPOSES OFFERING. Supervised Shares, Inc., Des Moines, Iowa, filed a registration statement (File 2-17064) with the SEC on September 16, 1960, seeking registration of 400,000 shares of capital stock.

ADRs FOR TELEFONOS (MEX.) FILED. The Morgan Guaranty Trust Company of New York filed a registration statement (File 2-17066) with the SEC on September 16, 1960, seeking registration of American Depositary Receipts for 60,000 Nominative Shares of Telefonos De Mexico, S. A.

NEW ENGLAND FUND ACQUISITION CLEARED. The SEC has issued an exemption order under the Investment Company Act (Release 40-3114) permitting New England Fund, of Boston to issue its shares at their net asset value in exchange for substantially all the cash and securities of Seaboard Transportation Company.

ELECTRONICS INTERNATIONAL REGISTRATION CLEARED. The SEC has issued an order under the Investment Company Act (Release 40-3115) permitting Electronics International Capital Limited, a Bermuda company, of Hamilton, to register as an investment company under the Investment Company Act and to make a public offering of its shares in the United States, subject to compliance with the registration requirements of the Securities Act of 1933. The company contemplates a public offering of common stock, through an underwriting group managed by Bear, Stearns & Co., to obtain at least \$22,500,000 for its investment purposes, namely, to invest in securities of foreign electronics companies, including among others, those traded on the stock exchanges of Toronto, Montreal, London, Amsterdam, Frankfurt, Paris and Johannesburg.

REXALL DRUG FILES STOCK PLAN. Rexall Drug and Chemical Company, Los Angeles, filed a registration statement (File 2-17068) with the SEC on September 19, 1960, seeking registration of 450,000 shares of capital stock, to be offered to key employees of the company and its subsidiaries pursuant to the company's stock option plan.

MILLER AIRLINES 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 Miller Airlines, Inc., of Dravosburg, Pa.

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 in June 1958, Miller Airlines proposed the public offering of 75,000 shares of common stock at \$3 per share. In its suspension order, the Commission asserts that the company failed to comply with one of the conditions of Regulation A by reason of its failure to file semi-annual reports of stock sales pursuant to said exemption. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

BOND AND SHARE PROPOSES ACQUISITION. Electric Bond and Share Company, New York holding company, has applied to the SEC under the Holding Company Act for authorization to reacquire outstanding shares of its common stock and to reissue such shares in the acquisition of an engineering company; and the Commission has issued an order (Release 35-14287) giving interested persons until October 4, 1960, to request a hearing thereon.

According to the application, Bond and Share has entered into an agreement with the controlling stockholders of Walter Kidde Constructors, Inc., which is engaged principally in engineering construction projects for industrial clients, for the acquisition of the outstanding shares of said engineering company's stock by Bond and Share. Such acquisition will serve to make more complete the design, engineering, and construction services that Bond and Share, through its subsidiaries, is equipped to furnish clients, the applicant states.

Under the agreement, Bond and Share will pay a price of \$101.25 per share for the 17,380 outstanding shares of engineering company stock, or \$1,759,725 in the aggregate if all shares are acquired. However, since the controlling stockholders of the engineering company will not accept cash and insist upon receiving Bond and Share stock in exchange for their engineering company stock, Bond and Share proposes to purchase its own shares in the open market on the American Stock Exchange and to deliver pro rata to all holders of engineering company stock

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who accept the offer, that number of shares of Bond and Share stock which can be bought for the purchase price agreed upon. Based upon the market price of Bond and Share stock at the close on August 31, 1960, of \$23.625 per share, and after deducting fees and commissions, the maximum number of shares required would approximate 73,500.

Bond and Share previously notified its stockholders of the proposed transaction, including the pending open-market purchases and the fact that the net worth of the engineering company at December 31, 1959, was equivalent to \$90.48 per share and its average annual earnings for the five years ended that date amount to \$13 per share.

CITIZENS GUARANTEE MTGE. CO. FILES FOR OFFERING. Citizens Guarantee Mortgage Co., Inc., 5034 Central Ave., St. Petersburg, Fla., filed a registration statement (File 2-17069) with the SEC on September 19, 1960, seeking registration of \$750,000 of Investment Contracts, including warranty and repurchase agreements, relating to whole mortgage notes secured by first mortgages on improved real estate. It is proposed to offer these investment contracts in units of from \$4,000 to \$7,500. The investment contracts have no stated offering price apart from the price of the whole mortgage notes to which they related.

The principal business of the company is the purchase for resale of whole first mortgage notes secured by mortgages on improved real estate. In connection with such sales, a variety of services are offered by the company to investors, including the selection of mortgage notes and a collection service to facilitate prompt payment of amounts due on such notes, as well as the establishment of a reserve account which may be used to keep note payments current and avoid defaults and offer a guarantee and repurchase agreement.

The company was organized in December 1958. The company has outstanding 660 shares of \$100 par common stock, held by Jack Talkoff, president, and other management officials.

GREMAR MFG. PROPOSES OFFERING. Greomar Manufacturing Co., Inc., 7 North Ave., Wakefield, Mass., today filed a registration statement (File 2-17070) with the SEC seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by Milton D. Blauner & Co., Inc., and M. L. Lee & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment. Of the offering, 10,000 shares are to be reserved for company officials and employees. In addition, the president of the company has sold 1,500 shares to Milton D. Blauner for \$1 per share; and the company has agreed to sell to a corporation substantially owned by partners of Hayden, Stone & Co., for \$100, two-year warrants for the purchase of 10,000 shares, exercisable at the public offering price.

The company manufactures RF (Radio Frequency) coaxial cable connectors and associated fittings for the electronic and electrical industries. Net proceeds of this offering will be used in part to pay a \$153,700 note (including interest to maturity) issued to Lawrence Stone, former president, in connection with the purchase of his 50% stock interest in the company; \$50,000 is to be used for the purchase or construction of additional equipment for use in manufacturing and testing; \$50,000 to reduce current bank loans and \$40,000 to increase inventories of raw materials; and the balance for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 325,000 shares of common stock, of which 317,500 shares are owned by Carlton G. Marie, president. The 50% stock interest of Stone was acquired by the company in January 1960 for \$194,500, of which \$19,500 was paid in cash and the balance evidenced by 4% installment note in the amount of \$175,000, providing for principal payments during 1960 of \$30,000 and thereafter at the rate of \$5 a month.

MERRIMACK-ESSEX ELECTRIC FILES FOR OFFERING. Merrimack-Essex Electric Company, 205 Washington Street, Salem, Mass., today filed a registration statement (File 2-17071) with the SEC, seeking registration of 75,000 shares of cumulative preferred stock, \$100 par value, to be offered for public sale at competitive bidding.

The company is a subsidiary of New England Electric System, which owns all of its outstanding common stock. The company anticipates that, prior to the acceptance of bids for the 75,000 shares of preferred stock, it will issue and sell to its parent 125,000 shares of additional common stock for \$2,500,000. Net proceeds of the sale of the preferred and common stock will be applied to the payment of short-term note indebtedness, which amounted to \$10,075,000 on June 30, 1960. The indebtedness represents borrowings for the company's construction program, estimated at \$13,000,000 for the period July 1, 1960 through December 31, 1962.

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