

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington 25, D.C.

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

FOR RELEASE March 19, 1962

Statistical Release No. 1814. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended March 16, 1962, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1961 - 1962 is as follows:

| | 1957-59 = 100 | | Percent Change | 1961 - 1962 | |
|--------------------------|---------------|--------|-------------------|-------------|-------|
| | 3/16/62 | 3/9/62 | | High | Low |
| Composite | 144.3 | 143.1 | +0.8 | 146.5 | 118.3 |
| Manufacturing | 135.0 | 133.8 | +0.9 | 136.0 | 113.0 |
| Durable Goods | 135.6 | 134.9 | +0.5 | 138.9 | 117.0 |
| Non-Durable Goods | 134.4* | 132.9 | +1.1 | 134.4 | 109.2 |
| Transportation | 107.6 | 107.5 | +0.1 | 111.0 | 97.8 |
| Utility | 185.5 | 184.9 | +0.3 | 190.8 | 144.4 |
| Trade, Finance & Service | 177.0 | 173.4 | +2.1 | 193.0 | 132.5 |
| Mining | 105.5 | 108.4 | -2.7 | 113.3 | 83.3 |

*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended March 15, 1962, 47 registration statements were filed, 28 became effective, 9 were withdrawn, and 801 were pending at the week-end.

KELLEY REALTY FILES FOR STOCK OFFERING. Kelley Realty Corporation, 1620 South Elwood Street, Tulsa, Okla., filed a registration statement (File 2-19955) with the SEC on March 16th seeking registration of 430,000 shares of Class A common stock, to be offered for public sale through underwriters headed by Fulton, Reid & Co., Inc., 2100 East Ohio Building, Cleveland, and Walston & Co., Inc., 74 Wall Street, New York. The public offering price (maximum \$10 per share*) and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in March 1962 for the purpose of engaging in all phases of real estate operation, emphasizing the design, ownership and operation of new urban properties, including office buildings and apartments. The company operates a two story garden-type apartment development in Tulsa (the Riveroaks Apartment) completed in February 1961, and has under construction at 13-story luxury-type apartment building (the Turtle Creek North Apartment) in Dallas and a 16-story office building (the Petroleum Club Building) in Tulsa. Each of these projects was conceived and developed by Jack W. Kelley, president and board chairman, in partnership with certain investors. The company acquired the assets and assumed certain liabilities of an undivided 73-1/3% interest in two joint ventures whose principal assets consisted of the Petroleum Club Building and the Turtle Creek North Apartment, and also acquired the Riveroaks Apartment. The remaining outstanding interest in the two joint ventures will be acquired concurrently with this offering. The purchase price for the Petroleum Club Building joint venture will be 48,525 Class A shares, 28,825 Class B shares, promissory notes aggregating \$86,767 and \$145,383 cash. The purchase price for the Turtle Creek joint venture will be 33,375 Class A shares, 36,375 Class B shares, promissory notes aggregating \$61,028 and \$130,514 cash. The Riveroaks Apartment was acquired for 15,600 Class A and 9,800 Class B shares, and the company assumed a \$318,195 first mortgage on the premises. Of the net proceeds from the stock sale, \$163,000 will be used to pay promissory notes issued by the company in connection with its acquisition of the undivided interests in the Petroleum Club and Turtle Creek properties, \$275,897 to acquire the remaining interest therein, \$445,000 to retire two notes assumed in connection with the acquisition of said building and apartment (of which \$260,000 was used to acquire part of the land for the Petroleum Club Building, having a total cost of \$424,435, and \$175,000 was used to acquire a part of the land for the Turtle Creek North Apartment, having a total cost of \$214,262), \$1,882,000 to retire the construction loan on the Turtle Creek North Apartment, pay the retainage on the construction contract and prepare the apartment for occupancy, \$900,000 to provide estimated equity requirements for proposed new projects, including a medical building in Tulsa.

In addition to certain indebtedness, the company has outstanding 97,500 Class A and 75,000 Class B common shares (after giving effect to said acquisitions), of which Jack W. Kelley owns 35.90% and 93.34% respectively, and management officials as a group 100% of each class. After the stock sale to the public, management officials and their associates as a group will own 18.5% of the outstanding Class A and 100% of the outstanding Class B common stock (convertible into Class A share for share) received as partial consideration for the initial properties, which stock had an aggregate book value of \$184,696 as of March 1, 1962, and the public will own 81.5% of the outstanding Class A stock for an investment of \$4,300,000.

BUCKEYE PIPE LINE CO. FILES STOCK PLAN. The Buckeye Pipe Line Company, 30 Rockefeller Plaza, New York, filed a registration statement (File 2-19956) with the SEC on March 16th seeking registration of 74,900 shares of common stock, to be offered pursuant to its Stock Option Plan.

OVER

FLORIDA BANCING FILES FOR STOCK OFFERING. Florida Bancgrowth, Inc., 3356 Atlantic Blvd., Pompano Beach, Fla., filed a registration statement (File 2-19957) with the SEC on March 16th seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Dempsey-Tegeler & Co., Inc., 1000 Locust Street, St. Louis, Mo. The public offering price (maximum \$15 per share*) and underwriting terms are to be supplied by amendment.

The company was organized under Florida law in January 1962 and is registered under the Investment Company Act of 1940 as a closed-end non-diversified management investment company. It was formed for the specific purpose of providing a vehicle for diversified investment in the equity securities of banking institutions, primarily in Florida. The company presently owns interests in five banks: First National Bank in Fort Lauderdale, 1.5%; Fidelity National Bank of West Fort Lauderdale, 9.1%; First National Bank of Pompano Beach, 7.1%; Delray Beach National Bank, 19.5%; and Boca Raton National Bank, 13.7%. These interests were acquired from management officials and promoters of the company in exchange for 90,214 common shares. The company has outstanding 100,000 shares of common stock, of which Milton N. Weir, president, together with his wife, three sons and firms owned by them, own 60.5%, and William K. Archer and Walter R. Severson, directors, 16% and 15%, respectively. Present stockholders purchased 9,786 of such shares at \$13.80 per share, including the underwriter (5,000 shares).

INVESTMENT SECURITIES CO. FILES FOR OFFERING AND SECONDARY. The Investment Securities Company, 901 Washington Avenue, St. Louis, Mo., filed a registration statement (File 2-19958) with the SEC on March 16th seeking registration of 250,000 shares of common stock, of which 125,000 shares are to be offered for public sale by the company and 125,000 shares, being outstanding stock, by Preston Estep, president and principal stockholder. The offering will be made by Scherck, Richter Company, 320 No. Fourth Street, and Dempsey-Tegeler & Co., Inc., 1000 Locust Street, both of St. Louis. The public offering price (maximum \$20 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of owning and managing other companies, principally insurance companies and insurance agencies. Among such companies are Transit Casualty Company and Selective Insurance Company, both of which are underwriters of multiple line fire and casualty insurance; Peoria City Lines, Inc., which operates a public transportation system; State National Life Insurance Company; three insurance agencies; a truck rental company; a mutual fund; and an investment advisory service for the fund. The net proceeds from the company's sale of additional stock will be used in part to retire a \$500,000 bank loan (the proceeds of which, together with other borrowings and funds, were used to purchase the stock of Selective Insurance for \$860,235, and to repurchase and retire 20,000 outstanding preferred shares of the company for \$1,148,000). The balance of such proceeds will be used to increase working capital and for possible future expansion and acquisitions.

In addition to certain indebtedness and preferred stock, the company has outstanding 801,840 shares of common stock, of which Estep owns 66.4% (and proposes to sell the 125,000 shares) and management officials as a group 82%.

BUDGET FINANCE PLAN FILES FINANCING PLAN. Budget Finance Plan, 6434 Wilshire Blvd., Los Angeles, filed a registration statement (File 2-19959) with the SEC on March 16th seeking registration of \$3,000,000 of 6% series A subordinated capital income debentures due 2010 (convertible into 6% serial preferred shares, \$10 par) and 50,000 shares of common stock. Such securities are to be offered for public sale through underwriters headed by Shearson, Hammill & Co., 14 Wall Street, New York. The public offering price (maximum \$21 per common share*) and underwriting terms are to be supplied by amendment. The statement also includes 12,860 common shares underlying outstanding options expiring in 1966 and exercisable at \$11 per share, which options are to be sold to the underwriters by two institutional investors.

The company, operating mostly through wholly-owned finance subsidiaries located in 15 states, is engaged primarily in the small loan business, and to a lesser extent in purchasing retail installment sales contracts originating with retail dealers in automobiles, household furniture, appliances and other merchandise sold on a time payment basis. It is also engaged in commercial accounts receivable financing. The net proceeds from the debenture and stock sale (including shares underlying said options) will be added to general funds and used initially to reduce short term indebtedness incurred to provide subsidiaries with working capital to finance increased receivables outstanding and the opening of additional offices. In addition to various indebtedness and preferred stock, the company has outstanding 614,400 shares of common stock, of which Charles S. Offer, president and board chairman, owns 11.98% and management officials as a group 23.28%.

FINANCIAL CORP. OF SANTA BARBARA FILES FOR OFFERING AND SECONDARY. Financial Corporation of Santa Barbara, 1035 State Street, Santa Barbara, Calif., filed a registration statement (File 2-19960) with the SEC on March 16th seeking registration of 200,000 shares of capital stock, of which 150,000 shares are to be offered for public sale by the company and the balance, being outstanding stock, by the holders thereof. Dean Witter & Co., 632 S. Spring Street, Los Angeles, heads the list of underwriters. The public offering price (maximum \$20 per share*) and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in January 1962 and proposes to acquire for 635,250 shares the guarantee stock (127,050 shares) of Santa Barbara Mutual Building and Loan Association, which is a capital stock savings and loan association. The Association is engaged in the business of lending money, primarily to enable borrowers to purchase, construct, improve or refinance real property. The net proceeds from the company's sale of additional stock will be used to purchase additional shares of guarantee stock of the Association or to be contributed to its non-withdrawal capital, and the balance to provide working capital for the company. Of the 635,250 shares of the company to be issued for the guarantee stock of the Association, Lloyd I. Tilton, president, will receive 73,185 shares and six other management officials (including Sidney A. McFarland, board chairman) will receive an aggregate of 23,275 shares. The list of selling stockholders and amounts to be sold by each are to be supplied by amendment.

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FOUR STAR TV FILES FOR SECONDARY. Four Star Television, 4030 Radford Avenue, North Hollywood, Calif., filed a registration statement (File 2-19961) with the SEC on March 16th seeking registration of 211,250 outstanding shares of capital stock, to be offered for public sale by the holders thereof through underwriters headed by Paine, Webber, Jackson & Curtis, 25 Broad Street, New York, and Dempsey-Tegeler & Co., Inc., 1000 Locust Street, St. Louis. The public offering price (maximum \$25 per share*) and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in the business of producing and marketing television film series and in related enterprises. Included among the half-hour series owned by the company are "Richard Diamond," "The Rifleman," "Robert Taylor's Detectives" and "Dick Powell's Zane Gray Theatre." Its one hour series are "Stagecoach West" and "Michael Shayne." The company recently purchased the outstanding stock of Marterto Productions Incorporated for \$1,800,000 (\$500,000 paid at the time of purchase) and received in connection therewith 90 one-half hour films of the "Make Room for Daddy" series. Of the purchase price for Marterto, \$1,300,000 is payable only out of the company's share of net receipts from the "Make Room for Daddy" series and "The Real McCoys" series, in which latter the company acquired a 25% profit interest for \$300,000 in cash. In addition to certain indebtedness, the company has outstanding 611,250 shares of capital stock, of which Richard E. Powell (Dick Powell), president, Charles Boyer and David Niven, vice presidents, and June Allyson Powell own 143,000, 102,000, 102,000 and 60,000 shares, respectively, and propose to sell 42,500 shares each. In addition, Thomas J. McDermott, executive vice president, owns 72,000 shares and proposes to sell 30,000 shares; and two others propose to sell all of their holdings of an aggregate of 11,250 shares.

MORTON'S SHOE STORES FILES FOR OFFERING AND SECONDARY. Morton's Shoe Stores, Inc., 558 Pleasant Street, New Bedford, Mass., filed a registration statement (File 2-19962) with the SEC on March 16th seeking registration of 517,122 shares of common stock, of which 175,000 shares are to be offered for public sale by the company and 342,122 shares, being outstanding stock, by the holders thereof. Dean Witter & Co., 14 Wall Street, New York, heads the list of underwriters. The public offering price (maximum \$18 per share*) and underwriting terms are to be supplied by amendment.

The company (which anticipates consolidation in April 1962 with two Massachusetts affiliates) is primarily engaged in the retail distribution of popular priced men's, women's and children's footwear and certain other related items through leased departments of self-service discount department stores and company-operated conventional shoe stores. The net proceeds from the company's sale of additional stock will be used to pay short term bank loans and for working capital to finance current and presently contemplated expansion of business. The company has outstanding 1,000,000 shares of common stock, of which Morton I. Narva, president, Morris Narva, board chairman, Jacob Narva, treasurer, Louis Narva, a vice president, and David M. Narva, a director, own 196,285, 125,230, 144,706, 105,833 and 105,833 shares, respectively. They propose to sell 61,267, 62,615, 57,720, 45,000 and 45,000 shares, respectively. The prospectus lists 12 other selling stockholders who propose to sell amounts ranging from 500 to 15,000 shares. After the stock sale, the Morris and Jacob Narva families will own 54.2% of the outstanding stock in approximately equal amounts.

EASTERN PA. INVESTMENT FILES FOR STOCK OFFERING. Eastern Pennsylvania Investment Company, 3 Penn Center Plaza, Philadelphia, filed a registration statement (File 2-19963) with the SEC on March 16th seeking registration of 450,000 shares of common stock, to be offered for public sale through underwriters headed by Drexel & Co., 1500 Walnut Street, Philadelphia, and Kidder, Peabody & Co., 20 Exchange Place, New York. The public offering price (maximum \$16 per share*) and underwriting terms are to be supplied by amendment.

The company is licensed as a small business investment company under the Small Business Investment Act of 1958 and is also registered as a closed-end non-diversified management investment company under the Investment Company Act of 1940. The \$6,750,000 estimated net proceeds from the stock sale will be added to general funds and used to finance the company's business, including payment of operating expenses. The company has outstanding 47,116 shares of common stock, of which The First Pennsylvania Banking and Trust Company (an organizer of the company in 1960) owns 64.1%, and seven other banks located in Eastern Pennsylvania and Delaware own the balance. Warden N. Hartman is president; and certain management officials of the banks are also management officials of the company.

TRADING IN AUTOMATED PROCEDURES SUSPENDED. The SEC announced March 16th the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934 temporarily suspending trading in the Class A stock of Automated Procedures Corporation on the National Stock Exchange for the ten-day period March 16 to 25, 1962, inclusive. The Commission's action, which follows the suspension of exchange trading in Automated Procedures stock by order of the Exchange, has the effect of extending the trading ban to the over-the-counter market by reason of Rule 15c2-2.

Automated Procedures maintains its principal office in New York City. It appears from information available to the Commission that the company has incurred indebtedness and expended a substantial part of its assets to acquire certain machinery and equipment a large part of which may not be suitable for the purposes for which it was intended to be used. Since there appears to be inadequate public information available concerning the operations and present financial condition of the company, and in view of the action of the Exchange in suspending exchange trading in this stock, the Commission concluded that it was necessary and appropriate in the public interest to suspend trading both on the Exchange and in the over-the-counter market.

FINANCIAL PUBLIC RELATIONS QUIZZED. Milton H. Cohen, Director of the SEC Special Study of Securities Markets, announced today that letters have been mailed to a limited number of corporations requesting certain information concerning financial public relations activities performed on behalf of these companies. Among the specific topics upon which information is requested are the existence of a corporate public relations department or the employment of an outside financial public relations firm or consultant; sale or other dispositions of corporate stock to financial public relations firms; the distribution of publicity releases and other material by corporations and financial public relations firms to financial journalists, brokerage firms, securities analysts and other persons connected with the securities business; and the presentation of speeches, interviews, press conferences, exhibitions and other events for similar groups connected with the securities business.

The letter emphasized that the fact that a particular company is included in the group from whom information is requested "should not be regarded as any reflection upon your company or anyone connected with it, or upon any public relations firm or consultant which may have been retained by your company. Nor should any question about a particular action or course of conduct be construed to mean that it either is, or is not, deemed by this Commission to have been a lawful, proper, or otherwise desirable one."

W. EDWARD TAGUE APPEAL DISMISSED. The SEC today announced the issuance of an order under the Securities Exchange Act (Release 34-6759) affirming an NASD expulsion of W. Edward Tague, doing business as W. Edward Tague Co., Pittsburgh. Tague had appealed an action of the National Association of Securities Dealers, Inc. suspending his membership for 30 days and fining him \$1,000 plus costs of \$271.54. The action of the Association was based upon findings that Tague in 29 transactions during the period April 13 to June 25, 1959 sold securities to customers at mark-ups ranging from 7.7% to 40% above concurrent cost or representative asked quotations published by the National Daily Quotation Bureau, Inc., in violation of Sections 1 and 4 of Article III of the Association's Rules of Fair practice. Subsequently, in an unrelated action the Association expelled Tague from membership in the Association for other violations of Sections 1, 4 and 27 of Article III of its Rules of Fair Practice, and the expulsion became final by virtue of the fact that Tague did not seek review of such action. Thus the suspension of which review was sought became merged in the greater penalty of expulsion. The Commission has considered the record in the matter on review and finds that Tague engaged in the conduct found by the Association and that such conduct violated the designated rules of the Association. The Commission finds further that having due regard to the public interest the penalties imposed by the Association are not excessive or oppressive.

TRADING IN BLACK BEAR INDUSTRIES SUSPENDED. 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 an additional ten-day period March 20 to 29, 1962, inclusive.

MARQUETTE CAPITAL SEEKS ORDER. Marquette Capital Co., Minneapolis, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company as defined in the Act; and the Commission has issued an order (Release IC-3450) giving interested persons until March 30th to request a hearing thereon. The company, which is a closed-end non-diversified investment company and also a small business investment company, has never had more than 25 stockholders and is not making and does not propose to make a public offering of its shares.

BOSTON FUND SEEKS ORDER. Boston Fund, Inc., Boston investment company, has applied to the SEC for an order under the Investment Company Act with respect to its proposed purchase of substantially all of the cash and securities of Fischer Investment Corporation; and the Commission has issued an order (Release IC-3451) giving interested persons until April 2d to request a hearing thereon. Fischer Investment is a personal holding company having two shareholders and with assets approximating \$520,612 as of January 19, 1962. Boston Fund proposes to issue its shares at their net assets value in exchange for such assets.

HAVEG INDUSTRIES FILES STOCK PLANS. Haveg Industries, Inc., 900 Greenbank Road, Wilmington, Del., filed a registration statement (File 2-19965) with the SEC on March 16th seeking registration of 38,259 shares of common stock, to be offered pursuant to its Employees' Restricted Stock Option Incentive Plans.

SECURITIES ACT REGISTRATIONS. Effective March 16: Long Island Lighting Co. (File 2-19792). Effective March 19: Data Design Laboratories (File 2-19112); Herman & Appley, Inc. (File 2-19232); Industry Fund of America, Inc. (File 2-18478); Lacle Petroleum Co. (File 2-19453); Pir-O-Wood (File 2-19367); U. S. Controls, Inc. (File 2-19036). Withdrawn March 19: American Sports Plan, Inc. (File 2-18419); Industrionics Controls, Inc. (File 2-18561); The Patent Merchandising Corp. (File 2-19341).

*As estimated for purposes of computing the registration fee.

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