SECURITIES AND EXCHANGE COMMISSION

# NEWS DIGEST

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

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

Washington 25, D.C.

FOR RELEASE April 30, 1962

Statistical Release No. 1824. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended April 27, 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 | 1962 | |
|---|---|---|---|---|---|
| | 4/27/62 | 4/20/62 | Change | High | Low |
| Composite | 134.7* | 139.6 | -3.5 | 144.3 | 134.7 |
| Manufacturing | 124.9* | 129.7 | -3.7 | 135.0 | 124.9 |
| Durable Goods | 123.1* | 129.5 | -5.0 | 135.6 | 123.1 |
| Non-Durable Goods | 126.7 | 130.0 | -2.5 | 134.4 | 126.2 |
| Transportation | 100.5* | 104.5 | -3.8 | 111.0 | 100.5 |
| Utility | 176.8* | 182.6 | -3.2 | 185.5 | 176.8 |
| Trade, Finance & Service | 169.4* | 173.7 | -2.5 | 178.2 | 169.4 |
| Mining | 102.2 | 105.9 | -3.5 | 113.3 | 99.7 |

*New Low

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended April 26, 1962, 20 registration statements were filed, 54 became effective, 6 were withdrawn, and 798 were pending at the week-end.

EMPIRE SECURITIES REVOKED. The SEC today announced a decision (Release 34-6791) revoking the broker-dealer registration of Empire Securities Corporation, 351 South State Street, Salt Lake City, for violations of the record keeping, financial reporting and credit restrictions under the Securities Exchange Act of 1934. Louis M. Haynie, president, was found by the Commission to be a cause of the revocation order.

The Commission ruled that during the period November 1955 to May 1961 Empire failed to make, keep current and preserve various books and records, as required, including itemized daily records of purchases and sales of securities and receipts and disbursements of cash. It also failed to file annual reports of financial condition for 1958 and 1959. Moreover, according to the decision, during the years 1956-58 Empire violated provisions of Regulation T (the margin rules) in that in approximately 55 purchases of securities for cash accounts of customers Empire did not receive payment therefor within the prescribed seven-day period and did not promptly cancel or liquidate the purchases or apply for an extension of time, and sold securities to customers in cash accounts when there were insufficient funds in the customers' accounts and when during the previous 90 days securities purchased in such accounts had been sold before they were paid for in full.

In reaching its decision, the Commission rejected various factors urged by Haynie as mitigating against an adverse ruling by the Commission.

INTERNATIONAL REALTY FILES FINANCING PLAN. International Realty Corporation, 919 North Michigan Avenue, Chicago, filed a registration statement (File 2-20286) with the SEC on April 27th seeking registration of $18,000,000 of sinking fund debentures due 1977, 360,000 shares of common stock and 5-year warrants to purchase 540,000 common shares. Such securities are to be offered for public sale in 180,000 units, each consisting of $100 of debentures, two common shares and warrants to purchase three additional shares. Kidder, Peabody & Co., 20 Exchange Place, New York, heads the list of underwriters. The interest rate on the debentures, exercise price of the warrants, public offering price of the units (maximum $110 per unit*) and underwriting terms are to be supplied by amendment. The statement also includes 20,000 like units ($2,000,000 of debentures, 40,000 common shares and warrants to purchase an additional 60,000 shares), 500,000 common shares and 1,400,000 Class B common shares, to be offered by the company in exchange for the entire real estate interests of 15 land trusts or partnerships, the capital stock of two corporations and certain non-cash assets of a real estate management partnership (and assumption of certain indebtedness).

The company was organized under Delaware law in June 1961. After said acquisitions the properties of the company will consist of 9 high-rise apartment buildings (including two under construction), two office buildings (one under construction), two hotels (one under construction), two parcels of land in Chicago, and a downtown Chicago parking garage. All properties are located in Chicago, except Allen Towers, an office building under construction in downtown New Orleans. Such assets will be acquired from several persons but principally from John J. Mack, board chairman and president, and Raymond Sher, senior vice president, or partnerships controlled by Sher, his brothers and other members of his family. The company has obtained first mortgage financing commitments from institutional lenders in the minimum aggregate amount of $31,500,000 which, together with a portion of the net proceeds from this financing, will be sufficient to retire all existing construction loans, to complete the four buildings under construction and to construct the apartment building proposed to be built in Chicago. Such proceeds will also be used to purchase other properties and for general corporate purposes, to pay taxes and for working capital and future development and construction. The prospectus states that a portion of such proceeds will be paid to certain stockholders to reimburse them for amounts previously expended for the development, but not the acquisition, of properties. Pursuant to

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said acquisitions, Mack will receive 162,415 common and 421,075 Class B shares, and Sherbo Investments and Sher Bros. (partnerships consisting of Sher and members of his family) an aggregate of 214,836 common and 556,980 Class B shares. After the sale of the units to the public and exercise of all the warrants, Mack and the Sher interests will own 12.5% and 16.5%, respectively, of the outstanding common shares.

DATA SYSTEMS DEVICES FILES FOR STOCK OFFERING. Data Systems Devices of Boston, Inc., 342 Western Ave., Boston, filed a registration statement (File 2-20287) with the SEC on April 26th seeking registration of 200,000 shares of common stock, to be offered for public sale at $5 per share. The offering will be made on an all or none basis by underwriters headed by Schmidt, Sharp, McCabe & Co., Inc., 1717 Stout St., Denver, which will receive a 50¢ per share commission. The statement also includes 50,000 shares underlying 5-year warrants to be sold to the principal underwriter for $500, exercisable at $5 per share.

Organized under Minnesota law in March 1962, the company proposes to engage in the design, development, research, engineering, production and sale of electronic and electro-mechanical devices and other such associated items. Its initial activity will be to design a line of electro-mechanical high speed printers which are used in conjunction with various electronic computers in electronic data processing systems. Of the net proceeds from the stock sale, together with $500,000 cash on hand, $250,000 will be used to design and develop a high speed printer including the first prototype thereof, $100,000 to acquire an equity interest in a plant suitable for the manufacture of products (not yet selected), $200,000 to acquire tools, dies, jigs and fixtures necessary to manufacture the high speed printer, and the balance to equip an office, drafting areas, laboratory and model shop, to equip a plant, and for working capital, principally for supplies, raw materials, to pay salaries and sales expense.

The company has outstanding 240,000 shares of common stock, of which Michael L. Robins, board chairman, owns 70,000 shares and management officials as a group 106,700 shares. Shortly after organization, the company sold 200,000 shares to some 20 persons at $2.50 per share and issued 40,000 shares to Robins for services rendered. 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 $2.08 to $3.18 per share with a dilution of $1.82 per share in the book equity of stock purchased by the public. S. Erick Kondi is president.

ADR'S FOR WESTERN DEEP LEVELS FILED. Morgan Guaranty Trust Company of New York filed registration statements (Files 2-20288 and 2-20289) with the SEC on April 26th seeking registration of 60,000 American Depositary Receipts for "A" Ordinary Registered Shares and 80,000 Receipts for "B" Ordinary Registered Shares of Western Deep Levels Limited, a South African company.

NORTEX OIL & GAS PROPOSES DEBENTURE OFFERING. Nortex Oil & Gas Corp., 1900 Life Building, Dallas, Texas, filed a registration statement (File 2-20290) with the SEC on April 27th seeking registration of $5,000,000 of 6% convertible subordinated debentures due 1977, to be offered for public sale through underwriters headed by Carreau & Company, 115 Broadway, New York. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the business of drilling for and producing crude oil and natural gas and acquiring producing and potentially producing oil and gas properties. The net proceeds from the debenture sale will be used to prepay $4,500,000 of outstanding notes held by Southwestern Life Insurance Company, and the balance will be added to general funds and used for working capital and other corporate purposes. In addition to certain indebtedness and preferred stock, the company has outstanding 801,564 shares of common stock, of which management officials as a group own 12%. James R. Wendover is president.

FOOTE MINERAL FILES STOCK PLAN. Foote Mineral Company, Route 100, Exton, Pa., filed a registration statement (File 2-20291) with the SEC on April 26th seeking registration of 62,894 shares of common stock, to be offered pursuant to its 1961 Restricted Stock Option Plan.

CONSOLIDATED LEASING FILES FOR FINANCING AND SECONDARY. Consolidated Leasing Corporation of America, 1012 Baltimore Avenue, Kansas City, Mo., filed a registration statement (File 2-20294) with the SEC on April 27th seeking registration of $1,100,000 of 6½% subordinated (junior) debentures due 1977 (with attached 10-year warrants to purchase 70,400 common shares), to be offered for public sale at 100% of principal amount (with warrants to purchase 32 shares for each $500 of debentures). The statement also includes 305,000 common shares, of which 285,000 shares are to be offered for public sale by the company and 20,000 shares, being outstanding stock, by the holders thereof. Blair & Co., 20 Broad St.,N.Y. heads the list of underwriters The exercise price of the warrants, public offering price of the common shares (maximum $9 per share*) and underwriting terms for both issues are to be supplied by amendment.

The company was organized under Delaware law in January 1962 and shortly thereafter acquired all of the outstanding stock of California Rent Car, Inc. (now a subsidiary) and the assets of California Rents (Cal Rents), a partnership (now a division of California Rent Car) for an aggregate of $2,164,000 in cash. Such funds were obtained by borrowing $1,100,000 from a Chicago bank (later replaced by a loan from State Mutual Life Assurance Company of America, Worcester, Mass., which also received warrants to purchase 44,000 common shares at $4 per share), the sale at par of $1,000,000 of 6½% junior subordinated debentures due 1974, and the sale at $1 per share of 245,000 common shares. California Rent Car is engaged in renting and leasing passenger cars and trucks in Southern California and Sacramento for operation throughout the country, and Cal Rents is engaged in the business of renting and leasing tools, trucks and contractors' machinery and equipment from rental lots located in Oakland and Sacramento. In March the company acquired the right to purchase for $100,000 an option, in which the principal underwriter has a one-half interest, to acquire all the outstanding stock of National Trailer Convoy, Inc., from L. I. Payne, its sole stockholder, for $1,150,000 in cash plus $3,000 per month from April 1, 1962 to the closing date. Convoy is in the business of hauling mobile homes and trailers through the United States. The net proceeds from the sale of the debentures and

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additional common stock will be used to repay the $1,650,000 advanced to the company in connection with its acquisition of California Rent Car (including payment of said debentures due 1974), to pay the purchase price for the stock of Convoy and for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 245,000 shares of common stock, of which Cruttenden, Podesta & Miller, W. Lon Hutchison, board chairman, and Lee Reeder, secretary, own 27.1%, 11.5% and 9%, respectively. Tad Hankey, president, and Robert Hillman, executive vice president, own 12.2% each. The latter two propose to sell 10,000 shares each.

PAY'N SAVE FILES FOR FINANCING AND SECONDARY. Pay'n Save Corporation, 514-524 Pike Street, Seattle, filed a registration statement (File 2-20295) with the SEC on April 27th seeking registration of $1,200,000 of convertible subordinated debentures due 1977, to be offered for public sale by the company, and 40,576 outstanding shares of common stock, to be offered by the holders thereof. Dean Witter & Co., 45 Montgomery Street, San Francisco, heads the list of underwriters. The interest rate on the debentures, public offering price for both issues (maximum $17 per common share*) and underwriting terms are to be supplied by amendment.

The company (successor to Ernst Hardware Company and Pay'N Save Drugs, Inc.) operates a hardware and housewares business, a drugstore business and nurseries and landscape business, all in the Seattle area. Of the net proceeds from the company's sale of debentures, together with the proceeds from its private sale of $800,000 of notes, $400,000 will be used to retire outstanding notes held by First National City Bank of New York, $675,000 for leasehold improvements and to equip and stock new drugstores in Mercer Island and Bellevue, Wash., and a new hardware store in Everett, Wash., all of which will be opened during the current year, $165,000 to move, equip and stock the University Village store in Seattle, and the balance will be used for alterations necessary to set up other stores to handle the sale of nursery stock and other related items, including additional inventory and to retire the company's short-term bank borrowings previously incurred for working capital purposes.

In addition to certain indebtedness, the company has outstanding 305,920 shares of common stock, of which Monte L. Bean, board chairman, and Joshua Green Corporation (of which Joshua Green, a company director, is president and substantial stockholder) own 44.4% and 11.4%, respectively, and management officials as a group 61.4%. The prospectus lists 6 selling stockholders including Bean and Joshua Green Corp., which propose to sell 19,000 and 5,000 shares respectively, and M. Lamont Bean, president, who proposes to sell 4,496 of 24,496 shares owned. Three others propose to sell an aggregate of 12,080 of 53,648 shares owned.

MINKUS STAMP & PUBLISHING FILES FOR STOCK OFFERING. Minkus Stamp & Publishing Co., Inc., 116 West 32nd Street, New York, filed a registration statement (File 2-20293) with the SEC on April 27th seeking registration of 150,000 shares of common stock, to be offered for public sale through underwriters headed by H. Hentz & Co., 72 Wall Street, and Hersfeld & Stern, 30 Broad Street, both of New York. The public offering price (maximum $6 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 7,500 shares underlying 5-year warrants sold to the principal underwriters at 10¢ each, exercisable initially at 100% of the public offering price.

The company is engaged in the business of operating leased stamp and coin departments in department stores located throughout the country, publishing stamp albums and catalogues and other philatelic items, and distributing mint stamps of certain foreign countries. Of the net proceeds from the stock sale $150,000 will be used to add additional titles to the company's line of publications and to open three new leased departments during 1962; and the balance will be added to working capital and used for general corporate purposes and to reduce dependence on short-term borrowings. In addition to certain indebtedness, the company has outstanding 350,000 shares of common stock, of which Jacques Minkus, president, owns 27.49%, and Mary Minkus, secretary-treasurer, Beatrice Minkus and Sara M. Beer 24.17% each.

REAL PROPERTIES FILES FOR STOCK OFFERING AND EXCHANGE. Real Properties Corporation of America, 745 Fifth Avenue, New York, filed a registration statement (File 2-20292) with the SEC on April 27th seeking registration of 300,000 shares of Class A stock, to be offered for public sale through underwriters headed by Stanley Heller & Co., 44 Wall Street, New York. The public offering price (maximum $16 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 100,000 Class A shares to be offered to two limited partnerships for the acquisition of certain properties.

The company has interests in a number of income-producing properties and also owns a general insurance agency and a mortgage servicing company. The company is offering to purchase from the 123 partners of South Federal Street Associates, of New York (an affiliated person), the latter's leasehold interest in and to the Borland Buildings in Chicago for 60,000 Class A shares, and from the 82 partners of L. A. Company, of New York (also affiliated), its leasehold interest in the Harris Newmark Building in Los Angeles for 40,000 shares. The net proceeds from the stock sale will be used to pay a purchase money mortgage in the amount of $2,175,000 affecting three locations in Toledo, Canton and Portsmouth, Ohio, which represents the final payment on the purchase price ($3,400,000) for such properties acquired by the company in November 1961. The balance will be used to reduce or pay in full existing bank loans.

In addition to certain indebtedness, the company has outstanding 700,701 Class A and 120,000 Class B shares. Theodore Sayers, president, and Peter Gettinger, board chairman, own 50% each of the Class B stock. Management officials as a group own 4.6% of the outstanding Class A shares. Holders of Class B shares, voting as a class, have the right to elect two-thirds of the board. The prospectus states that for the four months ended January 31, 1962, the company suffered a net loss of $198,387.

COBURN CREDIT PROPOSES DEBENTURE OFFERING. Coburn Credit Co., Inc., 53 North Park Avenue, Rockville Centre, N. Y., filed a registration statement (File 2-20296) with the SEC on April 27th seeking registration of $5,000,000 of convertible subordinated debentures due 1982, to be offered for public sale through underwriters headed by Brand, Grumet & Seigel, Inc., 49 West 33rd Street, New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment. The statement also includes (1)

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50,000 shares underlying 5-year warrants sold to the underwriters for $2,500, exercisable at a price to be supplied by amendment, and (2) 20,000 shares underlying warrants sold to said underwriter and Kesselman & Co., Inc. for $1,000, in connection with a prior offering by the company, exercisable at $8 per share.

The company is engaged primarily in the consumer sales finance business which consists of the purchase by the company from retail dealers of installment contracts entered into by customers with the dealers in connection with installment purchases of merchandise. The net proceeds from the debenture sale will be added to general funds and will be available for working capital and general corporate purposes. All or a portion of such proceeds may be used to reduce indebtedness to A. J. Armstrong Co., Inc. temporarily until the company requires additional advances for the acquisition of installment contracts. In addition to certain indebtedness, the company has outstanding 899,275 shares of common stock, of which management officials as a group own 47.6%. Harold Grossman is board chairman and Irving L. Bernstein is president.

ROE-STRATORAY OIL GUILTY. The SEC Fort Worth Regional Office announced April 20th (Lit-2251) that a verdict of guilty had been returned by a Federal court jury (USDC, Fort Worth, Tex.) against D. H. Roe and Stratoray Oil Corporation on all five counts of indictment charging violations of the Securities Act registration requirements in the sale of oil and gas leases coupled with collateral agreements.

WHIFFEN ESTATE INC., OTHERS ENJOINED. The SEC Fort Worth Regional Office announced April 26th (Lit-2252) the entry of a Federal court order (USDC, Dallas) permanently enjoining further violations of the Securities Act registration requirements in the sale of oil and gas interests by Whiffen Estate Inc., R. A. Graddy, Ralph H. Roach, William A. Driscoll and Jack N. Kirksmith.

SEC COMPLAINT NAMES LLOYD MILLER & CO. The SEC New York Regional Office announced April 27th (Lit-2253) the filing of a Federal court complaint (USDC SDNY) seeking to enjoin Lloyd, Miller & Co., of New York, and Howard Mallek and Martin Clare, officers, and Virginia A. Wood Mallek, director, from further violating the broker-dealer registration and bookkeeping provisions of the Securities Exchange Act.

WORLD LAND CORP., OTHERS ENJOINED. The SEC Denver Regional Office announced April 27th (Lit-2254) the entry of a Federal court order (USDC Colo.) permanently enjoining further violations of the Securities Act registration and anti-fraud provisions in the offer and sale of stock and notes of World Land Corporation by that company and William R. Cunningham, Evelyn Cunningham, Irvin Heyman and Jennings B. Moss. Preliminary injunction continued as to five other defendants.

I.D.S. STOCK SPLIT DISAPPROVED. The SEC announced April 27th the denial of an application by Investors Diversified Services, Inc. of Minneapolis for an exemption order under the Investment Company Act permitting it to effect a 10-for-one split of its non-voting common stock (Release IC-3474). The exemption was sought for the split because the Act prohibits the issuance by a registered investment company of non-voting shares. IDS presently has outstanding some 879,000 shares of non-voting stock and 574,540 shares of voting stock. (The voting stock also was to be split, but no exemption was required to effect that split).

The Commission stated that it was clear that the intended result of the split was to make the shares attractive to a broader class of investors by a drastic reduction in the market price. "Thus, although the percentage of shares without a vote would not be increased by the stock split, the potential of the split would be to enlarge the absolute number of shareholders without voting rights -- and thus further an 'inequitable distribution of control'." The Commission ruled that although the statute did not undertake to disturb pre-existing non-voting shares that fact "does not justify our taking affirmative action tending to aggravate a problem left in status quo. To do so would be in derogation of a basic policy of the Act." The Commission stated that it could not assume that the non-voting status would be of only temporary duration because of an intended recapitalization of the company. Subsequent to the argument in this case but prior to the Commission's decision IDS formulated a plan of recapitalization providing for elimination of the non-voting feature and submitted it to the Commission with a request for an advisory opinion on its fairness. However, the Commission pointed out that both IDS and Allan P. Kirby, a stockholder of IDS and of Alleghany Corporation (which owns approximately 47% of the voting and 14% of the non-voting stock of IDS) predicted that any such plan would be the subject of extended litigation. The Commission concluded that "Accordingly, it will not be known until some unpredictable future time whether or in what manner the question of the voting rights of these shares will be resolved."

Commissioner Frear in a separate opinion concurred in the denial of the application for the stock split because "it carried no assurance of the basic reform of providing equal voting rights."

In a dissenting opinion Commissioner Whitney expressed the view that (1) the Act does not require the elimination of the non-voting stock of IDS, and (2) the stock split would be a technical and formalistic issue of shares which would not have any aggravating effect on the existing concentration of voting power. He concluded that an exemption was warranted under the statutory pattern contemplating exemptions in situations where the result would not be inconsistent with the policies and purposes of the Act.

SECURITIES ACT REGISTRATIONS. Effective April 30: American Telephone & Telegraph Co. (File 2-20228); Atico Financial Corp. (File 2-19494); Ford Motor Co. (File 2-20257); The Futterman Corp. (File 2-19517); International Paper Co. (File 2-20229); Interstate Vending Co. (File 2-19622); Lefcourt Realty Corp. (File 2-17549); Martin-Marietta Corp. (File 2-20195); Miles Laboratories, Inc. (File 2-20115); Mountain Electronics Co. Inc. (File 2-19640); Chas. Pfizer & Co., Inc. (File 2-20149); Sunray DX Oil Co. (File 2-20225); Wheeling Steel Corp. (File 2-20157). Withdrawn April 30: Keller Corp. (File 2-18437); Northern Wood Products Corp. (File 2-19388).

*As estimated for purposes of computing the registration fee.

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