ECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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

Washington 25, D.C.

n ordering full text of Releases from Publications Unit, cite number)

(Issue No. 63-1-21) FOR RELEASE January 30, 1963

READING TUBE FILES EXCHANGE OFFER. Reading Tube Corporation, 350 Fifth Avenue, New York, filed a registration statement (File 2-21042) with the SEC on January 28 seeking registration of 4,160 shares of first preferred stock ($23.25 par) and 450,000 shares of Class A common stock. It is proposed to offer such stock in exchange for preferred and common stock of Progress Manufacturing Company, Inc., on a share for share basis. No underwriting is involved.

Organized under Delaware law in December 1962, the company commenced operating the business and assets which it acquired from the Reading Tube Division of Progress Manufacturing pursuant to a reorganization agreement between Progress Manufacturing and the company. Said division was comprised of a copper and brass tube business formerly carried on by Reading Tube Corporation, a New Jersey company which was merged into Progress Manufacturing in July 1960. The company manufactures and sells copper and brass tube for use in the construction, plumbing, refrigeration, air conditioning and other industries; integral finned tube of copper and brass alloys used in heat exchange and refrigeration industries; and capillary gauge tube used in guages, pressure controls and other equipment. According to the prospectus, Progress Manufacturing determined to dispose of its Reading Tube Division and believed that the transfer of the division to the company and the exchange offer would be the most desirable method of disposition; and accordingly Progress Manufacturing intends to offer to its shareholders, through this exchange, an opportunity to exchange all or part of their present holdings in Progress Manufacturing for stock of the company. Pursuant to an agreement between Progress Manufacturing and two groups of its shareholders, one group of shareholders representing the management of the company (being also the former management of the division and the old Reading Tube company) has agreed to exchange 4,160 shares of Progress Manufacturing preferred and 200,406 shares of Progress Manufacturing common for shares of company's preferred and common stock. The second group of shareholders, comprising the principal management of Progress Manufacturing, has agreed not to participate in the exchange offer to any extent. Thus, the exchange offer is available to the holders of 80,307 shares of Progress Manufacturing preferred and 969,670 shares of Progress Manufacturing common, including shares held by the first group. Progress Manufacturing will accept for exchange all shares of Progress Manufacturing preferred up to 4,160 and all Progress Manufacturing common up to an unspecified amount. If more than 4,160 preferred and such amount of common shares are deposited, such shares will be accepted on a pro rata basis. Assuming that the present management officials of the company are the only Progress Manufacturing shareholders who exchange their shares, B. F. Stolinsky Company, of Jersey City (majority owned by B. F. Stolinsky, board chairman and president of the company, and his family) will own 89.71% of the outstanding Class A stock of the company, and management officials as a group 96.76%. Pursuant to the reorganization agreement, preferred stock (4,160 shares), and Class A and Class B common stock of the company are to be issued in exchange for the assets of the Division. The number of Class A shares to be issued is to be equal to the number of Progress Manufacturing common shares accepted for exchange, and the balance, if any, of common shares of the company to be issued for such assets will be Class B stock and will be retained by Progress Manufacturing. The aggregate number of Class A and Class B shares of the company to be issued will be determined on a formula basis.

SEC FILES IN CLUTE CORP. CASE. The SEC announced today that it has entered an appearance in the proceedings under Chapter X of the Bankruptcy Act for the reorganization of The Clute Corporation, of Littleton, Colorado, pending in the United States District Court for the District of Colorado, at Denver. The voluntary petition was filed on November 5, 1962 and Ben Parker was appointed as trustee. The Debtor and its subsidiaries are engaged in the mining of asbestos, the producing of mica, the manufacture of truck-mounted hydraulic gear, and in the design and fabrication of certain agricultural equipment. It has assets (at October 15, 1962) of $2,523,874, consisting primarily of its investment in its subsidiaries and production assets, and liabilities of $1,399,047, consisting primarily of claims, notes, judgements and accounts payable (in the amount of $591,422), as well as 7% series A debenture notes due February 1962 ($542,292) and 7% series B debentures due 1964 ($250,000). The debentures are held by about 30 persons. The Debtor also has outstanding 16,950 convertible preferred and 1,314,582 common shares held by about 2,500 investors.

COMPLAINT FILED AGAINST SEARIGHT, AHALT & O'CONNOR, INC. The SEC New York Regional Office announced January 21 (LR-2490) the filing of a court action (USDC, SDNY) seeking to enjoin Searight, Ahalt & O'Connor, Inc., a New York broker-dealer, George A. Searight, its president (Great Neck, L.I.,N.Y.), Henry C. Ahalt, vice president (Washington, D.C.), and Gerard K. Springer, general manager (New Rochelle, N.Y.), from violating the Commission's net capital rule.

COURT ACTS AGAINST SANDKUHL & CO. The SEC New York Regional Office announced January 25 (LR-2491) the entry of a Federal court order (USDC, Newark) freezing the assets of Sandkuhl & Company, Inc., a Newark, N. J. broker-dealer, and ordering the defendants Sandkuhl & Company, Henry Sandkuhl, president, and Marvita Sandkuhl, former vice president (both of Short Hills, N.J.) and Florence Marcelin, former secretary-treasurer (Matawan, N.J.), to show cause on January 28, 1963, why the Commission should not add as a defendant, Barbara Anne Kunz, the firm's present secretary-treasurer; why a preliminary injunction should not be granted restraining violations of the Securities Exchange Act anti-fraud and bookkeeping provisions by the defendants; why the firm should not be ordered to bring its book and records into compliance with the requirements of the Exchange Act; and why a receiver of the property and assets of the firm should not be appointed.

OVER

ELECTRONIC DISPENSER FILES FOR STOCK OFFERING. Electronic Dispenser Corp., 118 East 28th Street, New York, filed a registration statement (File 2-21044) with the SEC on January 29 seeking registration of 50,000 shares of common stock, to be offered for public sale at $2 per share. The offering will be made on a best efforts basis by L. D. Brown Co., 170 Broadway, New York, which will receive a 30¢ per share selling commission and an additional 10¢ per share (on shares sold) for expenses. The underwriter has received 1,000 common shares (transfer restricted) for its preliminary non-accountable expenses and a 1-year warrant to purchase 5,000 shares at 25¢ per share. The company has issued to its legal counsel a one-year warrant to purchase 3,000 shares at 25¢ per share and has paid Julius C. Bennet a finders fee of $2,000.

The business of the company is the manufacture and sale of the SAFER Butter Chipping machine and the processing and sale of tray-forming and chip-covering materials. Neither the company nor its predecessor, which was organized in 1960, has engaged in any actual production or merchandising operations until now, all their activities having been devoted to experimentation, research and development, improvement and testing of said machine. According to the prospectus, the machine is now standardized and is in quantity production. The $72,000 estimated net proceeds from the stock sale will be used to manufacture the machine and purchase tray-forming materials; to process and warehouse such materials; for a service department, spare parts and training of service employees; and for advertising and sales activities. In addition to certain indebtedness and preferred stock, the company has outstanding 352,308 shares of common stock (which are restricted as to transfer and are also included in this registration statement), of which Joseph M. Mauriello, secretary-treasurer, owns 13.39% and management officials as a group 24%. J. Franklyn Viola is president. Sale of new stock to the public will result in an increase in the book value of stock now outstanding from about 30¢ to 49¢ per share with a resulting dilution of $1.51 per share in the book equity of stock purchased by the public.

OKLAHOMA GAS AND ELECTRIC PROPOSES BOND OFFERING. Oklahoma Gas and Electric Company, 321 North Harvey Ave., Oklahoma City, Okla., today filed a registration statement (File 2-21046) with the SEC seeking registration of $15,000,000 of first mortgage bonds due 1993, to be offered for public sale at competitive bidding. The net proceeds from the bond sale will be used to pay part of the company's 1963 construction program, estimated at an aggregate of $35,000,000. Construction expenditures for 1964-65 are estimated at an aggregate of $45,000,000.

SECURITIES ACT REGISTRATIONS. Effective January 29: Fireman's Fund Insurance Co. (File 2-20980); Nippon Electric Company, Ltd. (File Nos. 2-20940 and 2-20941). Effective January 30: Diplomat Associates (File 2-20832); The Japan Development Bank (File 2-21009); Lewiston-Gorham Raceways, Inc. (File 2-20843). Withdrawn January 28: Superior Commercial Corp. (File 2-20886). Withdrawn January 29: American Southwest Realty Trust (File 2-19772). Withdrawn January 30: Delta Bowling Corp. (File 2-20785).

---oooOooo---