

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 August 12, 1959

GREAT AMERICAN PUBLICATIONS FILES FOR OFFERING AND SECONDARY

Great American Publications, Inc., 41 East 42nd St., New York, filed a registration statement (File 2-15446) with the SEC on August 11, 1959, seeking registration of 260,000 shares of its common stock. The prospectus lists Mortimer B. Burnside & Co., Inc., as underwriter. The underwriter proposes to make an offering of 195,000 shares on a best efforts basis in behalf of the company, the underwriter having an option to acquire said shares at \$1.60 per share, exercisable for a period of 66 business days after the effectiveness of the registration statement. The shares will be offered for public sale by the underwriter at the prevailing market price for outstanding shares at the time of offering. The underwriter also has the right to purchase, at 10¢ per share, 150 additional shares for each 975 shares purchased and paid for under the option, or an aggregate of 30,000 shares for \$300, which may be disposed of by the underwriter after expiration of the option. In addition, if the option on the 195,000 shares is exercised in full by the underwriter, the company will sell to the underwriter at a price of one mil per warrant-share, warrants representing rights to purchase a total of 50,000 additional shares at exercise prices beginning at \$4 per share during the first two years of the life of the warrant and rising to \$5 per share during the fourth and fifth years. Furthermore, the underwriter is entitled to receive from the company an expense allowance at the rate of 9½¢ per share on the first 150,000 shares and 10¢ per share on the remaining 45,000 shares purchased and paid for pursuant to the option, plus \$1,500 as reimbursement for traveling expenses.

The company is engaged in the publication of magazines, principally monthly magazines in the automotive and related fields. The first proceeds of its stock sale to the extent of \$100,000 will be used for needed additional capital for present and contemplated operations; the next \$25,000 to discharge a bank loan; and the balance for promotion and development of the "Saint" mystery magazine and other publications recently acquired.

According to the prospectus, the company now has outstanding 505,500 common shares, of which Mrs. Scharf, of Rye, N. Y., owns 117,140 shares, or 24.3%. An additional 165,000 shares (34.2%) are owned by Management House, Inc., wholly-owned by Mrs. Scharf. Mrs. Scharf proposes to sell in the market an aggregate of 35,000 shares now owned by her upon the expiration of 91 business days after the effective date of the registration statement.

TIME FOR COMMENTS ON FORM 8-K REVISION PROPOSAL EXTENDED

The SEC today announced a further extension from August 17, 1959 to September 17, 1959, of the due date for submission of views and comments upon its proposal to amend Form 8-K, the form prescribed for current reports filed pursuant to Sections 13 and 15(d) of the Securities Exchange Act of 1934 (Release 34-6042). The extension was granted at the request of persons who were unable to complete their study of the proposed amendments and submit their comments thereon by August 17, 1959.

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For further details, call ST. 3-7500, ext. 5526

MONARCH MARKING SYSTEM FILES FOR OFFERING AND SECONDARY

The Monarch Marking System Company, 216 South Torrance St., Dayton, O., today filed a registration statement (File 2-15447) with the SEC seeking registration of 100,000 shares of common stock, of which 50,000 shares are to be offered for public sale for the account of the issuing company and 50,000 representing outstanding stock, for the account of the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. McDonald & Company is listed as the underwriter.

The company specializes in merchandise price-marking equipment and tickets, tags and labels. It now has outstanding 350,000 common shares in addition to 25,164 shares of \$25 par preferred and \$1,754,593 of mortgage notes. Net proceeds of its sale of the additional 50,000 common shares will be added to the company's general funds and used to provide additional working capital said to be necessary for its increasing volume of business.

The prospectus lists Edward L. Kohnle as president and Lowell P. Rieger as senior vice president, John E. Kohnle as vice president and general manager, and Frederic L. Rieger as vice president of Engineering and Product Development. It also lists eleven selling stockholders, all members of the Rieger, Edward L. Kohnle and Robert C. Kohnle (deceased) families. The present holdings of the three groups amount to 88,809, 87,066, and 88,816 shares, respectively; and they propose to sell an aggregate of 16,709, 16,667, and 16,624 shares, respectively.

VIOLATIONS CHARGED TO KINGSBURY, TINGLE & BLANKENSHIP

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether provisions of that Act and rules of the Commission thereunder have been violated by Kingsbury, Tingle & Blankenship, Inc., 612 Dupont Circle Building, Washington, D. C., and, if so, whether it is in the public interest to revoke its broker-dealer registration or to suspend or expel it from membership in the National Association of Securities Dealers, Inc.

According to the Commission's order, information developed in an investigation conducted by its staff tends if true to show that the said corporation engaged in the conduct of a securities business in violation of the Commission's net capital rule, in that its aggregate indebtedness was permitted to exceed 2,000% of its net capital in contravention of that rule; and that it also failed to make and keep current certain books and records relating to its business, as required by the applicable rules of the Commission. It also is asserted that certain officers of the company "induced" such violations, namely, Roger Atkinson Kingsbury III, president, S. Murray Tingle, vice president, and Marguerite Blankenship, secretary-treasurer.

A hearing for the purpose of taking evidence on the foregoing matters will be held at a time and place later to be announced.

FLORIDA PALM-AIRE FILES FOR STOCK OFFERING

Florida Palm-Aire Corporation, 4800 N. Federal Highway, Pompano Beach, Fla., today filed a registration statement (File 2-15448) with the SEC seeking registration of 1,010,000 shares of common stock.

The company proposed to offer 445,000 shares for public sale at \$4 per share. The principal underwriters include Hardy & Co., Goodbody & Co., Allen & Company, and five other firms, who are to receive a commission of 52¢ per share. Three of the organizers of the company have granted three-year options to the underwriters to purchase an aggregate of 40,000 shares from the organizers at \$4 per share.

The company was organized June 23, 1959, for the principal purpose of engaging in the purchase and sale of undeveloped real property. Its organizers were Paul E. Fitzpatrick, board chairman, Harold L. Broliar, president, and George O. Falmer, secretary, who, with other persons, will own a majority of the shares of the company to be outstanding after

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this offering. The company acquired from the organizers approximately 770 acres divided into seven tracts located in the eastern sections of Broward County and Palm Beach County, Florida. The organizers transferred to the company the said property having a net equity at cost of \$949,328 and paid to the company as cash or advances the sum of \$550,471. In consideration thereof, the company issued to these persons (1) an aggregate of 485,000 common shares and (2) \$100,000 principal amount of 6½% unsecured debentures due in 1965; in addition, (3) the company has assumed \$400,000 of preexisting loan indebtedness of Palm-Aire Construction, Inc., a transferor of the real properties. The company may from time to time purchase or take options on other tracts of land in Florida. The general procedure to be employed will be the acquisition of prime acreage in Florida and the development of this acreage as saleable building lots. In addition to the 485,000 outstanding common shares, the company now has outstanding various indebtedness aggregating \$2,175,385.

The total development program of the company during the next two years is estimated to cost \$2,407,065 and debt amortization will be \$1,084,000, or a total of \$3,491,065 to be spent during this period. This amount could be increased by \$600,000 (less amounts received from the membership of the country club) if the construction of a golf course on the Cypress Creek tract is undertaken by the company instead of the company's lessees. The total proceeds of the offering are estimated to be \$1,500,000, after payment of expenses by the company, and cash on hand prior to the offering is estimated to be \$550,000, or a total cash position after the financing of about \$2,050,000. To the extent that the funds are insufficient to carry out the development program and debt amortization, the company intends to obtain additional funds from the sale of property in the ordinary course of its business, from loans to be secured upon the signing of commercial leases for space in a shopping center, and from rentals.

In addition to the 445,000 shares to be offered for public sale, the registration statement includes the 485,000 shares issued to promoters and 80,000 shares subject to issuance under the company's incentive stock option agreements and its stock option incentive plan.

AID INVESTMENT & DISCOUNT FILES FINANCING PROPOSAL

Aid Investment & Discount, Inc., 9 South Main St., Akron, O., today filed a registration statement (File 2-15449) with the SEC seeking registration of \$1,000,000 of Capital Notes, 1959 Issue, due September 1, 1974, and 150,000 shares of common stock. These securities are to be offered for public sale through an underwriting group headed by Paine, Webber, Jackson & Curtis. The interest rate on the notes, and the public offering price and underwriting terms for both issues, are to be supplied by amendment.

The company is engaged in the automobile sales finance business. Net proceeds of the sale of the notes and common stock will be added to its general working funds, to be used for the expansion of the company's business through its present subsidiaries and offices and for the opening or acquisition of additional offices if favorable opportunities should arise.

SOUTHERN FRONTIER FINANCE PROPOSES STOCK OFFERING

Southern Frontier Finance Company, Raleigh, N. Car., filed a registration statement (File 2-15450) with the SEC on August 11, 1959, seeking registration of 1,300,000 shares of common stock, to be offered for public sale at \$1 per share. No underwriting is involved, the offering to be made by company officials; but the company may pay a 10% commission to dealers in connection with their sale of the shares.

The company was organized under Delaware law in November 1957 and "domesticated" in North Carolina in March 1958. It is engaged in the operation of a finance business, purchasing negotiable notes, secured by conditional sales contracts, chattel mortgages and similar security instruments covering the sale or financing of consumer goods, including the financing of leased equipment and in financing the sale of "shell homes." The latter involves the purchase of contracts evidencing the delayed payments due by buyers on partially completed residences.

The company has outstanding 829,959 shares of stock. Net proceeds of the sale of additional stock will be added to its working capital and used for the purchase of commercial paper covering the installment financing of consumer products and other types of financing in which the company is engaged or may engage.