

# 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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**SEC RULES OF PRACTICE AMENDED.** The SEC today announced the adoption of an amendment to its Rules of Practice (Release 33-4400) relating to the issuance of subpoenas by Commission officers. The new rule provides that services of subpoenas may be effected by giving actual notice to the person to be served, by mailing the subpoena to him by registered or certified mail, or by any of several methods of delivery outlined in the Rule. The Rule also provides for service on an attorney who is representing the person to be served in a pending proceeding, or on a registered agent, officer, director, or manager of a corporation. This Rule is expressly made applicable to investigations as well as other hearings.

**SEC EMPLOYEE CONDUCT RULES AMENDED.** The SEC today announced a further, minor revision of its Regulations governing Conduct of Members and Employees and Former Members and Employees of the Commission (Release 33-4399). In a revision announced July 20th (Release 33-4395), the Commission included an amendment redesignating and renumbering certain paragraphs of Rule 3 of the Regulation. The present amendment is solely for the purpose of conforming the new paragraph numbers in the reference thereto in paragraph 3(d).

**MILLER SMITH & CO. HEARING CANCELLED.** The SEC has cancelled the hearing scheduled for August 3d in its Denver Regional Office in proceedings to determine whether the broker-dealer registration of Miller Smith & Co., Inc., of Denver should be revoked. The respondent company has waived hearing and consented to revocation of its registration. The Commission's decision will await its review of the stipulation and consent.

**KINGS ELECTRONICS HEARING POSTPONED.** On request of counsel for Kings Electronics Co., Inc., Tuckahoe, N. Y., the SEC has authorized a further postponement from August 2 to 16, 1961, of the hearing in "stop order" proceedings under the Securities Act pending against a registration statement filed by that company, in order to provide additional time within which counsel may attempt to negotiate a factual stipulation which would avoid the necessity of an evidentiary hearing.

**UNIVERSAL SURGICAL SUPPLY FILES OFFERING.** Universal Surgical Supply, Inc., Gibraltar Square, 9107 Wilshire Blvd., Beverly Hills, Calif., filed a registration statement (File 2-18615) with the SEC on August 1st seeking registration of 200,000 shares of common stock, of which 100,000 shares are to be offered for public sale by Dempsey-Tegeler & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment. It is proposed to offer the remaining 100,000 shares for subscription by stockholders of Houston Fearless Corporation, the company's parent, on the basis of one share for each 30 shares of Houston Fearless held of record September 1, 1961. The subscription price is to be supplied by amendment. According to the prospectus, subscription privileges will be not extended to stockholders living in certain states and foreign countries, or to a group of principal stockholders who own an aggregate of about 40% of the parents stock.

The company was organized under California law in March 1961 by Houston Fearless to take over the business of its Western Surgical Supply Division. It is engaged in the sale in California, Arizona and Nevada of comprehensive lines of medical, surgical and laboratory equipment, supplies and furnishings manufactured by others. The net proceeds from the stock sale, estimated at \$1,341,700, will be applied to augment working capital which will enable the company to account to Houston Fearless for funds collected upon accounts receivable belonging to Houston Fearless. Such working capital will also be used to repay short-term bank loans and to reduce trade accounts payable.

In addition to certain indebtedness, the company has outstanding 800,000 shares of common stock, of which Houston Fearless owns 100%. Noah Dietrich is listed as board chairman of the company and of Houston Fearless and E. M. Gherman as president of the company.

**WESTERN NATURAL GAS FILES STOCK PLAN.** Western Natural Gas Company, 1006 Main Street, Houston, Texas, filed a registration statement (File 2-18616) with the SEC on August 1st seeking registration of \$1,720,888 of interests of participants in the company's Employees' Stock Purchase Plan, and 50,000 shares of 5% convertible preferred stock, 1961 series (and 100,000 underlying common shares), which may be acquired pursuant thereto.

**EXECUTIVE EQUIPMENT FILES FOR STOCK OFFERING.** Executive Equipment Corporation, 790 Northern Blvd., Great Neck, N. Y., filed a registration statement (File 2-18617) with the SEC on August 1st seeking registration of 100,000 shares of common stock, to be offered for public sale at \$4 per share. The offering will be made through Reich & Co. and Jacques Coe & Co., which will receive a 40¢ per share commission. The registration statement also includes 20,000 outstanding Class B shares, of which 10,000 are to be sold to the underwriters by the holders thereof at \$1 per share, and 5,000 shares each to James R. Murphy and Jacques Coe & Co. at 10¢ per share for services. The latter will transfer to Harry B. Leslie, its employee, 5,000 Class B shares at 10¢ per share for 2,500 and \$1 per share for the remaining 2,500. In addition, the statement includes 25,000 common shares which may be sold pursuant to Restricted Stock Options.

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The company is engaged in the business of leasing automobiles, on a long term basis, to industrial concerns and other businesses and professional persons in the New York metropolitan area. Of the estimated \$322,500 net proceeds from the stock sale, \$210,000 will be used for the purchase of automobiles (a portion by the company and the balance by financing); \$64,000 to establish a trucking lease division in New York City; \$40,000 to establish a sales office in New Jersey; and the balance for working capital.

In addition to certain indebtedness, the company has outstanding 160,005 shares of Class B stock, of which Joseph Pollack, secretary, Frank Faske, executive vice president, Dominic Marano, president and board chairman, and Archie Schwartz, treasurer, own 33-1/3%, 24.91%, 16.67% and 16.66%, respectively. The May 31st book value per share of such outstanding shares was \$.7869 and, after the sale of new stock, will be \$1.869.

**MONMOUTH CAPITAL FILES FOR STOCK OFFERING.** Monmouth Capital Corporation, First National Bank Bldg., Main Street, Freehold, N. J., filed a registration statement (File 2-18618) with the SEC on August 1st seeking registration of 200,000 shares of capital stock, to be offered for public sale at \$10 per share. The offering will be made on a best efforts basis by Meade & Company, which will receive a \$1 per share selling commission and up to \$40,000 for expenses (including a \$5,000 finder's fee to William Garber).

The company was organized under New Jersey law in May 1961 as the Small Business Investment Company of Monmouth County. It is licensed as a small business investment company under the Small Business Investment Act of 1958, and is also registered under the Investment Company Act of 1940 as a closed-end, non-diversified investment company. The company intends to invest its funds in small business concerns representing a wide variety of industries and companies. The company has 17,200 capital shares outstanding, of which First National Bank of Freehold, Boniface DeBlasio, vice president, and Conrad DeBlasio own 9.7% each. William A. Kielmann is listed as president.

**PENNSAUKEN MONTGOMERYVILLE FILES FOR OFFERING.** Pennsauken Montgomeryville Company, 630 Fifth Avenue, New York, filed a registration statement (File 2-18619) with the SEC on August 1st seeking registration of \$645,000 of assignments of the interest of the limited partner, to be offered for public sale in 129 units at \$5,000 per unit. No underwriting is involved.

The company is a limited partnership organized under New York law in July 1961 by Jerome Dansker and Norman Dansker as general partners and Raphael M. Dansker as limited partner. The partnership proposes to loan \$650,000 to Pennsylvania Invesco Corporation (Invesco) on a \$650,000 note of Invesco bearing interest on unpaid principal at 10% per annum. The loan is to be secured by a second mortgage on the land (but not the buildings) of the Pennsauken and the Montgomeryville Merchandise Marts, two "farmer market" type shopping centers located near Philadelphia. The properties, which are the principal assets of Invesco, have been leased by Invesco until 1981 to an affiliate, Pennsauken Montgomeryville Corporation (Affiliate), for a net rental of \$120,000 per year. The Affiliate has subleased the premises to others. Invesco and the Affiliate are each wholly owned subsidiaries of Investors Funding Corporation of New York in which the general and limited partners are officers and principal stockholders. Each unit will represent a 1/130 fractional interest in the capital of the partnership. As the general partners have also contributed to the capital of the partnership, the total partnership capital upon completion of this offering will be \$650,000, the amount to be loaned to Invesco.

**MIDWEST PLANNED INVESTMENTS FILES FOR OFFERING.** Midwest Planned Investments, Inc., 1815 First National Bank Building, Minneapolis, Minn., depositor for Midwest Investors Program, today filed a registration statement (File 2-18621) with the SEC seeking registration of \$1,000,000 of Single Payment Programs and \$14,000,000 of Systematic Investment Programs.

**HI-SHEAR FILES FOR OFFERING AND SECONDARY.** Hi-Shear Corporation, 2600 West 247th Street, Torrance, Calif. today filed a registration statement (File 2-18622) with the SEC seeking registration of 139,500 shares of common stock, of which 105,000 shares are to be offered for public sale by the company and 34,500 shares, being outstanding stock, by the present holders thereof. William R. Staats & 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 design, development, manufacture and sale of high strength and close tolerance fastening devices and fastener assembly systems for the aircraft and missile industries. Of the net proceeds from the company's sale of additional stock, \$200,000 will be applied to discharge short-term bank loans, used to finance inventories and accounts receivable; \$300,000 to construct two new buildings for engineering and laboratory work and research, development and processing of exotic metals for use in its products; and the balance for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 423,840 shares of common stock, of which George S. Wing, president, and Allan J. Kirk, executive vice president, own 148,344 and 127,152 shares, respectively, and propose to sell 7,000 and 8,000 shares, respectively. Five others propose to sell amounts ranging from 2,500 to 5,000 shares.

**SECURITIES ACT REGISTRATIONS. Effective August 2:** Conolite, Inc. (File 2-18236); Famous Artists Schools, Inc. (File 2-18294); First Surety Corp. (File 2-18224); The Grand Union Company (File 2-18376); Polymetric Devices Company (File 2-18178); Texas Eastern Transmission Corp. (File 2-18257); The William Gatz Corp. (File 2-18252).