

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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STERLING PRECISION SEEKS ORDER. Sterling Precision Corporation, 103 Park Ave., New York, and Designatronics, Inc., a New York company controlled by Sterling, have applied to the SEC for an exemption order with respect to certain proposed transactions between the two companies; and the Commission has issued an order (Release IC-4066) giving interested persons until November 13 to request a hearing thereon. Sterling is deemed to be controlled by The Equity Corporation, a registered investment company; and it in turn owns some 30% of the outstanding voting securities of Designatronics.

Under the proposal, Sterling proposes to sell to Designatronics all of the latter's preferred stock, in return for the payment to Sterling by Designatronics of \$150,000 in cash and the issuance to Sterling by Designatronics of \$775,000 of the latter's Series 1979 debenture bonds. Designatronics also will purchase certain real property from Sterling for \$103,500. These proposals are part of an agreement to settle certain litigation between the two companies, which agreement also contemplates, among other things, the assignment by Sterling to Designatronics of an interest of Sterling in certain U. S. patents related to assets sold to Designatronics in 1961 and an undertaking by Designatronics to attempt to settle a suit brought by Wilco Equipment Corporation involving the real property.

COLORTRAN PROPOSES OFFERING. Colortran Corporation, 5 Montrose Ave., Haverhill, Mass., filed a registration statement (File 2-22876) with the SEC on October 26 seeking registration of 75,000 shares of common stock. The shares are to be offered for public sale on a best-efforts basis at \$2 per share through Bertner Bros., 63 Wall St., New York, which will receive a 10¢-per-share selling commission. The registration statement also includes 10,000 shares underlying 5-year warrants, exercisable at \$4 per share, which the company has sold to Bertner for a total of \$10. Similar warrants to buy 10,000 shares have been sold for an aggregate of \$10 to Gerard J. O'Brien as partial compensation for legal assistance in connection with this offering.

Organized under Delaware law in August 1964, the company intends to engage in the manufacture and distribution of automotive accessories. Its activities to date have consisted principally of developing and preparing for manufacture and sale certain types of new plastic automotive wheel covers or hub caps, as well as plastic safety helmets. Of the net proceeds from its stock sale, \$25,000 will be used to purchase machinery and equipment; \$45,000 for inventory; \$15,000 for sales promotion and advertising; and the balance for working capital. The company has outstanding 225,000 common shares, of which William E. Caffray (president) owns 202,000 shares. Such stock was issued to Caffray in consideration of services rendered, as well as cash and rights in a patent application presently in preparation and other assets. The company also issued 23,000 shares to Alan A. Abbott (vice president) for services rendered.

MAMMOTH MART FILES FOR OFFERING AND SECONDARY. Mammoth Mart, Inc., 672 Crescent St., Brockton, Mass., filed a registration statement (File 2-22877) with the SEC on October 27 seeking registration of 200,000 shares of common stock. Of this stock, 100,000 shares are to be offered for public sale by the company and 100,000 shares (being outstanding stock) by the present holders. The underwriters are headed by C. E. Unterberg, Towbin Co., 61 Broadway, New York. The public offering price (\$11 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the operation of 11 self-service discount department stores located in Maine and three other States. It has executed a lease for one additional store and is negotiating for a location for another store. The stores carry a broad line of merchandise, with emphasis on soft goods such as wearing apparel, shoes, linens and yard goods. Net proceeds from the company's sale of additional stock, plus institutional borrowings, will be used to retire existing indebtedness and to provide additional working capital for existing operations and funds for expansion. In addition to indebtedness, the company has outstanding 100,000 common shares and 300,000 Class B common shares, all of which are owned by the selling stockholders. The selling stockholders are listed as Max Coffman (president), offering 81,250 common shares, and Henry Gornstein (treasurer), 13,600. The remaining 5,150 shares are being offered by two trusts established for the benefit of Coffman's and Gornstein's immediate families.

KENNESAW LIFE AND ACCIDENT INS. PROPOSES OFFERING. Kennesaw Life and Accident Insurance Company, 165 Luckie St., N. W., Atlanta, filed a registration statement (File 2-22878) with the SEC on October 27 seeking registration of 125,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by The Robinson-Humphrey Co., Inc., 2000 Rhodes-Haverty Bldg., Atlanta. The public offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment.

The company (formerly the National Executive Life Insurance Co.) is engaged in the writing of ordinary and group life, individual and group accident and health insurance, and individual and group credit life insurance. According to the prospectus, the company has operated at a loss since its inception in 1955. Net proceeds from its proposed stock sale will be added to capital and surplus and used to expand its agency force and territory. In addition to indebtedness, the company has outstanding 1,006,537 common shares, of which management officials as a group own 9.20%. Fred W. Lagerquist, Jr., is board chairman and president.

MODLIN, OTHERS ENJOINED. The SEC Denver Regional Office announced October 26 (LR-3064) the entry of a Federal court order (USDC Albuquerque) permanently enjoining Murray Modlin and W. Harvey Wallace, with their consent, from further violations of the Securities Act anti-fraud provisions in the sale of the common stock of National Holding Corporation. A preliminary injunction was issued against Gordon McMeen and William Rainey.

WESTERN MORTGAGE INVESTORS PROPOSES OFFERING. Western Mortgage Investors, 915 South St., Honolulu, Hawaii, filed a registration statement (File 2-22875) with the SEC on October 26 seeking registration of 1,000,000 shares of beneficial interest in the Trust, which will operate as a Real Estate Investment Trust. Of these shares, a maximum of 50,000 have been reserved for sale to the trustees, their business associates, the underwriters and others. Any of these shares which are not purchased and the remaining 950,000 shares are to be offered for public sale at \$10 per share through Morgan, Kennedy & Co., 55 Liberty St., New York, Hodgdon & Co., Inc., 1411 K St., N. W., Washington, D. C., and selected dealers, which will receive a \$1-per-share commission. The first 94,180 shares are to be offered on an all-or-nothing basis and the balance on a best-efforts basis.

Organized under Massachusetts law in August 1964, the Trust's investment policy is "to invest primarily in the first mortgage loans insured by the Federal Housing Administration or guaranteed by the Veterans Administration, and in conventional mortgage loans, including development and construction mortgage loans on residential, commercial and industrial properties." Mortgage Advisers, Inc., is to serve as its investment adviser. The Trust has outstanding 5,820 shares. William Blackfield is chairman of the trustees and sole owner of the investment adviser.

CONTINENTAL VENDING, TASTEE FREEZ TRADING BAN CONTINUED. The SEC has issued orders suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation and Tastee Freez Industries, Inc., for a further ten-day period, October 29 to November 7, 1964, inclusive.

MID-CONTINENT PRODUCTS FILES OFFERING. Mid-Continent Products, Inc., 3409 E. 5th St., Austin, Tex., filed a registration statement (File 2-22879) with the SEC on October 27 seeking registration of 1,250,000 shares of common voting stock. Of these shares, 1,100,000 are to be offered for public sale at \$2 per share on a best-efforts basis through A. E. Hudson, 3409 E. 5th St., Austin, Tex., which will receive a 40¢-per-share selling commission. The remaining 150,000 shares underlie 3-year options (exercisable at \$2 per share) which have been granted to company officials and employees, the underwriter and others.

Organized under Texas law in July 1964, the company's principal activities will initially be the manufacture and sale of (1) a chemical additive to be marketed under the trade name "Diesel Magic", (2) a refrigerator system for attachment to a standard vehicle air conditioner, (3) an evaporative air cooler principally for use in trucks and (4) lubrication seal for use on the so-called "fifth wheel" of tractor trucks, which locks the trailer to the tractor truck. Net proceeds from its stock sale will be used to acquire a 10-acre plant site, to construct a plant, to purchase miscellaneous equipment, and to meet expenses for its first year of operation. The company has outstanding 201,800 shares, of which 200,000 were issued to Les T. Fuller (director) for his patents and processes for products that will be initially marketed by the company. Incorporators and officials purchased the remaining 1,800 shares at \$2 per share. Walton F. Pennell is president.

SECURITIES ACT REGISTRATIONS. Effective October 27: Purex Corp. Ltd. (File 2-22806); United Mexican States (File 2-22835). Effective October 28: Keystone Railway Equipment Co. (File 2-22780). Withdrawn October 28: First Western Real Estate Investment Trust (File 2-21843).

*As estimated for purposes of computing the registration fee.

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