

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)



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NEDICKS'S STORES FILES FOR OFFERING AND SECONDARY. Nedick's Stores, Inc., 513 West 166th Street, New York, filed a registration statement (File 2-17621) with the SEC on February 21, 1961, seeking registration of 185,000 shares of common stock, of which 60,000 shares are to be offered for public sale by the company and 125,000 shares, being outstanding stock, by the present holders thereof. The offering is to be made on an all or none basis through underwriters headed by Van Alstyne, Noel & Co. The public offering price and underwriting terms are to be supplied by amendment. The registration statement includes an additional 15,000 outstanding shares which were purchased by the principal underwriter from certain selling stockholders at 20¢ per share. Of such stock, 1,500 shares were sold to George Shapiro at the same price as a finder's fee.

The company operates a chain of 84 snack-bar type of luncheonettes serving a limited menu of "quality food at low prices." Of such luncheonettes, 78 are located in the New York City metropolitan area. The net proceeds from the company's sale of additional stock will be used as follows: \$240,000 for the modernization of six of the existing luncheonettes; \$140,000 for the construction of three new luncheonettes on sites to be leased in the metropolitan New York City area; and the balance will be used as working capital.

In addition to certain indebtedness, the company has outstanding 491,150 shares of common stock, of which Charles Haag, a vice president, owns 165,885 shares and proposes to sell 47,200 shares and Harry Genis, a vice president, owns 59,405 shares and proposes to sell 35,075 shares. Management officials as a group own 279,560 shares. The prospectus lists 12 other stockholders who propose to sell all of their holdings, ranging from 165 to 15,525 shares (except that 200 shares are to be retained by one).

INTERNATIONAL LIFE INSURANCE CO. OF BUFFALO FILES FOR OFFERING. International Life Insurance Company of Buffalo, 310 Delaware Avenue, Buffalo, New York, filed a registration statement (File 2-17622) with the SEC on February 21, 1961, seeking registration of 350,000 shares of capital stock, to be offered for public sale at \$5 per share through officers and directors of the company.

The company (formerly Buffalo International Life Insurance Company) was organized under New York law in March 1960. It has been licensed to transact an insurance business in New York but has not engaged in any such business to date. According to the prospectus, it has started to assemble its sales organization and expects to commence writing insurance policies as soon as it has received subscriptions for the sale of at least 150,000 shares being offered and its policy forms have been approved by the Superintendent of Insurance of New York. The \$1,731,000 net proceeds (assuming the sale of all the stock) will be placed in the company's general funds to be available to finance the general conduct of business and to set up proper reserves against policies as written.

The company has outstanding 150,000 shares of capital stock, all of which was purchased at \$5 per share by a group of 24 persons who organized the company. Harold D. Farber, president, Milton A. Schiff, executive vice president, and David R. Schlossman, a director, own 20,000 shares each, and management officials as a group own 109,000 shares.

GENERAL TELEPHONE CO. OF FLORIDA FILES FOR OFFERING. General Telephone Company of Florida, 610 Morgan Street, Tampa, Fla., filed a registration statement (File 2-17623) with the SEC on February 21, 1961, seeking registration of 400,000 shares of \$25 par cumulative preferred stock, to be offered for public sale at \$25 per share through underwriters headed by Paine, Webber, Jackson & Curtis. The dividend rate and underwriting terms are to be supplied by amendment. The underwriters are not committed to the purchase of any of the stock, but will receive 60-day options to purchase the 400,000 at \$25 per share less a discount to be paid from general funds of the company (the amount of which is to be supplied by amendment).

The \$10,000,000 net proceeds from the stock sale will be applied to the payment of bank loans incurred for 1960 and 1961 construction. As of December 31, 1960, such loans amounted to \$7,900,000, and an additional \$3,600,000 will have been incurred through February 1961, so that \$1,500,000 will remain outstanding after the proceeds have been so applied. Gross construction for 1960 totalled about \$30,300,000 and capital requirements for construction during March-December 1961 are estimated at \$19,000,000.

ALL-STATE CREDIT CORP. FILES FOR OFFERING. All-State Credit Corporation, 71 West Merrick Road, Valley Stream, N. Y., filed a registration statement (File 2-17624) with the SEC on February 21, 1961, seeking registration of 200,000 shares of Class A stock, to be offered for public sale at \$5 per share. The offering will be made on a "best efforts all-or-nothing" basis through Mortimer B. Burnside & Co., Inc., which will receive a 75¢ per share commission and \$30,000 for expenses. The company has agreed to sell the underwriter an additional 30,000 Class A shares at 10¢ per share, and the underwriter will sell 3,000 such shares to Ira W. Berman at the same price for his services in arranging the financing.

The company operates a sales finance company, specializing in the purchase of conditional sales contracts from furniture and appliance dealers throughout the metropolitan New York City area. It also engages in commercial financing on automobile and commercial equipment, as well as advancing funds to business concerns

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secured by liens against inventory and other collateral. The net proceeds from the stock sale will be used to reduce outstanding indebtedness to a lending institution in the amount of \$732,211.96, and the balance will be added to working capital.

In addition to certain indebtedness, the company has outstanding 300,000 shares of Class B stock, of which Joseph R. Sterling, president, Leo Vine, vice president, and Sidney M. Vine, secretary-treasurer, own 100,000 shares each. The Class B stock will be convertible into Class A stock on a share for share basis.

CATERPILLAR TRACTOR FILES STOCK PLAN. Caterpillar Tractor Co., Peoria, Ill., filed a registration statement (File 2-17625) with the SEC on February 20, 1961, seeking registration of 200,000 shares of common stock, to be offered to employees of the company and certain subsidiaries pursuant to its Employees' Investment Plan.

MICHIGAN GAS UTILITIES FILES FOR OFFERING. Michigan Gas Utilities Company, 6 South Monroe St., Monroe, Mich., filed a registration statement (File 2-17626) with the SEC on February 21, 1961, seeking registration of 100,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Kidder, Peabody & Co. The public offering price and underwriting terms are to be supplied by amendment.

The net proceeds from the stock sale and a private sale of \$3,500,000 of First Mortgage Bonds due 1986 will be used to repay \$4,800,000 of short term bank loans made for construction purposes. Expenditures for construction completed in 1960 amounted to about \$7,637,599.

BECKMAN INSTRUMENTS PROPOSES RIGHTS OFFERING. Beckman Instruments, Inc., 2500 Harbor Blvd., Fullerton, Calif., filed a registration statement (File 2-17627) with the SEC on February 21, 1961, seeking registration of 69,976 shares of common stock. The company proposes to offer such stock for subscription by stockholders on the basis of one new share for each 20 shares held. Lehman Brothers heads the list of underwriters. The record date, subscription price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in the business of designing, developing, manufacturing, and selling precision instruments for scientific, industry, medical, and laboratory use. Of the net proceeds from the stock sale, \$3,500,000 will be used to repay short term bank loans incurred since June 1960 to help defray the cost of plant expansion and new equipment, and the balance will be added to general funds available for corporate purposes.

In addition to certain indebtedness, the company has outstanding 1,381,123 shares of common stock, of which A. O. Beckman, president, owns 509,393 shares, and management officials as a group 520,697 shares.

WESTMINSTER FUND ORDER ISSUED. The SEC has issued an order under the Investment Company Act (Release IC-3195) permitting Wood, Walker & Co. and Dick & Merle-Smith, both of New York, affiliates of Westminster Fund, Inc., Elizabeth, N. J., investment company, to receive commissions which would exceed those provided by Section 17(e) of the Act, in connection with the sale of securities to the Fund in exchange for its shares.

SANO & CO. REGISTRATION REVOKED. The SEC has revoked the broker-dealer registration of Sano & Co., 15 William Street, New York, for violations of the Securities Exchange Act and rules thereunder. Anthony J. Sano, sole general partner, was found to be a cause of the revocation. He and the firm waived a hearing and consented to the revocation order.

In a unanimous decision written by Commissioner McCauley, the Commission ruled that during the period January 31 to June 25, 1959, the Sano firm engaged in the securities business in violation of the SEC net capital rule. Its net capital deficiency on various dates during that period ranged from \$30,076 on January 31 to \$154,048 on June 25.

The decision also was based in part on federal and state court injunctions against the Sano firm and Sano, both entered about July 1, 1959. The federal court decree enjoined both from engaging in the securities business by means of any act or practice which would operate as a fraud by inducing the purchase or sale of securities while the firm's liabilities exceed its assets or while it is unable to meet its current liabilities, by means of any false or misleading statement regarding the firm's financial condition, or while its aggregate indebtedness exceeds the 2000% of net capital limitation prescribed by the Commission's net capital rule. The New York state court decree enjoins both from engaging in the securities business in that state.

JOHN MILTON ADDISON, OTHERS, CONVICTED. The SEC Denver and Fort Worth Regional Offices announced February 17th (LR-1915) that a Federal court jury (USDC, Dallas) had returned a verdict of guilty on fraud charges against John Milton Addison, Miles A. White, Robert C. Olson, William D. Groom, James D. Scoggins and John R. Metz. Addison was sentenced to 15 years in prison and fined \$36,000, and each of the other defendants received lesser prison sentences and fines ranging from two years to seven years imprisonment and fines of from \$5,000 to \$20,000, except that Groom, an attorney, received no fine.

NEW CHARGES AGAINST VICKERS CHRISTY CO. The SEC New York Regional Office announced February 17th (LR-1916) the filing of an amended complaint (USDC SDNY) in the injunction action against Vickers, Christy & Co., Inc., Sidney G. Vickers, Jr., its president, and William J. Christy, secretary-treasurer. The original complaint charged violations of the SEC net capital and bookkeeping rules, while the amended complaint seeks an injunction against further violations of the anti-fraud provisions of the Securities Exchange Act by reason of the conduct of a securities business without disclosing that the firm's liabilities exceed its current assets. The court signed an order freezing the firm's assets pending a hearing on the Commission's motion for a preliminary injunction and for appointment of a receiver.

HARWYN SECURITIES ENJOINED. The SEC New York Regional Office announced February 20th (LR-1918) the entry of a Federal court order (USDC SDNY) permanently enjoining Harwyn Securities, Inc., Harry Weintraub, its president, and Irving Singer, sales manager, from engaging in the conduct of a securities business in violation of the anti-fraud and anti-manipulative provisions of the Federal securities laws and the SEC net capital and bookkeeping rules thereunder.

CECIL RHODES ENJOINED. The SEC New York Regional Office announced February 20th (LR-1918) the entry of Federal court orders (USDC SDNY) permanently enjoining Cecil Rhodes and Marshall Feld from further violating the anti-fraud and anti-manipulative provisions of the Federal securities laws. The SEC complaint charged the two persons and a third defendant, Eugène, Szemzo, with unlawful activities in connection with their transactions in stock of International Business Machine Corp. and Polaroid Corp.

CANADIAN RESTRICTED LIST. The SEC has added Sinclair Prospecting Syndicate and Tumac Mining & Development Co. Ltd., to its Canadian Restricted List, increasing to 243 the number of Canadian companies whose securities recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide. (Release 33-4331)

FEDERAL SHELL HOMES FILES FINANCING PROPOSAL. Federal Shell Homes, Inc., 225 West Carolina St., Tallahassee, Fla., today filed a registration statement (File 2-17628) with the SEC seeking registration of 675,000 shares of common stock, \$1,350,000 of 9% Convertible Subordinated Debentures, \$10 par, and 135,000 1964 Warrants. It is proposed to offer these securities in 135,000 units, each consisting of five common shares, one \$10 debenture, and one 1964 Warrant. The securities are to be offered for public sale on an all or none basis through underwriters headed by Pierce, Carrison, Wulbern, Inc.; and the public offering price and underwriting terms are to be supplied by amendment. As additional compensation, warrants for 56,850 common shares have been sold to the principal underwriter at 1¢ per warrant, being part of 113,700 warrants sold to Fred E. Deeb, principal stockholder, who also sold 5,000 warrants to officers, employees and an attorney of said underwriter. Also included in the registration statement are the securities underlying the 1964 Warrants, which entitle the holders to purchase as a unit, two shares of common stock and one \$10 debenture at a unit price of \$14 (or a total of 270,000 common shares and \$1,890,000 of debentures).

The company was organized under Florida law on February 9, 1961; and on February 23, 1961, Deeb Construction Company, a Mississippi corporation organized in 1957, and Deeb Construction Company, Inc., of Alabama, an Alabama corporation organized in 1958, were merged into the company. The two predecessors have been engaged in the business of constructing shell homes in Mississippi, Alabama, Georgia and Florida, and the principal business of the company is to be the construction of owner completed ("shell") homes. The Mississippi company has a Puerto Rican subsidiary organized in November 1960. The company also is acquiring, by an exchange of stock, Colonial Enterprises, Inc., a Florida corporation, a successor by merger to Colonial Enterprises, Inc., a Mississippi corporation organized in April 1960. The company will in the future sell to this subsidiary all real estate mortgages or other security instruments evidencing the unpaid installment sales balance of the purchase price on homes sold and constructed by the company. The profitable operation of the company is said to be dependent upon its ability to obtain mortgage financing for prospective customers desiring to purchase homes on an installment payment basis. The net proceeds from this financing will be added to working capital and be used for general corporate purposes, and to increase mortgage notes receivable to be held by Colonial Enterprises.

The company now has outstanding 462,000 shares of common stock and the 113,700 warrants issued to Deeb. Deeb is listed as board chairman and president, and he owns 273,161 shares (59.1%) of the outstanding common stock. Other officials own an additional 10%.

INTER-MOUNTAIN TELEPHONE PROPOSES RIGHTS OFFERING. Inter-Mountain Telephone Company, Bristol, Tenn., today filed a registration statement (File 2-17630) with the SEC seeking registration of 465,000 shares of common stock. The company proposes to offer the stock for subscription by stockholders of record March 17, 1961, at the rate of one new share for each three shares then held. The subscription price is to be supplied by amendment. Of this offering, 209,602 shares issuable to the two principal stockholders will not be underwritten; but the balance (255,898 shares) will be underwritten by a group of eight firms headed by Courts & Co. The underwriting terms are to be supplied by amendment.

The company proposes to apply the net proceeds of the stock sale to the payment in full of amounts owed to banks and expected to amount to \$3,050,000 on February 28, 1961. Any balance will be used for general corporate purposes.

Of the 1,396,500 outstanding common shares, 458,434 shares (32.8%) are owned by Southern Bell Telephone and Telegraph Company and 170,373 shares (12.2%) by The Chesapeake and Potomac Telephone Company of Virginia. Southern Bell also owns 28,930 shares (82.7%) of outstanding preferred stock.

TWO DELISTINGS PROPOSED. The New York Stock Exchange has filed applications with the SEC to delist the common stock of Mojud Co. (whose assets were sold to Kayser-Roth Corp.) and the capital stock of Detroit, Hillsdale & South Western Railroad Co. (for which transfer facilities in New York have been terminated); and the Commission has issued an order (Release 34-6480) giving interested persons until March 10, 1961, to request a hearing thereon.

EFFECTIVE SECURITIES ACT REGISTRATIONS: February 23: Beaux Arts Associates (File 2-17306); Diversification Fund, Inc. (File 2-17325); Scrivner-Stevens Company (File 2-17373); Wollard Aircraft Service Equipment, Inc. (File 2-17379); P & C Food Markets, Inc. (File 2-17410); Aerosol Techniques, Inc. (File 2-17423).