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 October 18, 1961

SEC TO PARTICIPATE IN TRUSTORS' CORP. REORGANIZATION. The SEC has entered its appearance in the Chapter X proceedings for the reorganization of Trustors' Corporation, of Los Angeles. The Debtor operated principally in Southern California with offices in Los Angeles. Its business was the purchase and resale of second trust deed notes. Investors in these notes were promised an annual return of 10% on their investment. The notes were retained in the possession of the Debtor which serviced them for its customers by attending to such matters as collections and delinquencies. Some 1,800 investors hold about $8.9 million in face amount of notes, $1.5 million of which are the Debtor's own obligations secured by various of its assets. Many of the trust notes are now in default.

The Debtor also has outstanding 42,834 shares of 6% cumulative preferred stock, $5 par value, held by 492 shareholders. All of the preferred stock was sold to the public following registration under the Securities Act of 1933. All of the outstanding common stock is held by officers of the company.

As of January 31, 1961, the Debtor's unaudited balance sheet showed assets totalling about $9.8 million, consisting of $3.3 million in real estate and $6.5 million receivable under contracts by which it had sold real estate. As of the same date, liabilities consisted of $8.9 million in mortgages payable.

NUTRI-BIO CORP. FILES FOR SECONDARY. Nutri-Bio Corporation, 291 South La Cienega Blvd., Beverly Hills, Calif., filed a registration statement (File 2-19144) with the SEC on October 17th seeking registration of 1,200,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering will be made at $5 per share through underwriters headed by Vickers, MacPherson & Warwick, Inc., which will receive a 50¢ per share commission and $35,000 for expenses. The registration statement also includes 120,000 outstanding shares underlying 18-month warrants to be sold to the underwriters by the selling stockholders for $1,200, exercisable at $5 per share. The underwriters will deliver warrants to purchase 20,000 of such shares to Murray Gilbert for services in connection with this offering. The prospectus states that 600,000 of the shares being offered will be reserved for prior offering to certain of the company's distributors at the public offering price.

The company is engaged primarily in the sale and distribution throughout the United States of vitamin, mineral and protein dietary food supplements for human consumption. It has outstanding 3,547,985 shares of common stock (after giving effect to a recent 335-for-1 stock split), of which J. Earl Shoaff, president and board chairman, and F. Richard Schnackenberg, J. Harry Ebbert, James C. Lewis, Robert Cummings and Paul R. Watson, senior vice presidents, own 16.74%, 10.76%, 15.62%, 14.90%, 15.99% and 14.90%, respectively, and propose to sell 200,000 shares each.

HOERNER BOXES FILES STOCK PLAN. Hoerner Boxes, Inc., 600 Morgan Street, Keokuk, Iowa, filed a registration statement (File 2-19147) with the SEC on October 16th seeking registration of 64,000 shares of common stock, to be offered pursuant to its 1960 Key Employees' Restricted Stock Option Plan.

POPULAR LIBRARY FILES FOR SECONDARY. Popular Library, Inc., 355 Lexington Avenue, New York, filed a registration statement (File 2-19148) with the SEC on October 17th seeking registration of 127,500 outstanding shares of capital stock, to be offered for public sale by Ned L. Pines, president. The offering will be made on an all or none basis through underwriters headed by Sutro Bros. & Co. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes (1) 50,000 shares issuable upon conversion of the 4½% convertible notes of the company, and (2) 20,000 outstanding shares previously sold by Pines to certain persons and companies. Of the latter stock, 10,000 shares (and 10,000 shares which the underwriter will reserve for sale to Harold S. Caplin, an associate of the underwriter, and to associates of his, at the public offering price) may be sold from time to time at private sale or in the over-the-counter market or on an exchange, if thestock is listed, at prices related to the market prices prevailing at the time of sale.

The company is primarily engaged in the publication and sale of pocket-size paperback books and also publishes and sells magazines. In addition to certain indebtedness, the company has outstanding 466,000 shares of capital stock, of which Pines owns 446,000 shares and proposes to sell the 127,500 shares. In September 1961, the company sold $200,000 of 4½% convertible notes to certain of the partners in Sutro Bros. and to Harold S. Caplin. The notes are convertible at the rate of 25 shares for each $100 of notes. Pines sold the said 20,000 shares in September 1961 as follows: 7,500 to Frank P. Lualdi for $20,000; 2,500 to partners and a former partner in Whitehorn & Corwin for $10,000; 5,000 to Frankel, Abraham & Company for $20,000; and 5,000 to McGoldrick, Dannett, Horowitz & Golub for $20,000. As indicated above, the shares owned by the latter two firms are included in the statement.

INTERNATIONAL AFRICAN AMERCIAN SEEKS ORDER. International African American Corporation, New York investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to the exercise of certain options to purchase securities and the subsequent sale of such securities to affiliated persons; and the Commission has issued an order (Release IC-3336) giving interested persons until October 30th to request a hearing thereon.

OVER

The applicant ("IAAC") was organized for the purpose of acquiring, exploring and developing a mining concession in Liberia. In 1953 it obtained a mining concession from the Liberian government and organized The Liberian American-Swedish Minerals Company ("Lamco"), a Liberian corporation, to operate the concession; and 50% of Lamco's stock was issued to IAAC and the balance to the Liberian government in lieu of all taxes otherwise payable by Lamco. Subsequently, IAAC transferred one-half of its interest (or 25% of Lamco's stock), to a group of six large Swedish Industrial concerns known as the Swedish Lamco Syndicate. The interests of IAAC and the Syndicate in Lamco were later transferred to Liberian Iron Ore Limited ("LIO"); and by reason of certain commitments and investments by the Syndicate in LIO, IAAC's interest in LIO now approximates 16%. Bethlehem Steel Corp. in 1958 obtained a 25% interest in the concession by entering into a joint venture with Lamco to develop the concession. By June 14, 1961, arrangements were completed for the financing of Lamco's portion of the expenses of the joint venture under which about $125,000,000 is to be made available to Lamco for further development of the concession.

Under recent agreements and in order that IAAC might regain a portion of its former equity interest in LIO and Lamco, IAAC has been granted the following options: (a) Options to purchase from LIO all or any part of 40,000 LIO shares for an option price in cash of $10 per share; (b) Options to purchase from the Syndicate all or any part of 237,412 LIO shares for an option price in cash equal to $15 per share plus interest at the rate of 6% per annum from December 31, 1960 to the date of payment of the option price; and (c) Options to purchase from the Syndicate all or any part of $6,000,000 of LAMCO debentures and 180,000 LIO shares in units consisting of three LIO shares and one $100 principal amount LAMCO debenture at an option price in cash of $100 plus accrued interest for each unit. IAAC proposes to issue to its stockholders, pro rata and without cost, three classes of transferable rights certificates representing rights to purchase the stock and debentures covered by each of the three classes of options at IAAC's exercise price. Some of such stockholders are affiliated persons of IAAC. IAAC may sell unexercised options or exercise such options and sell the securities thus acquired.

FEDERATED FUND SEEKS ORDER. Federated Fund, Boston, 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-3337) giving interested persons until November 3d to request a hearing thereon. Pursuant to a plan approved by shareholders in 1956, all of Federated's assets were transferred to Income Foundation Fund, Inc., in exchange for the latter's shares, which have been distributed in exchange for Federated shares.

STARDUST MOTEL ASSOCIATES FILES FOR OFFERING. Stardust Motel Associates, 122 East 42nd Street, New York, filed a registration statement (File 2-19151) with the SEC on October 17th seeking registration of $355,000 of Limited Partnership Interests, to be offered for public sale in 71 units. The offering will be made at $5,000 per unit on a best efforts all or nothing basis by Nat Berger Associates, Incorporated, which will receive a $375 per unit selling commission and $11,375 for expenses.

Associates is a limited partnership organized under New York law in October 1961 for the purpose of purchasing the fee title to the Stardust Motor Hotel, located in Boise, Idaho. An Agreement to purchase the Motel, arbitrarily valued at $50,000, was contributed to Associates by Harold Agler, Abraham M. Karrass, Emil Tauber and Nat Berger, as original Limited Partners, for which they received Subordinated Limited Partnership Interests in the amounts of $10,000, $10,000, $5,000 and $25,000, respectively. In addition, Agler and Karrass each contributed $5,000 cash to the Partnership as their capital contribution as General Partners. They will receive $82,500 from the Partnership and will pay all expenses in connection with this offering and in connection with the formation of the Partnership. In September 1961, the nominee of the original Limited Partners exercised an option to acquire the Motel from Motor Hotels, Inc. The purchase price is $1,160,000, payable $245,000 in cash, of which $15,000 was advanced as a deposit by the General Partners, and the balance by taking the property subject to a first mortgage in the amount of $450,000 and a purchase money second mortgage in the amount of $465,000. A brokerage commission of $37,500 is due to Paul P. Zinner, the total cost of the Motel therefor being $1,197,500. The Motel will be operated by Motel Operating Corp. under a net lease with Associates.

JOHN NUVEEN & CO. FILES OFFERING. John Nuveen & Co., 135 South LaSalle Street, Chicago, filed registration statements (Files 2-19149 and 2-19150) with the SEC on October 17th seeking registration of (1) $15,300,000 of units representing fractional undivided interests in the Nuveen Tax-Exempt Bond Fund, Series 3, and (2) a like amount of units in the Nuveen Tax-Exempt Bond Fund, Series 4.

JAYLIS INDUSTRIES FILES FINANCING PLAN. Jaylis Industries, Inc., 514 West Olympic Blvd., Los Angeles, today filed a registration statement (File 2-19152) with the SEC seeking registration of $850,000 of 6½% subordinated sinking fund debentures due 1971 and 212,500 shares of Class A common stock, to be offered for public sale in units consisting of $100 of debentures and 25 shares. The offering will be made at $200 per unit through underwriters headed by D. E. Liederman & Co., Inc., which will receive a $20 per unit commission and $15,000 for expenses. The registration statement also includes (1) 30,000 Class A shares underlying five-year warrants sold to the underwriter at 1¢ per warrant, exercisable initially at $5 per share, and (2) 21,000 outstanding Class A shares and 21,000 outstanding Class B shares sold to the principal underwriter by the previous holders thereof at $1.30 and $1 per share, respectively.

The company is engaged in the manufacture, distribution, promotion and sale of the "Jaylis" patented traversing screen for use as window coverings, room dividers, folding doors, closet enclosures and similar applications. The $1,475,000 estimated net proceeds from the stock sale will be used as follows: (1) $130,000 for the repayment of outstanding short-term bank loans, the proceeds of which were utilized by the company for expansion of distribution facilities and working capital, (2) $57,000 for payment of the balance due on the purchase price of the business and assets of Jaylis of the Pacific, a distributor of the

CONTINUED

company's products; (3) $150,000 for the establishment of a regional office, company-owned distributorship and model retail outlet in the city of New York; (4) $250,000 for the establishment of not less than two additional company-owned distributorships in major marketing areas to be selected by the company; (5) $100,000 for independent franchised distributor organization, recruiting and training; (6) $53,000 for design and production of sales aid materials; (7) $260,000 for manufacturing facilities and additional tooling; and (8) the balance, or approximately $475,000, will be added to working capital and used for general corporate purposes.

Pursuant to a proposed recapitalization, the 20,000 capital shares now outstanding will be exchanged for 250,000 new Class A shares. Prior to this offering, 7,800 shares of Class common stock will be issued to Universe Products Company in cancellation of a note of the company in the amount of $31,202, based upon cash advances to the company, and 4,836 shares will be issued to Paragon Tool, Die & Engineering Co. in cancellation of a note of the company in the amount of $19,345 arising out of the purchase of certain tooling. At the same time, 300,000 shares of Class B common stock will be issued to Universe Products Company, a limited partnership of which James Hirashiki, president of the company, is the sole general partner, in exchange for the transfer to the company of certain licensing and royalty agreements with respect to foreign rights to the "Jaylis" screen and as final consideration for a prior licensing agreement and stock of Jaylis Sales Corporation. Giving effect to these transactions and said recapitalization, the company will have outstanding 262,636 Class A and 300,000 Class B shares, of which Universe Products Company will own 50.5% and 91%, respectively. Hirashiki holds a 50% interest in Universe Products Company. The present book value of outstanding stock (after combining Class A and Class B shares) is about 25¢ per share. After sale of the units, book value will be increased to about $1.28 per share.

CARIBBEAN SHOE CORP. FILES FOR OFFERING AND SECONDARY. Caribbean Shoe Corp., 253 S.W. 8th Street, Miami, Fla., today filed a registration statement (File 2-19153) with the SEC seeking registration of 149,794 shares of common stock, of which 146,667 shares are to be offered for public sale by the company and 3,127 shares, being outstanding stock, by William Reid, a former director. The offering will be made at $6 per share through underwriters headed by Robert L. Ferman & Co., Inc., which will receive a 60¢ per share commission. The registration statement also includes (1) 14,167 outstanding shares sold to the principal underwriter by Mrs. Nicolas Stern (wife of the company's president) for $11,475.27, and (2) 8,000 outstanding shares which may be offered from time to time in the over-the-counter market by Mrs. Stern.

The company (formerly Caribbean Modes, Inc.) is engaged in the design, manufacture and distribution of custom-made shoes for women, both in dress and casual categories. Of the $730,000 estimated net proceeds from the company's sale of additional stock, $173,000 will be used to repay existing obligations to banks and lending institutions incurred during 1961 for working capital purposes, $80,000 to repay obligations due to William Reid, $100,000 for inventory build-ups, $15,000 for advertising and merchandising, and the balance will be added to general funds and utilized in lieu of bank and other institutional borrowings, for product design and as required for other working capital and corporate purposes.

In addition to certain indebtedness, the company has outstanding 249,166 shares of common stock (after giving effect to a recent recapitalization whereby the 81 shares then outstanding were reclassified into 234,166 new common shares), of which Nicolas Stern, president, owns 39.02% (including 62,367 shares owned by Mrs. Stern), and management officials as a group 42.80%.

SECURITIES ACT REGISTRATIONS. Effective October 18: Automated Building Components, Inc. (File 2-18604); Guy's Food, Inc. (File 2-18629); Interstate Fire & Casualty Co. (File 2-18755); Niagara Mohawk Power Corp. (File 2-18995); Panoramic Electronics, Inc. (File 2-18703); Pennsauken Montgomeryville Co. (File 2-18619); Pomeroy Smith-Ewing & Hungiville, 62 Ltd. (File 2-18670); Tillie Lewis Foods, Inc. (File 2-18454). Withdrawn October 18: Verde Exploration, Ltd. (File 2-16972).

---oooOooo---