

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

FOR RELEASE May 5, 1960

**FARWEST PLYWOOD COMPANY HEARING ORDERED.** At the request of Farwest Plywood Company, Tacoma, Wash., the SEC has ordered a hearing for June 13, 1960, in its Seattle Regional Office on the question whether to vacate or make permanent an earlier order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposal of the Plywood Company to offer and sell 80 units of Class A preferred and common shares at \$3,500 per unit.

In its order of temporary suspension (Release 33-4198), the Commission asserted that the Plywood Company's offering circular contains false and misleading representations of material fact.

**TRADING SUSPENDED IN SKIATRON COMMON.** The SEC has ordered a further suspension of trading in the common stock of Skiatron Electronics and Television Corporation on the American Stock Exchange and the over-the-counter market, during the ten-day period May 6 to May 15, 1960, inclusive.

**LOOMIS-SAYLES OF CANADA RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release 40-3026) authorizing Loomis-Sayles Fund of Canada, Ltd., Toronto investment company, through its custodian to consummate in Canada purchases of obligations issued or guaranteed by any federal, provincial or municipal authority in Canada.

**FIRST CAPITOL SAVINGS & SORCE ENJOINED.** The SEC Washington Regional Office announced May 4th (Lit. Release 1670) entry of a Federal court order (USDC, Baltimore) permanently enjoining First Capitol Savings and Loan Association, Inc., and James G. Sorce, Jr., from further violating the Securities Act registration and anti-fraud provisions in the offer and sale of savings deposit pass books.

**ADDITIONAL VIOLATIONS CHARGED TO INVESTMENT BANKERS OF AMERICA.** The SEC Washington Regional Office announced May 4th (Lit. Release 1671) that the Federal court (USDC, DC) had granted leave to amend the Commission's complaint against Investment Bankers of America, Inc., and its officers, Sidney Spector and Conrad L. Berman, to charge violations of the anti-fraud provisions of the Securities Exchange Act, defendants being given 30 days to answer the amended complaint.

**GREENHILL & PROCTOR FOUND GUILTY.** The SEC Atlanta Regional Office announced April 30th (Lit. Release 1672) that Kalman Greenhill and Francis E. Proctor, Jr., had been found guilty of fraud in the sale of Alabama Acceptance Corp. securities, after trial in the US District Court, Birmingham, Alabama. John Murray, Carle K. Wells and William Edward Faulk had previously entered pleas of nolo contendere and were adjudged guilty.

**MOVIELAB FILM LABORATORIES FILES FOR OFFERING AND SECONDARY.** Movielab Film Laboratories, Inc., 619 West 54th Street, New York, filed a registration statement (File 2-16549) with the SEC on May 4, 1960, seeking registration of 100,000 shares of Class A common stock, including 62,500 shares to be offered for public sale by the company and 37,500 shares which are outstanding and will be offered by the holder thereof. The offering will be made through a group of underwriters headed by Granbery, Marache & Co. The offering price and underwriting terms will be supplied by amendment. The company has sold to Granbery, Marache & Co. at a price of ten cents per share, options expiring June 15, 1965, for the purchase of 10,000 shares of Class A stock at a price equivalent to the public offering price. Of the new shares in registration, 5,000 will be reserved initially for an offering to employees, and the underwriters have waived their commission on these shares.

The company operates a complete motion picture and television film processing laboratory, developing and printing 16mm and 35mm black and white motion picture and television film. Among its wholly-owned subsidiaries are Movielab Color Corporation which engages in the developing and printing of color film for the motion picture and television industries; Movielab Theatre Service, engaged in the rental of cutting and editing rooms, film and tape storage vaults, and a theatre for the viewing of films; and Laboratory Equipment & Maintenance Corporation, recently incorporated under New York law, which operates a machine shop and performs

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maintenance and repair work necessary to maintain the company's motion picture laboratory equipment, and adapts and redesigns new equipment. Net proceeds to the company from its sale of new stock will be used for a new color developing machine which will cost approximately \$50,000; \$50,000 will be used for additional electronic control centers for film printing machines, designed by the company and operated by punch tape; \$100,000 for leashold improvements, and the balance to be added to working capital.

The company has outstanding 37,500 shares of class A stock and 212,000 shares of Class B stock. Saul Jeffee, president and board chairman, owns all of the Class A and Class B stock and is the selling stockholder. He will continue to hold all of the outstanding Class B stock.

EDGERTON, GERMESHAUSEN FILES FOR OFFERING. Edgerton, GERMESHAUSEN & Grier, Inc., 160 Brookline Ave., Boston, today filed a registration statement (File 2-16550) with the SEC seeking registration of 120,000 shares of common stock, of which 20,000 shares are now outstanding and are to be offered for public sale by the holders thereof and 100,000 shares are to be offered by the company. The offering is to be made by a group of underwriters headed by Kidder, Peabody & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the design, production and application of electronic and nucleonic instrumentation systems as a prime contractor to the Atomic Energy Commission and has also participated in other scientific research and development projects in electronics for other agencies and private industry. It has developed and is expanding its own line of commercial products and components, specializing in the design and production of instruments and components for the control and measurement of ultra high speed phenomena. Net proceeds of the sale of additional stock will be used in part (\$500,000) in connection with the purchase of new or additional equipment and the replacement of certain items of equipment now furnished by the government. An additional \$200,000 will be used to increase inventories. The balance will be added to the company's general funds and used to meet design, development and other costs in connection with the introduction of new products and the expansion of present product lines and for other corporate purposes.

The company now has outstanding 633,390 shares of common stock, of which management officials own 90.75%. Harold E. Edgerton, of Belmont, Mass., Kenneth J. GERMESHAUSEN, president, of Weston, Mass., and Herbert E. Grier, executive vice president, of Las Vegas, Nev., each owns 151,200 shares; and they propose to sell 6,000, 4,000, and 10,000 shares, respectively.

TEXAS CAPITAL FILES FOR STOCK OFFERING. Texas Capital Corporation, 705 Lamar Blvd., Austin, Texas, filed a registration statement (File 2-16551) with the SEC on May 4, 1960, seeking registration of 350,000 shares of common stock, to be offered for public sale through a group of underwriters headed by Dempsey-Tegeler & Co. The offering price and underwriting terms will be supplied by amendment.

The company was incorporated under Texas law in 1958 and has not commenced business operations. According to the prospectus, it proposes to operate initially as a non-diversified investment company and its principal objectives will be to provide capital and long-term loans to small business concerns, to provide management and financial counseling and other technical services on a fee basis, and to cooperate with banks and other lending institutions in meeting the credit needs of small business concerns. The net proceeds from the sale of the stock will be used to provide such investment capital and management services to small business concerns.

The company has outstanding 61,400 shares of common stock purchased in a private offering by 24 companies and individuals at \$5 per share. Officers and directors hold an aggregate of 32,400 shares (52.79%). The prospectus lists Grogan Lord as president and principal promoter of the company.

GUILTY VERDICT IN GENERAL ASSOCIATES CASE. The SEC Seattle Regional Administrator announced April 30, 1960 (Lit. Release 1673) that J. Alvin Hibbard, Myrtle Lunn, Ralph L. Stachon, Chester V. Bettles and W. Perry Taylor were found guilty by a Federal grand jury in Seattle of fraud in the sale of stock of General Associates, Inc.

MONTGOMERY WARD CREDIT PROPOSES OFFERING. Montgomery Ward Credit Corporation, 100 West Tenth St., Wilmington, Del., today filed a registration statement (File 2-16552) with the SEC seeking registration of \$50,000,000 of Debentures, 1980 Series, to be offered for public sale through an underwriting group headed by Lehman Brothers. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law on February 15, 1960. All its outstanding stock (250,000 shares of common stock) is owned by Montgomery Ward & Co., Inc., ("Wards") representing an investment of \$25,000,000. Its present principal business activity is the financing of deferred payment accounts of Wards. According to the prospectus, at May 2, 1960, the company had lines of credit with banking institutions aggregating \$105,500,000. At that date there were outstanding against these lines of credit short term bank loans in amounts aggregating \$40,800,000, bearing interest at 5% per annum. Also outstanding at May 2, 1960, was \$18,336,000 principal amount of commercial paper with stated maturity dates varying from 12 to 269 days from date of issue and bearing interest at rates averaging approximately 4%. Net proceeds of the sale of the debentures will be added to the general funds of the company and will be available for the purchase of deferred payment accounts from Wards.

The prospectus lists C. J. Kushell, Jr., as president. He and three other directors are also officers and directors of Wards, and one officer and one officer-director are also officers of Wards.

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