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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NASD SUSPENSION OF LEONARD ZIGMAN AFFIRMED. The SEC today announced a decision under the Securities Exchange Act (Release 34-6701) sustaining an order of the National Association of Securities Dealers, Inc., which suspended for twelve months the registration of Leonard H. Zigman, of North Miami Beach, Fla., as a registered representative. Zigman has appealed the action of the NASD, which found that Zigman had engaged in a "serious breach" of his obligations to his employer and as a securities salesman, and that his conduct was inconsistent with just and equitable principles of trade. The violation of NASD rules involved the maintenance by Zigman of an account with his employer in a fictitious name so as to conceal its true identity, and on two occasions allocating to such account portions of the employer's participation in public offerings being quoted at above the offering price and immediately thereafter disposing of the shares at a profit.

According to the decision, Zigman in April 1957, while working for the Miami Beach branch office of Bache & Co., opened an account with that firm under the fictitious name of "Bruce Young." From then until the account was discovered in June 1960, Zigman effected 22 transactions for himself through the account, including on two occasions the purchase at the offering price and immediate resale at a profit of a portion of the firm's participation in two distributions of securities. The first such transaction was in April 1957 when Zigman purchased 200 shares of Florida Steel stock at the $8.50 per share offering price and resold them the same day at $10.37½ per share for a profit of $338.14; and the second occurred in May 1960 when he purchased 50 shares of Forest City Enterprises stock at the offering price of $10 and resold them the next day at $14 for a net profit of $186.22. The Commission rejected Zigman's explanation of his conduct as an "implausible excuse" and sustained the 12-month suspension as not excessive or oppressive. (Bache & Co. reported Zigman's misconduct to the New York Stock Exchange, and, acting upon the Exchange's orders, suspended Zigman's employment for three months in 1960 and then discharged him.)

LUTHER L. BOST REGISTRATION REVOKED. In a decision announced today (Release 34-6703), the SEC revoked the broker-dealer registration of Luther L. Bost, doing business as L. L. Bost Company, 3328 Greenmount Ave., Baltimore, for fraud in the sale of securities. He also was expelled from National Association of Securities Dealers, Inc. membership.

According to the decision, Bost in August 1959 commenced an offering, as principal underwriter on a best efforts basis, of 150,000 common shares of Publishers Company, Inc., at $2 per share. Publishers was a newly-formed company engaged in the sale of encyclopedias and similar reference books. In April 1960 the Commission commenced a court action to enjoin the sale of stock by Bost through false and misleading representations; but the court, noting that Bost had offered to discontinue his retail sales of the stock and that Publishers had ceased all sales, dismissed the case as moot on condition that Bost discontinue trading in Publishers stock.

In its decision the Commission reviewed the testimony of several investors taken in its administrative proceedings and concluded on the basis thereof that Bost and certain salesmen had made false and misleading representations with respect, among other things, to Publishers' earnings, contracts, plans to list the stock on an exchange, the number of shares still available for sale, and anticipated increases in the price of the stock. Despite representations that Publishers had earned 50¢ per share and projections of $3 yearly earnings, as well as statements that the stock "was a real good buy and was certainly designed to move up within the next six months to $5 or $6 a share," Publishers' president testified that earnings amounted only to 15¢ per share through February 1960; that, contrary to other representations Publishers never had any contracts or negotiations for the sale of encyclopedias to the Teamsters Union of Sears Roebuck & Co.; and that there had been no discussion or arrangements to list the stock on an exchange. Although at least 53,651 shares remained unsold in April 1960, one salesman had represented that only a couple of thousand shares were left unsold. The offering was discontinued by Publishers in May 1960 and the unsold shares issued to creditors in extinguishment of certain of their claims.

In ruling that revocation of Bost's registration was in the public interest, the Commission rejected various objections by Bost to the testimony of certain witnesses and a plea in mitigation that his alleged misstatements played only a limited part in connection with the sales he made and that serious misrepresentations were made almost exclusively by a salesman, without authority, who was employed only about a month and discharged.

ANSCOTT CHEMICAL INDUSTRIES FILES FOR STOCK OFFERING. Anscott Chemical Industries, Inc., Industrial West, Allwood-Clifton, N. J., filed a registration statement (File 2-19614) with the SEC on January 5th seeking registration of 95,000 shares of common stock, to be offered for public sale at $2 per share. The offering will be made on an all or none basis by Glass & Ross, Inc. and Globus, Inc., which will receive a 20¢ per share commission and $7,500 for expenses. The statement also includes (1) 25,000 shares underlying $50,000 of convertible notes sold to the underwriters against cash advances in such amount (to be converted into such shares on the effective date of this statement), and (2) 25,000 shares underlying 3-year warrants to be sold to the underwriters for $250, and 5,000 shares underlying like warrants sold to Werksman, Saffron and Cohen, company counsel, for legal services, all exercisable at $2 per share.

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Organized under New Jersey law in January 1960, the company is principally engaged in the development, sale and distribution of specialty chemicals, chemical detergents and detergent compounds for the dry cleaning and laundering industries, restaurants, industrial maintenance and other commercial uses. In addition, the company has developed specialized cleaning processes which apply methods and procedures devised by the company for use in conjunction with manual, mechanical or automated electronic measurement and dispensing systems adapted for this purpose by the company. The net proceeds from the stock sale will be used primarily for sales promotion and enlargement of the company's sales force to bring the company's products and processes to market, and will also be used for continuation of the company's program of developing specialized cleaning processes and for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 180,000 shares of common stock, of which Albert A. Pariser, president, owns 51%, Martin Scher, vice president, and Robert A. Scher, treasurer, 8.75% each, and Milton Werksman 14%. After the stock sale, present stockholders (other than holders of said convertible notes) will own 60% of the outstanding stock for an aggregate cash investment of $42,750, and the public will own 32% for an investment of $190,000. Sale of new stock to the public will result in an increase in the 27¢ per share book value of stock now outstanding and a corresponding dilution in book equity of stock purchased by the public.

AINSBROOKE FILES FOR OFFERING AND SECONDARY. Ainsbrooke Corporation, 350 Fifth Avenue, New York, filed a registration statement (File 2-19615) with the SEC on January 8th seeking registration of 200,000 shares of capital stock, of which 100,000 shares are to be offered for public sale by the company and 100,000 shares, being outstanding stock, by the holders thereof. The offering will be made at $10 per share on an all or none basis through underwriters headed by Richard Bruce & Co., Inc., which will receive a $1 per share commission and $20,000 for expenses. The statement also includes 25,000 outstanding shares underlying a 4-year option to be granted to the underwriter by the selling stockholders, exercisable at $10 per share.

The company was organized under New York law in November 1961 to acquire the stock of two New York companies, Carmi-Ainsbrooke Corporation and Brown Century Corp., for which the company issued 257,422 and 167,578 shares, respectively. Through such subsidiaries (which will be merged into the company after completion of this offering) the company engages in the manufacture and distribution of men's and boys' underwear and pajamas. Of the $885,000 estimated net proceeds from the company's sale of additional stock, $500,000 will be used for expansion of the company's production facilities and for additional inventory. The balance of the proceeds will be added to working capital and used for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 425,000 shares of capital stock, of which Irving Flamberg, board chairman, owns 104,770 shares and proposes to sell 24,652 shares; and Morton Flamberg, president, and Robert Flamberg, secretary and treasurer, own 82,471 shares each and propose to sell 19,405 shares each. The prospectus lists 8 other selling stockholders who propose to sell amounts ranging from 6,536 to 38,977 shares.

CONSUMERS MART OF AMERICA FILES FOR STOCK OFFERING. Consumers Mart of America, Inc., 4701 North Harlem Avenue, Chicago, filed a registration statement (File 2-19616) with the SEC on January 8th seeking registration of 72,000 shares of common stock, to be offered for public sale through Rittmaster, Voisin & Co. and Midland Securities Co., Inc. and two other firms. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes 28,000 shares to be sold to the underwriters at the public offering price less the underwriting discount, of which 8,000 shares will be re-sold to four persons, as a finder's fee, at the public offering price.

The company is engaged in the operation of discount department stores. Each store contains a supermarket, which is directly operated by the company, and a number of other departments, which are operated by licensed concessionaires in accordance with general merchandising policies established by the company. The net proceeds from the stock sale will be applied toward the costs of opening and equipping new stores, and the balance as additional working capital. The prospectus states that in 1962 the company proposes to open at least six additional stores in widely separated locations.

In addition to certain indebtedness, the company has outstanding 900,000 shares of common stock (after giving effect to a recent recapitalization whereby such shares were issued in exchange for the 535 shares then outstanding), of which J. A. Keilly, president, and Henry P. Stern and Jarvis Weiss, vice presidents, own 48.05%, 10.87% and 7.61%, respectively.

LITTON INDUSTRIES PROPOSES RIGHTS OFFERING. Litton Industries, Inc., 336 North Foothill Road, Beverly Hills, Calif., filed a registration statement (File 2-19617) with the SEC on January 8th seeking registration of $50,748,100 of convertible subordinated debentures due 1987. It is proposed to offer such debentures for subscription by holders of outstanding common stock and convertible securities, at the rate of $100 of debentures for each ten shares held or each ten shares which holders of outstanding convertible securities would be entitled to receive upon conversion. Lehman Brothers and Clark, Dodge & Co. head the list of underwriters. The interest rate, record date, subscription price and underwriting terms are to be supplied by amendment.

The principal business activities of the company are the manufacture and sale of electronic systems; electronic components; business machines, equipment and supplies; commercial electronic equipment and services; and nuclear-powered submarines and other vessels. Net proceeds from the debenture sale will be used to pay a debt incurred for working capital, to pay an $8,000,000 debt of a wholly-owned subsidiary, The Ingalls Shipbuilding Corp., under an agreement with the Navy Department and incurred prior to its acquisition by the company, and the balance will be added to general funds and will be available for any corporate purposes.

In addition to various indebtedness and preferred stock, the company has outstanding 4,786,037 shares of common stock, of which management officials as a group own 13.9%. Charles B. Thornton is board chairman and Roy L. Ash is president.

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BILNOR CORP. FILES FOR SECONDARY. Bilnor Corp., 300 Morgan Avenue, Brooklyn, N. Y., filed a registration statement (File 2-19618) with the SEC on January 8th seeking registration of 100,000 outstanding shares of Class A capital stock, to be offered for public sale by the holders thereof on an all or none basis through underwriters headed by A. C. Allyn & Co. The public offering price ($11 maximum) and underwriting terms are to be supplied by amendment. The statement also includes 10,000 outstanding shares to be sold to the underwriter by the selling stockholders at a price to be supplied by amendment, and (2) 20,000 shares issuable upon exercise of restricted stock options.

The company is primarily engaged in the design, assembly, manufacture and sale of wading pools, both inflatable and rigid, portable swimming pools, pool covers and pool accessories. Pursuant to a recent recapitalization, the company issued an aggregate of 110,000 Class A and 190,000 Class B capital shares to Julius Billig, president, and William Z. Norman, secretary-treasurer, in exchange for the shares of the company then owned by them, such shares representing all of the outstanding stock of the company. They each own 50% of each class and propose to sell all of their Class B holdings.

CALUMET INDUSTRIES FILES FINANCING PLAN. Calumet Industries, Inc., 10 South LaSalle Street, Chicago, filed a registration statement (File 2-19619) with the SEC on January 8th seeking registration of $1,550,000 of 6½% sinking fund subordinated debentures due 1982 and 100,750 shares of common stock, to be offered for public sale in units, each consisting of $1,000 of debentures and 65 shares. The offering will be made at $1,032.50 per unit ($32.50 for the stock) on an all or none basis through underwriters headed by Cruttenden, Podesta & Co. which will receive an $82.60 per unit commission.

The company was organized under Delaware law in November 1961 for the purpose of acquiring and operating substantially all of the operating assets and business of Calumet Refining Company (Calumet), a Delaware company engaged in the marketing of low-cold test lubricating oils, fuel oils, and asphalt products produced by it from select crude oils. The purchase price will be $3,482,243, less cash on hand and in banks and the book value of the other assets to be retained by Calumet, amounting to an aggregate of $1,658,948, plus the assumption of certain liabilities. The net proceeds from this financing, together with a $1,000,000 term loan from a bank, estimated to aggregate $2,440,345, will be used as follows: $1,623,295 to pay the balance of the price of the assets of Calumet after deducting a $200,000 deposit, $103,000 to pay a loan from the principal underwriter, and $714,050 to provide funds for working capital. According to the prospectus, the net book value of the acquired assets of Calumet is $1,599,841, the excess of the cash purchase price therefor being $223,454.

The company has or will have outstanding 330,000 shares of common stock, of which Harry J. Fair, Jr., board chairman, Robert S. MacClure, a director, Carl A. Harris, president, and the principal underwriter own 37.27%, 16.67%, 12.12% and 18.18%, respectively. Such stock was purchased at 50¢ per share.

COLUMBIA GAS SUBSIDIARY TO ISSUE NOTES. The SEC has issued an order under the Holding Company Act (Release 35-14558) giving interested persons until January 30th to request a hearing upon a proposal of Atlantic Seaboard Corporation, Charleston, W. Va., subsidiary of The Columbia Gas System, Inc., to issue and sell to Columbia an unsecured installment promissory note in the face amount of $6,000,000. The funds will be used by the subsidiary to repay to Columbia an emergency cash advance of $6,000,000 made in June 1961, to assist the subsidiary in making rate refunds to its customers in the amount of $8,653,700, pursuant to an April 1961 order of the Federal Power Commission.

NEW ORLEANS PUBLIC SERVICE FILES PROPOSAL. New Orleans Public Service Inc., New Orleans, La., has filed a proposal with the SEC under the Holding Company Act to transfer $710,264.89 from its earned surplus account to its capital surplus account as of December 31, 1961; and the Commission has issued an order (Release 35-14559) giving interested persons until January 30th to request a hearing thereon. The amount of the proposed transfer is equivalent to 50¢ per share on its outstanding common stock.

AMERICAN RESEARCH & DEVELOP. FILES FOR ORDER. American Research and Development Corporation, Boston investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed extension of the maturity date of $50,000 note issued to it by Intercontinental Electronics Corporation, an affiliate; and the Commission has issued an order (Release IC-3043) giving interested persons until January 30th to request a hearing thereon.

VINCENT ASSOCIATES LTD. ENJOINED. The SEC New York Regional Office announced January 5th (Lit-2170) the entry of a Federal court order (USDC SDNY) preliminarily enjoining Vincent Associates Limited, 217 Broadway, New York, from engaging in a securities business until its books and records are made available for Commission inspection, and directing said defendant and Vincent Agostino, its secretary-treasurer, to produce same for such inspection.

SECURITIES ACT REGISTRATIONS. Effective January 9: Berkshire Distributors, Inc. (File 2-18888); Campbell Soup Company (Files 2-19429 and 2-19430); Coleco Industries, Inc. (File 2-18966); Fram Corporation (File 2-18828); United States Crown Corp. (File 2-18729); Weiss Bros. Stores, Inc. (File 2-19216).

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