

NEWS DIGEST

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



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VIOLATIONS CHARGED TO JANOV & CO. The SEC ordered proceedings under the Securities Exchange Act of 1934 to determine whether Samuel Janov, doing business as Janov & Co. (a sole proprietorship), 1510 Chestnut Street, Philadelphia, and Janov & Co., Inc., of the same address, violated certain provisions of the said Act and rules of the Commission thereunder and, if so, whether the broker-dealer registrations of Janov and Janov & Co. should be revoked.

Janov has been registered with the Commission as a broker-dealer since September 10, 1960 and Janov & Co. since April 8, 1962; and Janov is also president of Janov & Co. Arthur F. Euler is secretary of Janov & Co. and was employed by Janov as office manager and registered representative since September 1960; and Paul F. Wakeman was employed by Janov during April 1962 as a registered representative or salesman. In its order, the Commission recites charges of its staff that information developed in an investigation tends to show that from January 1961 to April 26, 1962, Janov (aided and abetted by Euler) violated the margin and credit requirements of the Exchange Act and Regulation T thereunder. The staff also charges that Janov (again aided and abetted by Euler) on numerous occasions from October 1961 through March 1962 engaged in the conduct of a securities business in violation of the Commission's net capital rule, and that he also violated the reporting requirements by failing to amend his registration application, on and after Wakeman's employment, to report the fact that Wakeman had been enjoined in December 1961 from violating the Act and certain rules thereunder.

A hearing will be held, at a time and place to be announced, for the purpose of taking evidence to determine whether the staff charges are true and, if so, whether the broker-dealer registrations of Janov and Janov & Co. should be revoked. Janov is a member of the National Association of Securities Dealers, Inc.; and one of the issues in the proceedings is whether he also should be suspended or expelled from NASD membership.

KANSAS CITY SOUTHERN INDUSTRIES FILES EXCHANGE PLAN. Kansas City Southern Industries, Inc., 114 West 11th Street, Kansas City, Mo., filed a registration statement (File 2-20510) with the SEC on June 27th seeking registration of 2,040,000 shares of common stock and 840,000 shares of preferred stock (\$25 par). It is proposed to offer such stock in exchange for the outstanding common and preferred stock of Kansas City Southern Railway Company and at the rate of two common shares of the company for each common share of Railway Co. and two preferred shares of the company for each preferred share of Railway Co. Georgeson & Co., 52 Wall Street, New York, will solicit exchanges and will be paid fees not exceeding \$2,500 plus expenses.

The company was organized under Delaware law in January 1962 by the directors of Railway Co. as part of a plan of diversification of Railway Co. As yet there has been no determination as to the type or types of enterprises in which the company will engage. Railway Co. is an operating rail carrier serving an area between metropolitan Kansas City and Port Arthur, Texas, and has a number of subsidiaries which, in combination with the Railway, make up an integrated rail carrier system known as Kansas City Southern Lines. William N. Deramus is board chairman of the company and Railway, William N. Deramus, III is president of both, and they have other common management officials.

LING-TEMCO-VOUGHT FILES FOR SECONDARY. Ling-Temco-Vought, Inc., Post Office Box 5003, Dallas, Texas, filed a registration statement (File 2-20512) with the SEC on June 28th seeking registration of \$4,037,200 of outstanding 5½% subordinated convertible debentures due 1976, to be offered for public sale by James J. Ling, vice chairman of the board, from time to time on the New York Stock Exchange, or otherwise, at prices prevailing at the time of sale. Ling also intends to sell from time to time all or part of warrants expiring in 1966 to purchase an aggregate of 23,405 common shares at \$30 and \$40 per share. He also owns 79,611 common shares of the company and \$100,000 of debentures due 1971. The debentures to be offered by Ling were in part received by Ling upon surrender of common shares of Chance Vought Corporation owned by him in connection with the complete liquidation of Chance Vought following sale of its assets to the company in August 1961, and in part issued to him upon conversion of debentures of Chance Vought owned by him and assumed by the company in connection with the purchase of said assets.

The company is engaged, through its subsidiaries and divisions in the design, development and production of military aircraft and missiles, electronic products and electro-mechanical and acoustical equipment, in modification and electronic aero-systems work on military aircraft and in the production of air conditioning and refrigeration equipment, information systems for industrial automation control and other products. In addition to certain indebtedness and preferred stock, the company has outstanding 2,782,062 shares of common stock, of which management officials as a group own 7.6%. Robert McCulloch is board chairman and G.K. Johnson is president.

CAMPBELL CHIBOUGAMAU MINES FILES FOR SECONDARY. Campbell Chibougamau Mines Ltd., 55 Yonge Street, Toronto, Ontario, Canada, filed a registration statement (File 2-20513) with the SEC on June 28th seeking registration of 118,200 outstanding shares of common stock, to be offered for public sale by the holders thereof from time to time on the American and Toronto Stock Exchanges or in the over-the-counter market at the then prevailing market prices (maximum \$5 per share*).

The company is engaged in the exploration, development and production of copper-gold properties in the

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Chibougamau area, some 300 miles north of Montreal. In addition to certain indebtedness, the company has outstanding 4,431,517 shares of common stock, of which management officials as a group own 2.59%. Charles W. Clark is president. New York & Honduras Rosario Mining Company, the Estate of A.M. Collings Henderson and the Estate of Eliot W. Henderson propose to sell 100,000, 11,400 and 6,800 shares, respectively.

GREATER MCCOY'S MARKETS FILES FOR SECONDARY. Greater McCoy's Markets, Inc., 17602 Bellflower Blvd., Bellflower, Calif., filed a registration statement (File 2-20514) with the SEC on June 28th seeking registration of 219,150 outstanding shares of Class A common stock, to be offered for public sale by the holders thereof through underwriters headed by Morris Cohon & Co., 19 Rector Street, New York. The public offering price (maximum \$14 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the operation of 16 retail food supermarkets in the Los Angeles area. In addition to certain indebtedness, it has outstanding 219,150 Class A and 267,850 Class B common shares, of which Joseph D. Saul, president, and Isidor Part, vice president, each owns 44% of the Class A and 50% of the Class B shares. Saul and Part propose to sell all of their Class A holdings (96,450 shares each) and three others propose to sell the remaining 26,250 shares.

MCGRATH CORP. FILES FOR SECONDARY. John W. McGrath Corporation, 39 Broadway, New York, filed a registration statement (File 2-20515) with the SEC on June 28th seeking registration of 253,875 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Bear, Stearns & Co., One Wall Street, New York. The public offering price (maximum \$15 per share*) and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in the business of contract stevedoring and related marine terminal operations. In addition to certain indebtedness, it has outstanding 802,419 shares of common stock (after giving effect to a recent 6-for-1 stock split), of which the trustees under the will of John W. McGrath, founder, hold 65.3%, and management officials as a group own 18.4%. The prospectus lists 23 selling stockholders who propose to sell all of their holdings (with one exception) including Eileen F. McGrath, board chairman (56,700 shares) and John W. McGrath, president (33,300 shares). Others propose to sell amounts ranging from 900 to 27,000 shares. Eileen F. McGrath has a vested interest in the income of the trust.

FLORIDA JAI ALAI FILES FOR STOCK OFFERING. Florida Jai Alai, Inc., Fern Park, Florida, filed a registration statement (File 2-20516) with the SEC on June 28th seeking registration of 400,000 shares of common stock, to be offered for public sale at \$5 per share. The names of the underwriters and underwriting terms are to be supplied by amendment.

The company operates on leased premises the Orlando-Seminole Jai Alai Fronton, in which jai alai is played and wagered upon through pari-mutual betting. The Fronton is leased from Florida Auditorium Corp., wholly-owned by Stephen A. Calder, president and principal stockholder of the company. The net proceeds from the stock sale will be used for payment of the first year's rent in the amount of \$103,447.97; a minimum of \$1,225,194 and a maximum of \$1,227,652 to purchase the Fronton presently under lease free and clear of all encumbrances; \$190,000 for the construction of a 1,400 seat balcony in the Fronton (contractors have not yet been asked for bids); and for working capital. The prospectus states that the company has had only 83 jai alai playing days of operation to date and its loss for the period ended April 30, 1962 was \$15,003.

The company has outstanding 400,000 shares of common stock (after giving effect to a recent 4,000-for-1 stock split), of which Calder, Thomas A. Donofrio, a vice president, and R.B. Wall, Jr., secretary, own 37.5%, 29% and 10.5%, respectively.

HUTTON ASSOCIATES SEEKS ORDER. E.L. Hutton Associates, Inc., New York, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-3492) giving interested persons until July 23, 1962 to request a hearing thereon. According to the application, Hutton has not more than 30 beneficial holders of its outstanding common stock, and it has applied for withdrawal of its registration statement under the Securities Act of 1933 and does not presently propose a public offering of its stock.

MIDWEST TECHNICAL DEVELOPMENT SEEKS ORDER. Midwest Technical Development Corporation, Minneapolis, Minn., has applied to the SEC for an exemption order under the Investment Company Act with respect to the proposed sale by Midwest to Minco Products, Inc. of 960 shares of Minco's common stock; and the Commission has issued an order (Release IC-3491) giving interested persons until July 16, 1962 to request a hearing thereon. Minco proposes to purchase the 960 shares (which represent about 28% of the outstanding stock of Minco) at \$20 per share. It purchased the stock in March 1959 at \$10 per share.

LONDONTOWN MGF. HEARING POSTPONED. Upon request of the parties, the hearing scheduled for July 2, 1962, in proceedings to determine whether to suspend the Securities Act registration statement filed by the Londontown Manufacturing Company (Baltimore) has been postponed to September 10, 1962.

FUND INVESTMENTS FILES FOR STOCK OFFERING. Fund Investments, Inc., 1301 E. Morehead Street, Charlotte, North Carolina, filed a registration statement (File 2-20517) with the SEC on June 28th seeking registration of 80,000 shares of Class B common stock, to be offered for public sale at \$5 per share. The offering will be made by the Company's registered representatives who will receive a 5% selling commission.

The company is engaged in the retailing of mutual fund shares to the public in North Carolina, South Carolina and Georgia, and it also manages the business of a mutual fund retailer doing business in Florida and Alabama under an agreement to purchase such business before 1970 for about \$191,240. Of the net proceeds from the stock sale, \$313,000 will be added to general working capital and used to expand business and

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existing offices and to open new offices and the balance to pay loans from stockholders. The company has outstanding 1,000 Class A and 10,000 Class B shares (after giving effect to a recent 100% stock dividend on the Class B stock), of which Sister Perfection, president, and Marjorie G. Hugo, secretary, own an aggregate of 30.5% of the Class A. Management officials as a group own in excess of 75% of the Class A and 4% of the Class B shares.

DIVERSIFIED REALTY INVESTORS FILES FOR OFFERING. Diversified Realty Investors, 19 East First South, Salt Lake City, Utah, filed a registration statement (File 2-20518) with the SEC on June 28th seeking registration of 1,900,000 certificates of interest in the trust, to be offered for public sale at \$1 per interest. The offering will be made on a best efforts basis by Realty Securities, Inc., of the East First South street address, which will receive an 8¢ per share selling commission.

Registrant is a business trust organized under Utah law in June 1962 and is designed to offer investors an opportunity to participate jointly in large and diversified real estate investments by owning transferable shares in diversified income producing properties and other real estate interests. It is designed to qualify as a "real estate investment trust" under the Internal Revenue Code. The net proceeds from the sale of interests will be used to acquire suitable real estate investments. The formation of the trust was initiated on behalf of Guaranty Trust Deed Corporation which will act as advisor and manager for the trust and Realty Securities, the underwriter. The manager is associated with the underwriter, in that certain persons affiliated with the underwriter are management officials of the manager, and all of the outstanding stock of the underwriter is held by the manager (or persons affiliated with it). R. William Bradford, Jr. is a trustee and executive agent to administer the affairs of the trust.

GLASS-TITE INDUSTRIES FILES FOR SECONDARY. Glass-Tite Industries, Inc., 725 Branch Avenue, Providence, Rhode Island, filed a registration statement (File 2-20519) with the SEC on June 28th seeking registration of 662,914 outstanding shares of common stock, which may be offered for public sale by the holders thereof at some future time on the American Stock Exchange or otherwise at prices current at the time of sale. Such shares are a portion of the 1,009,375 shares which were issued by the company in connection with its acquisition in December 1961 of the assets of Saegertown Glasseals, Inc.

The company manufactures and sells a varied line of hermetic glass-to-metal seals and terminals for the semi-conductor industry and for relay and crystal product manufactures and also produces custom-made units for particular applications. In addition to certain indebtedness, the company has outstanding 2,080,031 shares of common stock, of which Indiana General Corporation owns 11.28%. Ralph R. Papitto is president. The prospectus lists 19 selling stockholders who may sell all of their holdings, including Henry F. Scheetz, Jr. (138,535 shares) and Robert J. Kennedy (61,377 shares). Others may sell holdings ranging from 3,337 to 59,375 shares (the latter by Carl M. Loeb, Rhodes & Co., Inc.).

SECURITIES ACT REGISTRATIONS. Effective June 29: Baker Street Company (File 2-19977); Foot. Mineral Company (File 2-20291); Israel Hotels International, Inc. (File 2-19903); Mattel, Inc. (File 2-20203); Sharon Steel Corporation (File 2-20401); Trans-Alaska Telephone Company (File 2-19381). **Withdrawn June 29:** Greater-Pittsburgh Capital Corporation (File 2-19294); SEG Electronics Co., Inc. (File 2-19014).

*As estimated for purposes of computing the registration fee.

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