

# 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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**AUTOMATIC DATA PROCESSING FILES FOR OFFERING AND SECONDARY.** Automatic Data Processing, Inc., 92 Highway 46, East Paterson, N. J., filed a registration statement (File 2-18525) with the SEC on July 19th seeking registration of 100,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 50,000 shares, being outstanding stock, by the holders thereof. The shares are to be offered at \$3 per share on an all or none basis through Golkin, Bomback & Co. and two other firms, which will receive a 30¢ per share commission. The registration statement also includes 12,000 common shares sold to the underwriters by the company at 50¢ per share; 3,500 common shares which underlie one-year warrants sold to the underwriters at 1¢ each, exercisable at \$2.70 per share; and 7,500 outstanding common shares owned by Frank Lautenberg, vice president, which shares may be sold from time to time in the over-the-counter market at prices related to the prices current at the time of sale.

Organized under Delaware law in June 1961, the company is engaged in the electronic data processing service business, principally in the preparation of payrolls. Such business was previously conducted by two affiliated corporations both of which have been merged into the company. The net proceeds from the company's sale of additional stock will be used to construct a dust-free, dehumidified, constant temperature room in the company's plant to house the "1401" IBM Data Processing System now on order; to cover costs (including salaries) of training personnel to develop new applications for the "1401" system and to program such applications; and for working capital.

The company has outstanding 362,000 shares of common stock, of which Henry Taub, president, and Joseph Taub, secretary-treasurer, own 165,375 and 149,625 shares, respectively; and they propose to sell 26,125 and 23,875 shares, respectively. In addition, Lautenberg owns 35,000 shares.

**NATIONAL CLEANING CONTRACTORS FILES FOR SECONDARY.** National Cleaning Contractors, Inc., 60 Madison Ave., New York, filed a registration statement (File 2-18526) with the SEC on July 19th seeking registration of 200,000 outstanding shares of common stock, to be offered for public sale by the holders thereof on an all or none basis through underwriters headed by Bear, Stearns & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries specialize in the cleaning and maintenance of various types of structures. The company provides a variety of housekeeping services for office buildings, hotels, factories, restaurants, stores and other commercial space. Its business is carried on by two 90% owned subsidiaries and three affiliated companies. The prospectus states that the company will acquire the 10% stock interest held by Erwin J. Lurie, secretary, in its two subsidiaries and, at the same time, will acquire all of the outstanding stock of the three affiliated companies from 11 stockholders in exchange for an aggregate of 48,971 common shares. The prospectus further indicates that pursuant to a recapitalization to be adopted by stockholders, the 630 5% first preferred, 6,855 3% second preferred, and 9,800 common shares then outstanding will be converted into 617,696 shares of common stock.

The company will have outstanding (after giving effect to the foregoing) 666,667 common shares, of which William V. Frankel, president, and Morton A. Sweig, executive vice president, will own 238,654 and 101,413 shares, respectively; and then propose to sell 71,594 and 30,424 shares, respectively. The prospectus lists 11 others who propose to sell amounts ranging from 400 to 28,107 shares.

**ROBERT LEE LONG REGISTRATION REVOKED.** The SEC has issued an order under the Securities Exchange Act of 1934 revoking the broker-dealer registration of Robert Lee Long, 3109 Alexander Street, Shreveport, La., for failure to file an annual report of financial condition and to amend his registration application to reflect a change of business address.

**POWELL SECURITIES CORP. WITHDRAWS.** The Commission has issued an order permitting Powell Securities Corporation, 63 Wall Street, New York, to withdraw its application for broker-dealer registration and has discontinued proceedings on the question whether registration should be denied.

The notice of withdrawal was filed by Irwin Vincent Powell, president of the applicant company. Powell previously filed an application for broker-dealer registration as a sole proprietor doing business as Powell Securities Company; and proceedings are pending on the question whether said application should be denied.

**MILLER SMITH & CO. HEARING SCHEDULED.** The Commission has scheduled a hearing for August 3, 1961, in its Denver Regional Office in proceedings to determine whether the broker-dealer registration of Miller Smith & Co., Inc., Farmers Union Building, Denver, should be revoked. The order authorizing these proceedings charged violations of the anti-fraud and other provisions of the Federal securities laws.

**RECORD IN CHAMPION & CO. CASE STIPULATED.** The hearing scheduled for August 21, 1961, in Little Rock, Ark., in proceedings to determine whether to revoke the broker-dealer registration of Champion & Co., Inc., of Little Rock, has been cancelled following the signing of a factual stipulation by and between counsel which will serve as the record upon which the question of revocation will be determined by the Commission.

OVER

**KINGSFORT UTILITIES PROPOSES BANK BORROWINGS.** Kingsfort Utilities, Inc., Roanoke, Va., has filed a proposal with the SEC under the Holding Company Act for the issuance, sale and renewal of up to \$1,600,000 of short-term unsecured bank notes from time to time prior to December 31, 1962; and the Commission has issued an order (Release 35-14482) giving interested persons until August 7th to request a hearing thereon. Kingsfort, a subsidiary of American Electric Power Company, had outstanding on June 30th \$1,000,000 of notes, of which \$400,000 represent borrowings pursuant to the exemptive provisions of Section 6(b) of the Act. It seeks authorization to renew \$600,000 of such notes and to issue not to exceed \$600,000 of additional notes.

**SEC CONDUCT RULES AMENDED.** The SEC today announced an amendment to its Regulation Concerning Conduct of Members and Employees and Former Members and Employees (Release 33-4395). The purposes of the amendments are to (1) incorporate by reference the prohibitions in Executive Order 10939 of May 5, 1961, "To Provide a Guide on Ethical Standards to Government Officials"; (2) make it clear that the anti-speculative provisions of Rule 3 apply to all securities including those referred to in Rule 3(n); and (3) make it clear that members and employees may not have a beneficial interest of any kind in broker-dealers and investment advisers.

**CORPORATE OFFERINGS INCREASE.** The SEC has issued a study, for Release in Morning Newspapers of Friday, July 21st, reporting that new corporate securities offered for cash sale in the second quarter of 1961 totalled \$5.1 billion, an all-time record volume exceeding by 40% the previous record of \$3.6 billion in the first quarter of 1957 and 2½ times the amount offered in the first quarter of 1961 (Stat Rel 1767).

**KENT WASHINGTON FILES FOR STOCK OFFERING.** Kent Washington, Inc., 1420 K Street, N. W., Washington, D.C., filed a registration statement (File 2-18527) with the SEC on July 19th seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5 per share. The offering will be made on a best efforts basis through Hodgdon & Co., Inc., which will receive a 50¢ per share selling commission and \$50,000 for expenses. The registration statement also includes 10,000 common shares which underlie 5-year warrants to be purchased by the underwriter at 5¢ each if all the shares are sold, exercisable at \$5 per share.

Organized under Maryland law in April 1960, the company was inactive until March 1961 when it completed its organization and entered into contract for the acquisition of certain properties. Upon the completion of certain conveyances and assignments by the company's organizers, the company will own two department store buildings in fee (subject to certain mortgages), one in Alexandria, Va., and one in Bethesda, Md., which are leased to subsidiaries of Gem International, Inc.; a tract of land of about 155 acres in Annapolis, Md., which the company plans to develop; and a contract to purchase a tract of land of about 14 acres in an industrial park in Bethesda. The organizers will receive 400,000 shares in consideration for the transfer to the company of said properties. They have purchased 2,000 shares at \$5 per share, and have made a cash investment of the properties of \$108,968, and the organizers will be personally liable in the amount of \$2,050,000 on permanent financing first deeds of trust to be placed on the Gem-Bethesda and Gem-Alexandria store properties to be acquired by the company. Upon completion of the offering, the public will have invested \$1,000,000 for approximately 33% of the common stock to be outstanding. The company plans to conduct, through a subsidiary, a construction business for the building of rental housing projects and commercial and industrial buildings. The net proceeds from the stock sale will be used as follows: \$77,500 for the payment of short term notes payable; \$50,000 for investment in the subsidiary to be used as working capital in its construction business; \$184,597 for payment of obligations of the company's organizers to be assumed by the company at the time of the conveyance of the department store buildings; \$250,000 for investment in apartment buildings to be constructed on the Annapolis land; \$250,000 for investment in warehouse and commercial buildings to be constructed on the Bethesda land; and the balance for repayment to the organizers for advances and for general corporate purposes.

In addition to certain indebtedness, the company has outstanding 402,000 shares of common stock (after the conveyance of said properties), of which James Juliano, president, Isadore Parzow, first vice president, Arthur Zinnamon, second vice president, Bernard S. Paskin, treasurer, and Nathan M. Lubner, secretary, own 20% each.

**INDICTMENT NAMES GEORGE R. SEYBOLD.** The SEC Chicago Regional Office announced July 18th (LR-2061) the return of an indictment (USDC, Detroit) charging George Robert Seybold with violations of the anti-fraud provisions of the Securities Act and Investment Advisers Act in his conduct of the business of Seybold and McBurney, of Jackson, Mich., which Seybold dominated and controlled.

**SECURITIES ACT REGISTRATIONS.** Effective July 19: Certain-Teed Products Corp. (File 2-18367); Effective July 20: Chalco Engineering Corp. (File 2-17547); Dalto Electronics Corp. (File 2-16368); Gilbert Data Systems, Inc. (File 2-17970); The Hanover Insurance Co. (File 2-18314); Micro Electronics Corp. (File 2-17907); Wayne Manufacturing Co. (File 2-18213); World Color Press, Inc. (File 2-18116).