

# 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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**BARTH VITAMIN FILES FOR SECONDARY.** Barth Vitamin Corporation, 270 West Merrick Road, Valley Stream, L. I., New York, filed a registration statement (File 2-19658) with the SEC on January 23rd seeking registration of 180,000 outstanding shares of Class A stock, to be offered for public sale by the holders thereof on an all or none basis through underwriters headed by H. Hentz & Co. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes (1) 10,000 outstanding shares underlying 5-year warrants to be sold to the principal underwriter by the selling stockholders at 10¢ each, exercisable initially at 110% of the offering price (of which 4,000 warrants will be transferred to Mason Bogen, an employee of the underwriter), and (2) 5,000 outstanding shares to be offered by the selling stockholders directly to company employees.

The company (formerly Barth-Levitt Products, Inc.) is primarily engaged in the sale, principally through a nation-wide mail order business using catalogs and other direct mailings, of a comprehensive line of vitamin and food supplement products and dietary foods. It also sells cosmetics and health aid equipment. Pursuant to a recent recapitalization, the 100 common shares then outstanding and owned by Sol Levitt, president, and Eleanor Levitt, secretary (the selling stockholders) and Robert Mintz, executive vice president, were changed into 268,200 Class A and 220,800 Class B shares. Subsequently an additional 31,800 Class A shares and 79,200 Class B shares were issued to said three persons in connection with the company's acquisition of outstanding shares, not already owned by the company, of six subsidiaries. As a result, the Levitts each now own 130,000 Class A and 150,000 Class B shares and Mintz 40,000 Class A shares. The Levitts propose to sell 92,500 Class A shares each.

**LEXINGTON INCOME TRUST FILES FOR OFFERING.** Lexington Income Trust, 630 Third Avenue, New York, filed a registration statement (File 2-19659) with the SEC on January 22nd seeking registration of 200,000 shares in the Fund, to be offered for public sale at current net asset value plus a sales charge of 8.5% by Templeton, Damroth Security Managers, Inc., the Fund's sponsor, investment adviser and principal distributor.

**GRAND BAHAMA DEVELOPMENT FILES FOR STOCK OFFERING.** The Grand Bahama Development Company Limited, Freeport, Grand Bahama, Bahamas (and 250 Park Avenue, New York), filed a registration statement (File 2-19657) with the SEC on January 23rd seeking registration of 250,000 shares of common stock, to be offered for public sale through underwriters headed by Allen & Company. The public offering price and underwriting terms are to be supplied by amendment. The prospectus states that the company recently sold to the principal underwriter 40,000 shares at \$10 per share.

The company was organized under the laws of the Bahama Islands in March 1961 to engage principally in the sale and development of land for residential and resort purposes on Grand Bahama Island. Approximately 102,000 acres, comprising about one-third of the Island, have been conveyed to the company for residential and resort development by The Grand Bahama Port Authority, Limited (the Port Authority) a privately-owned Bahamian company. According to the prospectus, the Port Authority has been given broad powers from the Government of the Bahamas to develop on the Island a "free port" comprising about 127,000 acres, to consist of industrial, residential and resort areas. Of such acreage, the Port Authority conveyed the said 102,000 acres to the company for \$12,000,000 (\$50,000 in cash and 1,195,000 shares). The Port Authority had previously purchased 5,000 shares of the company for \$50,000. The net proceeds from the stock sale will be used for the following projects, which are all in the preliminary stage: the construction of a 200 room deluxe resort hotel; the expansion of the utility systems to serve the first 6,700 acres that will be developed; road construction and preparation of lots for sale on the first 6,700 acres; the building of sample homes, a golf course and related club facilities; and for advertising, promotion and administrative expenses. Any balance will be added to working capital and used for general corporate purposes. In addition to the land conveyed to the company by the Port Authority, the company has acquired a seven-year option to purchase for \$2,500,000 the timber rights on about 110,000 acres of additional land (not part of the free port area) situated on the easterly one-third of the Island. It paid \$500,000 for the option, which sum is exclusive of the price payable upon its exercise.

In addition to certain indebtedness, the company has outstanding 2,450,000 shares of common stock, of which 1,250,000 shares were issued for \$12,500,000. The Port Authority owns 47% of the outstanding stock and Seven Arts Productions (Bahamas) Limited and Lorado of Bahamas, Limited, 20.4% each. The 49.8% of the stock of the Port Authority, whose president is Wallace Groves, is owned by Abaco Lumber Company Ltd., which is owned by Mrs. Wallace Groves. Variant Industries Ltd., which owns a 25.2% interest in the Port Authority, is owned by the Charles W. Hayward family. Louis Chesler, president of the company, is board chairman of Seven Arts Productions, Ltd., which owns the Bahamas company of the same name. Pursuant to an agreement between Chesler and the company, Chesler may purchase 200,000 common shares of the company at \$10 per share over the next five years. Alfred Cowan, executive vice president, has been granted a five-year option to purchase 50,000 shares at \$13.50 per share.

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**GREEN ACRES FUNTOWN FILES FOR RIGHTS OFFERING.** Green Acres Funtown, Inc., 120 Broadway, New York, filed a registration statement (File 2-19660) with the SEC on January 23rd seeking registration of 225,000 shares of common stock. It is proposed to offer such shares for subscription at \$3 per share to the holders of 1,793,451 outstanding shares of Bowling Corporation of America (BCA), the company's parent. R. L. Warren Co. is the underwriter. The rate of subscription is to be supplied by amendment. The statement also includes 32,500 shares underlying 30-month warrants to be sold to the underwriter for \$32.50, exercisable at \$3.50 per share.

The company was organized under New York law in January 1962 by BCA for the purpose of operating an indoor amusement and recreation park and indoor ice skating rink in the Green Acres Shopping Center located in Valley Stream, Long Island, N. Y. BCA, which owns and operates ten-pin bowling centers and amusement and recreation parks, transferred to the company a lease agreement between it and the owner of said shopping center in exchange for 100,000 common shares (100%) of the company and \$1,000. The lease covers a 74,000 square foot building to be built by said owner for the company. It is anticipated that opening cash costs of the Green Acres Funtown project will aggregate \$525,000, and the \$564,000 estimated minimum net proceeds from the stock sale will be applied thereto, including \$150,000 for an ice skating rink and air conditioning equipment, \$100,000 for down payment on equipment, and \$150,000 for electrical, plumbing, ventilation and ductwork. Ruben A. Dankoff is president of the company and of BCA, and all other management officials of the company hold corresponding offices in BCA. After the stock sale, BCA will own about 31% of the outstanding stock of the company for which it will have transferred the said lease and paid \$1,000, and the public will own about 69% for an investment of \$675,000. Sale of the new shares will result in an increase in the book value of stock now outstanding from 1¢ to \$1.74 per share and a corresponding dilution of \$1.26 per share in the book equity of stock purchased by the public.

**EVANS FILES FOR OFFERING AND SECONDARY.** Evans, Inc., 36 South State St., Chicago, filed a registration statement (File 2-19661) with the SEC on January 23rd seeking registration of 130,000 shares of common stock, of which 20,000 shares are to be offered for public sale by the company and 110,000 shares, being outstanding stock, by the holders thereof. The offering will be made on an all or none basis by Allen & Company. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes 13,000 shares underlying 3-year warrants to be sold to the underwriter at 50¢ each, exercisable at a price to be supplied by amendment. The prospectus states that an additional 12,000 outstanding shares are to be purchased by the underwriter from the selling stockholders (at a price also to be supplied by amendment).

The company is to be organized under Delaware law as successor to and to carry on the business of Evans Fur Co., an Illinois company, a subsidiary, Hermel Fur Service Corp. and its eleven affiliated corporations. The company and its subsidiaries will be engaged in the sale at retail of fur apparel, cloth coats, suits and related items and services at the Evans store in Chicago, and in the sale of fur apparel and related services through leased fur departments in nine stores in eight other cities. Net proceeds from the company's sale of additional stock will be added to working capital.

The company will have outstanding after acquisition of the affiliated companies 520,000 shares of common stock, of which A. L. Meltzer, president, and Minerva Meltzer, secretary, own 287,041 and 110,550 shares, respectively, and propose to sell 100,000 and 5,000 shares, respectively. In addition, David B. Meltzer and Harold Sussman, vice presidents, own 76,476 and 38,924 shares, respectively, and propose to sell 8,500 shares each.

**DIAMOND MILLS FILES FOR OFFERING AND SECONDARY.** Diamond Mills Corporation, 417 Fifth Avenue, New York, filed a registration statement (File 2-19662) with the SEC on January 23rd seeking registration of 250,000 shares of common stock, of which 150,000 shares are to be offered for public sale by the company and 100,000 shares, being outstanding stock, by the holders thereof. Drexel & Co. heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged principally in the manufacture and sale of ladies' and misses' nylon hosiery. Of the net proceeds from the company's sale of additional stock, \$765,000 will be used to pay the balance of indebtedness incurred in 1961 for the purchase of seamless hosiery knitting machinery, and the balance will be added to working capital. In addition to certain indebtedness, the company has outstanding 510,500 shares of common stock (after giving effect to a recent 100-for-1 stock split), of which Samuel Rosenblum, president, and Simon Rosenblum, vice president, own 327,500 and 72,100 shares, respectively. They propose to sell 85,000 and 15,000 shares respectively.

**KEEWAYDIN SHORES ENJOINED.** The SEC Boston Regional Office announced January 19th (Lit-2178) the entry of a court order (USDC NH) permanently enjoining Keewaydin Shores, Inc. and La-Sal Properties, Inc., both of Landonia, N. H., from further offering of securities of the respective companies in violation of the Securities Act registration requirement.

**J A WINSTON CO., OTHERS, INDICTED.** The SEC New York Regional Office announced January 16th (Lit-2179) the return of an indictment (USDC SDNY) charging J. A. Winston & Co., Inc., of New York, and others with conspiracy to violate the Securities Act registration and anti-fraud provisions in the sale of Canuba Manganese Mines Ltd. stock. Other defendants: Aibert Bernstein, Irving Bernstein, Morrison Gilbert and Joel A. Winston, principals in the Winston firm; Co-conspirators: John Stuart, George Woodhams and George Woodhams & Co.

**I V POWELL INDICTED.** The SEC announced January 16th (Lit-2180) the return of an indictment (USDC SDNY) charging Irwin Vincent Powell with obstructing justice and making and using a fraudulent document in an SEC administrative hearing.

**LEIBOWITZ, ALMIN SECURITIES REGISTRATION POSTPONED.** The SEC today announced the issuance of an order under the Securities Exchange Act (Release 34-6714) postponing the effective date of an application for broker-dealer registration filed by Arthur Leibowitz, doing business as Almin Securities Co., of 175-5th Avenue, New York City. Leibowitz is a respondent in proceedings to determine whether his registration application should be denied. The order for proceedings contains allegations that in May 1961 he violated the Securities Act anti-fraud provisions in the sale of Class A common stock of Young Development Corp. According to the Commission's postponement order, the record developed at the hearing indicates that Leibowitz made false and misleading representations over the telephone in the offer and sale of the Young stock, including statements that the sale price of the stock, which ranged from 4 $\frac{1}{4}$  to 4-3/8, would double or increase to 8 in one week or go to 6 within two weeks, and that Young's estimated earnings for 1961 would be \$2 per share. Upon the basis thereof, the Commission concluded that a sufficient showing had been made to warrant a postponement of the effective date of Leibowitz' application for broker-dealer registration until final determination of the question whether said application should be denied.

**UNIVERSAL SECURITIES SAFION HEARING SCHEDULED.** The SEC has scheduled a hearing for February 5, 1962, in Cleveland, O., in pending proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of Herman A. Safion, doing business as Universal Securities Co., 303 West 42nd Street, New York. The hearing will commence in the Commission's Branch Office in Cleveland and thereafter will be transferred to the Commission's New York Regional Office. The proceedings involve charges that Safion made fraudulent representations in the offer and sale of stock of Frontier Ventures, Inc., and Alaska Dakota Development Co.

**SECURITY ADJUSTMENT HEARING SCHEDULED.** The Commission also has scheduled a hearing for February 6th in its New York Regional Office in pending proceedings to determine whether to revoke the broker-dealer registration of Security Adjustment Corporation, 16 Court Street, Brooklyn, New York. The proceedings involve alleged violations of the Commission's net capital rule as well as prior injunctions and convictions against the respondent and its secretary-treasurer, Warren W. Maslen.

**CONTINENTAL BOND & SHARE HEARING POSTPONED.** The hearing in proceedings to determine whether to revoke the broker-dealer registration of Continental Bond & Share Corporation, scheduled for January 24, 1962, in the Commission's New York Regional Office, has been postponed to February 13, 1962, on request of company counsel due to the illness of one of its principals.

**VICTOR ELECTRONICS FILES FOR OFFERING.** Victor Electronics, Inc., One Bala Avenue, Bala-Cynwyd, Pa., filed a registration statement (File 2-19664) with the SEC on January 23rd seeking registration of 150,000 shares of common stock, to be offered for public sale at \$5 per share. The offering will be made on a best efforts basis by D. L. Greenbaum & Company, which will receive a 50¢ per share selling commission and \$15,000 for expenses. The statement also includes (1) 7,500 shares underlying 5-year warrants to be issued to the underwriter, exercisable at \$5 per share, and (2) 23,000 outstanding shares, reserved for conversion of debentures held by Alar Small Business Investment Corp. and Hutchins and Associates Small Business Investment Corp.

The company was organized under Delaware law in May 1961 for the purpose of manufacturing, leasing and selling a device known as the Golfit under a license agreement with the Victor Development Company. The Golfit is an electronic amusement device which visually illustrates the path and distance of travel of a golf ball as it would occur if it had been driven off the tee by the stroke of the player. In October 1961, the company acquired the assets of Phillips Amusements, Inc., a manufacturer and distributor of pre-fabricated portable miniature golf courses sold under the trade name "Goofy Golf" and a coin operated putting game called "Golf Time." The \$630,000 estimated net proceeds if all shares are sold will be used for an inventory of the Golfit machines (\$262,500), for advertising and promotion (\$120,000), for repayment of loans to officers, for trade shows, an assembly plant for Golfit, research and development and for working capital.

In addition to certain indebtedness, the company has outstanding 99,614 shares of common stock, of which Arthur Tuchinsky, a director and the company's promoter, owns 34.5%; Kenneth Phillips, vice president, 24%; and management officials as a group 72%. Sale of new stock to the public at \$5 per share will result in an increase in the book value of stock now outstanding from \$1.42 to \$3.09 per share and a corresponding dilution of \$1.91 per share in the book equity of stock purchased by the public.

**SECURITIES ACT REGISTRATIONS.** Effective January 24: Elmar Electronics, Inc. (File 2-19073); Empire Fund, Inc. (File 2-18391); Food Corporation of America, Inc. (File 2-19098); Independent Telephone Corp. (File 2-19510); Macoid Industries (File 2-19035); Nuveen Tax Exempt Bond Fund, Series 2 (File 2-17648); Raritan Plastics Corp. (File 2-19052); Waddell & Reed (File 2-17275); W. T. Grant Co. (File 2-19544). Withdrawn January 24: Ceco Steel Products Corp. (File 2-19283).