

## NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



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**CONGRESS STREET FUND SEEKS ORDER.** Congress Street Fund, Inc., Boston investment company, has applied to the SEC for an exemption order with respect to the right of redemption of its shares; and the Commission has issued an order (Release IC-3200) giving interested persons until March 14, 1961, to request a hearing thereon. Under an effective Securities Act registration statement, the Fund offered its shares to investors in exchange for various securities owned by the investors. According to the present application, securities of an aggregate market value exceeding \$40,000,000 are on deposit and the offering period has been extended to March 3, 1961. Thereafter, a report of the composition and the estimated tax basis of the proposed Fund portfolio will be rendered to the Depositors. The prospectus refers to the right to redeem shares in kind, which redemption involves a "purchase" by the redeeming shareholder of portfolio securities delivered in redemption. Such a transaction is prohibited by the Act if made by an affiliated person or promoter of or principal underwriter, or of any affiliate thereof. The Fund seeks a determination that depositors are not to be considered "promoters" within the meaning of this prohibition.

**ISRAEL DEVELOPMENT CORP. SEEKS ORDER.** Israel Development Corporation, New York, has applied to the SEC for an exemption order under the Investment Company Act with respect to a proposed debenture issue; and the Commission has issued an order (Release IC-3201) giving interested persons until March 9, 1961 to request a hearing thereon. The company proposes to issue and sell to the public \$3,000,000 of 15-year 5½% convertible sinking fund debentures, Series A, 1976. It now has outstanding \$1,625,000 of bank loans secured by the pledge of various portfolio securities. Proceeds of the debenture issue are said to be necessary to fulfill the purposes for which the company was organized, and an exemption is sought from any restrictions of the Act against such a company issuing or selling more than one class of debt securities.

**VALIC SEEKS ORDER.** Variable Annuity Life Insurance Company of America, Washington, D. C., has filed an application with the SEC for an exemption order under the Investment Company Act permitting it to make loans and advances to certain persons; and the Commission has issued an order (Release IC-3199) giving interested persons until March 13, 1961, to request a hearing thereon. Under the proposal, Valic will make advances against future commission, periodic advances, lump-sum loans or loans for office improvement to general agents, special agents, managers, and home office sales employees, whose compensation is derived in whole or in part from sales commissions and who are not directors or officers of Valic. All the foregoing types of loans and advances may be made to the same person concurrently, except that advances against future commissions and periodic advances normally will not be made concurrently to special agents, managers, or home office sales employees.

**IDAHO MARYLAND INDUSTRIES FILES FOR SECONDARY.** Idaho Maryland Industries, Inc., 13103 Ventura Blvd., Studio City, Calif., filed a registration statement (File 2-17645) with the SEC on February 27, 1961, seeking registration of 1,155,521 outstanding shares of capital stock. According to the prospectus, some or all of these shares may be offered for public sale by the present holders thereof on the Pacific Coast Stock Exchange, in private transactions, or in the over the counter market, at prices related to the then current price of the shares on said Exchange.

The business of the company is conducted through five divisions: the Sierra-Schroeder Controls Division, which is engaged in the production of fluid control devices for the aircraft and missile industries; Ferro Cast Division, a producer of precision castings; Magnetics Division, which is engaged in the design and production of high performance precision recording and memory devices; Universal Research & Testing Laboratories Division, which performs qualification, evaluation, research, and reliability test programs on many types of electronic, electro-mechanical, pneumatic, and hydraulic components and systems; and the Iteco Division, which fabricates and sells adjustable metal framing, elevated floor systems and special fabrication facilities. The company holds a controlling interest (about 79%) in Space Systems & Industrial Automation, Inc., which is engaged in a research project for the conversion of heat to electrical power and on the future development of the Liquefreeze Process (quick freezing of food and frozen food storage and shipment); and the company holds a 50% interest in Liquefreeze Corp. of America, for which it manufactures and sells said process.

In addition to certain indebtedness, the company has outstanding 4,777,348 shares of capital stock, of which the J. B. Rea Co., Inc., owns 739,223 shares, the Liquefreeze Co., Inc., 640,000 shares, and management officials as a group 126,068 shares. An additional 514,500 shares are reserved for conversion of notes.

The prospectus lists 41 holders of the 1,155,521 shares covered by this registration statement. Such shares constitute in part presently outstanding shares which have heretofore been issued by the company in two separate transactions, and in part shares which the company expects to issue upon the conversion of its 5% convertible promissory notes now presently outstanding. The transactions pursuant to which such shares have been or are to be issued are as follows: (1) 100,000 shares are to be offered by the Rea Company. These shares are part of the 1,067,352 shares issued to Rea Company by the company in May and June of 1960 and of

which Rea Company has sold 328,129 shares and contracted to sell 111,110 shares. Rea Company has informed the company that it intends to dissolve and liquidate and that, pursuant to a Plan of Liquidation, it intends to sell these 100,000 shares and to distribute to its stockholders the remaining 528,113 shares; (2) 269,200 shares may be offered by sixteen of the seventeen persons who purchased the 328,129 shares from the Rea Company out of the shares so purchased; (3) 66,666 shares may be offered by three of the four persons who have contracted to purchase 111,110 shares from the Rea Company out of said 111,110 shares; (4) 414,500 shares may be offered by the eleven holders of the 5% convertible promissory notes of the company which are due in 1967. These notes are now outstanding in the principal amount of \$257,250. The company has been informed by the holders of these notes that upon their conversion they may thereafter sell 414,500 shares of the 514,500 shares received on such conversions; (5) 120,500 shares may be offered by the holders of shares who obtained such shares upon the conversion of the 5% convertible promissory notes of the company in the aggregate principal amount of \$60,250 from August 1960 to January 1961; (6) 184,615 shares may be offered by Industrial Tubular Equipment Co., Iteco Colorado Corp., National Forging and Tool Co. and the stockholders of said corporations to whom these shares were issued pursuant to the acquisition by the company of the businesses and properties which are now a part of the company's Iteco Division. The largest blocks are being sold by C. S. Heinz, Jr., Enterprises, 102,248 shares, Industrial Tubular Equipment, 114,198, Oliver Investment Co., 100,000, Rea Company, 100,000, and the Estate of Glendolyn MacBoyle Bechhold, 100,000.

**INDUSTRIAL INSTRUMENT PROPOSES RIGHTS OFFERING.** Industrial Instrument Corporation, 8400 Research Road, Austin, Texas, filed a registration statement (File 2-17646) with the SEC on February 27, 1961, seeking registration of 60,000 shares of 6% Second Series Cumulative Convertible Preferred Stock, \$10 par. The company proposes to offer such stock for subscription by holders of its outstanding common and first series preferred stock on the basis of one new share of preferred for each eight shares of common and for each one share of preferred stock held. In addition to granting holders of the 7,871 shares of the first series preferred the right to subscribe for the second series preferred on a share for share basis, the company will offer to such holders the option to exchange first series preferred shares for an equal number of second series shares. The record date, subscription price, name of the underwriter and the underwriting terms are to be supplied by amendment.

The company is in the business of manufacturing and selling various types of instruments used to measure and control the flow, level, pressure and temperature of liquids and gases and various types of pneumatic and electrical transmitting systems used to communicate measurement information from one point to another. It also manufactures and sells certain component parts of instruments to other manufacturers. Of the \$520,000 net proceeds from the stock sale, \$10,000 will be used to purchase machine tools, \$70,605 to pay bank notes, \$45,384 to pay accounts payable, \$45,287 to pay notes to others, and the balance will be added to general funds to be used as working capital to finance work in progress and to carry accounts receivable.

In addition to certain indebtedness and 7,871 shares of the first series preferred stock, the company has outstanding 683,550 shares of common stock, of which latter W. M. Reese, board chairman and president, owns 298,922 shares and management officials as a group 307,443 shares. Reese also owns 75 shares of the preferred stock and management officials 975 shares.

**CITY PRODUCTS PROPOSES RIGHTS OFFERING.** City Products Corporation, 33 South Clark Street, Chicago, Ill., filed a registration statement (File 2-17647) with the SEC on February 27, 1961, seeking registration of 35,000 shares of common stock. The company proposes to offer such shares for subscription by certain store owners who are franchised to use the name "Ben Franklin." They may purchase the number of shares equal to the price per share (to be supplied by amendment), divided into 50% of the amount of rebate paid under the Franchise Contract for 1960. The proceeds from the sale of the stock to the franchise holders, or from the exercise of options under the Employees' Stock Purchase Plan or the executives' stock options, will be added to working capital and used for general corporate purposes.

**JOHN NUVEEN CO. FILES BOND TRUST FUND.** John Nuveen & Co., 135 South LaSalle St., Chicago, filed a registration statement (File 2-17648) with the SEC on February 23, 1961, seeking registration of \$10,000,000 (10,000 units) ownership certificates in the Tax-Exempt Public Bond Trust Fund, Series 2. Each unit will represent a fractional undivided interest in the Fund. The Fund will consist of (1) interest bearing obligations of states, counties, municipalities and territories of the United States, and authorities and political subdivisions thereof, and corporations, cooperatives and other agencies acting therefor, the interest on which is, in the opinion of recognized bond counsel, exempt from all Federal income tax under existing law, and (2) such interest income and any proceeds from the sale or other disposition of such obligations.

According to the prospectus, John Nuveen & Co., as Sponsor of the Fund, will deposit such public bonds with the trustee of the Fund, which bonds will constitute the underlying securities of the Fund. Simultaneously, the trustee will deliver to or on the order of the underwriter, John Nuveen & Co., certificates for 10,000 units representing the entire ownership of the Fund for distribution. The initial public offering price of the units will be determined on the basis of adding to the trustee's evaluation of the underlying bonds on the date of their deposit, a certain percentage (to be supplied by amendment), and dividing the sum thereof by 10,000. This will produce a gross underwriting profit to reimburse the Sponsor for payment of legal and other expenses incurred in connection with creating the Fund, for payment of selling expenses and for compensation for its services as underwriter. The underwriter will from day to day review the offering price in relation to the market for the public bonds and will adjust the same to reflect changes in the value of said underlying bonds. An amount will in every instance be added to the price so obtained equal to each unit's shares of interest accrued on the underlying bonds to the date of delivery of the certificates. No management fee is to be charged to the Fund. A fee for ordinary administrative services will be paid the trustee. Each certificate holder is entitled to tender any of his units to the trustee for redemption at the unit value thereof.

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**COMMUNITY RESEARCH & DEVELOPMENT PROPOSES RIGHTS OFFERING.** Community Research and Development, Inc., 14 West Saratoga Street, Baltimore, Md., filed a registration statement (File 2-17650) with the SEC on February 27, 1961, seeking registration of 620,445 shares of common stock. The company proposes to offer such shares for subscription by holders of its common stock and 6% convertible debentures due January 1, 1972, on the basis of one new share for each two common shares held and 105 shares for each \$1,000 of debentures held. Alex. Brown & Sons heads the list of underwriters. The record date, subscription price and underwriting terms are to be supplied by amendment.

The business of the company is the development, ownership and management of income producing real estate projects. Its efforts have been devoted primarily to shopping centers. Of the net proceeds from the sale of additional stock, \$750,000 will be used to complete four centers now under development (including repayment of bank loans of \$500,000 incurred since December 1960 to finance such development), and the balance for the development and equity financing of new projects and the expansion of existing centers.

In addition to various indebtedness, the company has outstanding 630,000 shares of common stock, of which James W. Rouse & Company, Inc., owns 232,000 shares, Harry Bart and Albert Stark, directors, and members of their families, 189,600 shares, and Jack Meyerhoff, board chairman, and members of his family, 158,340 shares. The above company and individuals, members of their families and certain corporations owned by them were sponsors of the company upon its commencement of operation and acquired an aggregate of 580,000 common shares at that time. According to the prospectus, these stockholders have indicated their intention to exercise not less than 162,390 rights and thus to subscribe for not less than 81,195 of the 290,000 shares which will in the aggregate be offered to them. The remaining 417,610 rights which will be issued to the sponsors may be offered for sale. James W. Rouse is listed as president of the company and of Rouse & Company.

**TEL-A-SIGN SHARES IN REGISTRATION.** Tel-A-Sign, Inc., 3401 West 47th Street, Chicago, Ill., filed a registration statement (File 2-17653) with the SEC on February 27, 1961, seeking registration of (1) 75,000 outstanding shares of common stock, to be offered for public sale from time to time by Concent Holding, Ltd. on the American Stock Exchange, or otherwise, at prices current at the time of sale, and (2) 200,000 common shares which underlie an option owned by Pantex Manufacturing (Canada) Ltd. for the purchase of such shares from the company at \$2.25 per share and which will be resold to Pantex stockholders at the same price. Any shares not subscribed to by Pantex stockholders will be offered for public sale through underwriters, the names of which are to be supplied by amendment.

The company is engaged in the manufacture and sale of illuminated and non-illuminated signs and other point-of-purchase advertising material for use by manufacturers of nationally advertised and distributed products in identifying their trade names and products on the premises of retail dealers. In December 1960 the company acquired from Concent Holding, Ltd. all of the outstanding shares of Concent Operations, Inc., for the said 75,000 common shares and \$70,000 in cash. The sole asset of Concent Operations is Gatch Wire Goods Company, which has been engaged in the fabrication of wire products, including wire display racks. Pursuant to an agreement in August 1960, the company sold to Pantex 100,000 common shares at \$2.25 per share and borrowed \$225,000 which, at the option of Pantex, could and was paid in full by the delivery of an additional 100,000 common shares to Pantex. The agreement further provided for the said option to Pantex to purchase the 200,000 shares included in this registration statement. The net proceeds from the company's sale of the 200,000 shares to Pantex will be used for working capital purposes and particularly to reduce accounts payable and notes payable secured by accounts receivable.

In addition to certain indebtedness, the company has outstanding 945,700 shares of common stock, of which Aaron A. Steiger, president, owns 128,200 shares, Pantex Manufacturing, 200,000 shares (in addition to the shares under option), and management officials as a group, 174,000 shares.

**FIRST REPUBLIC CORP. FILES EXCHANGE OFFER.** The First Republic Corporation of America, 375 Fifth Ave., New York, filed a registration statement (File 2-17654) with the SEC on February 27, 1961, seeking registration of 1,564,701 shares of Class A stock. Of this stock, 1,247,181 shares are to be offered in exchange for the outstanding interests of partners, joint ventures, and cotenants in certain partnerships, joint ventures and cotenancies. The remaining 317,520 Class A shares are to be offered for public sale at \$10 per share. No underwriting is involved.

The company was organized on February 14, 1961, under Delaware law by Ira Sands, Jerome Wishner and George Gewanter; and it proposes to engage in the general real estate business. By the exchange offer, the company proposes to acquire The Fairfax Building in Kansas City, Mo., the Korvette Building in New York City, the Allstate Building in New York City, the Engineering Building in Chicago, the Velvex-44 Center in New York City, Imperial Square in Hempstead, N. Y., and the Waltham Engineering Center in Waltham, Mass., except that the offer is being made to about 20% and 10% respectively, of the holders of capital units in the Korvette and Engineering Buildings. From the cash proceeds of the stock sale, the company proposes to acquire the Cypress Plaza Shopping Center in Fort Lauderdale, the Alden Park, Pelham Park and Marchwood apartments in Philadelphia, and the Peoria Penny-Park Center in Peoria, Ill.

The prospectus lists Ira Sands as board chairman, Jerome Wishner as president, and George Gewanter as executive vice president. After giving effect to all transactions proposed in this offering, Sands and Wishner will own 100,085 shares each (31.87% each) of the then outstanding Class B stock and Gewanter 83,285 shares (26.52%). They will own, respectively, 4.42%, 4.38% and 3.93% of the outstanding Class A shares. An aggregate of \$15,236,386 of mortgage and note indebtedness will be outstanding upon acquisition of the properties.

**CEREL-PERINI ASSOCIATES FILES FOR OFFERING.** Cerel-Perini Associates, Inc., 17 Strathmore Road, Natick, Mass., filed a registration statement (File 2-17652) with the SEC on February 27, 1961, seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Bear, Stearns & Co. The public offering price and underwriting terms are to be supplied by amendment. Certain stockholders

and the company have sold an aggregate of 9,000 additional common shares to the principal underwriter at \$4.20 per share, and the company has agreed to sell 5,133 common shares to John J. Bundschuh, Inc., (at a price to be supplied by amendment) and to issue to it 5,867 additional shares in full payment for services rendered as a finder.

The company is engaged in the business of acquiring and developing land for use as industrial parks. The corporate name of the company will be changed to "Cerel Parks Associates Inc." after the effective date of this offering. The company is presently developing or holding for development 12 such areas, each intended to be developed into a separate industrial park. Of the net proceeds from the stock sale, \$400,000 will be applied to the retirement of an unsecured bank loan, \$500,000 to the reduction of accounts payable and the balance will be added to working capital. Except for a maximum of \$100,000 that may be used to finance the acquisition of additional land areas if an advantageous opportunity should occur, the company tentatively plans to use one-half of such balance to prepare selected portions of its land, and to apply the remaining balance of such proceeds to help finance the cost of future construction of buildings for lease on the company's fully prepared land.

In addition to certain indebtedness, the company has outstanding 387,252 shares of common stock, of which the Perini Corp. owns 114,340 shares, C. Lappas Co., Inc., 55,320 shares, Martin Cerel, president, 103,264 shares, and management officials as a group 354,060 shares. Louis R. Perini, board chairman, and Joseph R. Perini, a director, jointly own more than 50% of the outstanding capital stock of Perini Corp. Certain of the properties of the company were acquired from Cerel and two other company directors.

ALABAMA POWER FINANCING NOTICED. The SEC has issued an order under the Holding Company Act (Release 35-14381) giving interested persons until March 14, 1961, to request a hearing upon the financing proposal of Alabama Power Company (Birmingham). As previously reported (News Digest of 2/14/61), Alabama Power proposes to offer for public sale at competitive bidding (1) \$13,000,000 of first mortgage bonds due 1991 and (2) 80,000 shares of \$100 par preferred stock. An additional \$2,769,000 of bonds would be issued for improvement or sinking fund purposes. The proceeds of the cash sale of the bonds and preferred stock will be applied toward the company's program of property additions and improvements.

ARKANSAS WESTERN GAS SEEKS ORDER. Arkansas Western Gas Company, Fayetteville, Ark., has applied to the SEC for an order under the Trust Indenture Act of 1939 with respect to the trusteeship of The First National Bank of Chicago under certain trust indentures; and the Commission has issued an order (Release 39-149) giving interested persons until March 13, 1961, to request a hearing thereon. First National is trustee under an indenture dated April 1, 1959, pursuant to which \$1,000,000 of 4.60% sinking fund (convertible) debentures due 1984 are outstanding; an indenture dated September 1, 1957, pursuant to which \$1,100,000 of 5-1/8% sinking fund debentures due 1982 are outstanding; and an indenture dated December 1, 1960, under which \$1,500,000 of 5 1/2% sinking fund debentures due 1985 are outstanding. In its present application, Arkansas Western Gas seeks a determination by the Commission that trusteeship by First National under the 1960 indenture is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify First National from acting as trustee under any of such indentures.

ANGELES CREST DEVELOPMENT FILES FINANCING PLAN. Angeles Crest Development Co., Inc., 3436 North Verdugo Road, Glendale, Calif., filed a registration statement (File 2-17651) with the SEC on February 27, 1961, seeking registration of \$1,500,000 of 7% subordinated debentures due April 1, 1971, and 75,000 shares of common stock, to be offered for public sale in units consisting of \$500 of debentures and 25 common shares. The units are to be offered for sale at \$632.50 per unit through underwriters headed by Dempsey-Tegeler & Co. and Lester, Ryons & Co., which will receive a \$69.875 per unit commission. The stockholders of the company will sell to certain partners and associates of the principal underwriters, for \$750, 6-year warrants to purchase 15,000 common shares owned by them at \$5.50 per share.

The company was organized under California law in April 1960 for the primary purpose of acquiring land with a view to developing residential lots, a golf course and related facilities. In February 1961 the company acquired about 406 acres of vacant and unimproved land in the La Canada-Flintridge area of Los Angeles County, and an option to purchase about 7.7 adjacent acres. The company plans to exercise such option upon completion of this offering and to develop an 18-hole championship golf course, a country club and related facilities and to subdivide the remainder of the property into high-grade residential building sites. The company paid \$34,398 to cover certain costs and issued 75,000 common shares in exchange for the 406 acres and intends to exercise the option to purchase the adjacent 7.7 acres for \$42,350 plus 6% of such amount per annum from June 15, 1960 to a date 30 days after the date the option is exercised. The 406 acre property is subject to a \$1,436,787 note which matures on February 15, 1967 (or November 15, 1971 pursuant to an option granted by the holder of the note), bears no interest, and is payable in annual installments of not less than \$100,000 beginning June 1961. Of the \$1,620,000 net proceeds from the sale of the units, \$100,000 will be used to pay the first installment on the mortgage note; \$1,398,000 for expenses with respect to the first phase of development for the La Canada property, including the \$45,000 purchase price of the additional 7.7 acres; and \$87,602 will be added to working capital.

In addition to the note, the company has outstanding the 75,000 common shares which are owned in equal amounts by William H., Charles L. and Dexter L. Godbey, previously owners of the property. William H. Godbey is president and board chairman.

EFFECTIVE SECURITIES ACT REGISTRATIONS. February 28: Howell Instruments, Inc. (File 2-17152); Tip Top Products Company (File 2-17154); Sports Arenas, Inc. (File 2-17281); The Glidden Company (File 2-17330); Eastern Bowling Corporation (File 2-17340); Universal Leaf Tobacco Company (File 2-17362); American Machine & Foundry Company (File 2-17477); United Boatbuilders, Inc. (File 2-17440).