

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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FOR RELEASE July 27, 1962

DIATRON OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a stock offering by Diatron, Incorporated, 3650 Richmond Street, Philadelphia.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed on March 29, 1961, Diatron proposed the public offering of 100,000 common shares at \$3 per share, the offering to be made on a best efforts basis by Royer Securities Co. The offering was commenced June 26 and completed on June 27, 1961. The Commission asserts in its suspension order that it has reasonable cause to believe that the company's offering circular was false and misleading in respect of certain material facts and that the stock offering was made in violation of Section 17 (the anti-fraud provision) of the Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

The alleged misrepresentations relate to the failure of the company's offering circular to disclose (a) the true position of the company with respect to debt (and the inclusion therein of financial statements which were false and misleading); (b) that Laird, Bissell & Meeds was to be an underwriter and that a member of that firm would be on the board of the company, (c) that some \$12,374 was due as commissions to salesmen and (d) that over \$79,000 was immediately due The Broad Street Trust Bank of Philadelphia. It is further alleged that the offering circular failed to make accurate and adequate disclosure (a) of the intended disposition of the proceeds of the stock sale and (b) that officers salaries were to be paid from the proceeds of the offering.

TRANSMOUNT MINING VENTURE SUSPENSION PERMANENT. Transmount Mining Venture, Inc., 219 Independence Bldg., Colorado Springs, Colo., has withdrawn its request for a hearing upon the Commission's order of May 17, 1962 temporarily suspending a Regulation A exemption from Securities Act registration with respect to a proposed public stock offering by that company. Accordingly, the suspension order has become permanent and the hearing cancelled.

SEABOARD LAND FILES FOR STOCK OFFERING. Seaboard Land Company, 912 Thayer Avenue, Silver Spring, Md., filed a registration statement (File 2-20593) with the SEC on July 25th seeking registration of 200,000 shares of Class A common stock, to be offered for public sale on a best efforts basis by its wholly-owned subsidiary, North American Seaboard Securities Corp., of the Thayer Avenue address. The public offering price (maximum \$2.50 per share*) and underwriting terms are to be supplied by amendment.

The company was organized in 1958 for the purpose of acquiring direct ownership, mortgage and other interests, in and for the development of real property, and as a vehicle through which small investors could pool their resources for, and diversify the risk of participation in, such investments. The company presently owns unimproved property in Montgomery County, Md. and a parcel of real estate in the District of Columbia. The net proceeds from the stock sale will be added to working capital and may be used, if necessary, to pay outstanding bank loans and payments due upon deeds of trust. In addition to certain indebtedness, the company has outstanding 270,988 Class A and 68,000 Class B common shares (after giving effect to a recent 4-for-1 stock split), of which management officials as a group own 12.91% and 100%, respectively. Book value of all stock now outstanding is \$1.33 per share. Melvin A. Robinson is president.

HORACE MANN INVESTORS FILES FOR OFFERING. Horace Mann Investors, Inc., 216 East Monroe Street, Springfield, Ill., depositor for Horace Mann Investment Plan, filed a registration statement (File 2-20594) with the SEC on July 25th seeking registration of \$5,000,000 of periodic payment plan certificates for the accumulation of shares of Horace Mann Fund, Inc.

HICKS-PONDER FILES FOR OFFERING AND SECONDARY. Hicks-Ponder Company, 500 West Overland Ave., El Paso, Texas, filed a registration statement (File 2-20595) with the SEC on July 26th seeking registration of 185,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 85,000 shares, being outstanding stock, by the holders thereof. Eppler, Guerin & Turner, Inc., 1600 Fidelity Union Tower, Dallas, heads the list of underwriters. The public offering price (maximum \$10 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 18,500 shares underlying 5-year warrants sold to the underwriter for \$185, exercisable at a price also to be supplied by amendment.

The company is primarily engaged in manufacturing men's and boys' jeans and jackets, casual slacks and shorts, and work trousers. Of the net proceeds from the company's sale of additional stock, \$505,000 will be used to expand the company's productive facilities at its Yuma, Arizona plant, and the balance for additional working capital to help finance seasonal inventory requirements. The company has outstanding 160,231 common and 339,769 Class B common shares (after giving effect to a recent recapitalization), of which J. Hart Ponder, president, and William J. Coonly, assistant secretary-treasurer, together with their wives and children, own an aggregate of 74.4% of the common and 93.1% of the Class B shares. Ponder and Coonly propose to sell all of their holdings of common stock (15,000 and 5,000 shares, respectively) and their wives propose to sell 25,000 and 40,000 shares, respectively (retaining 10,000 shares each). After the sale, the two families will own 13.1% of the outstanding common and 93.1% of the outstanding Class B stock.

OVER

PUBLIC SERVICE ELECTRIC AND GAS PROPOSES BOND OFFERING. Public Service Electric and Gas Company, 80 Park Place, Newark, N. J., filed a registration statement (File 2-20597) with the SEC on July 26th seeking registration of \$40,000,000 of first and refunding mortgage bonds due 1992, to be offered for public sale at competitive bidding. The net proceeds from the bond sale will be added to general funds to be used for general corporate purposes, including payment of a portion of the cost of its current construction program (estimated at \$209,000,000). The company estimates that of such amount \$74,000,000 has been or will be spent in the last seven months of 1962 and the remainder in subsequent years.

MCKESSON & ROBBINS FILES STOCK PLAN. McKesson & Robbins, Incorporated, 155 East 44th Street, New York, filed a registration statement (File 2-20598) with the SEC on July 26th seeking registration of 200,000 shares of common stock, to be offered pursuant to its Executive Stock Option Plan.

ALLIED STORES FILES FOR SECONDARY. Allied Stores Corporation, 401 Fifth Avenue, New York, filed a registration statement (File 2-20600) with the SEC on July 26th seeking registration of 135,000 outstanding shares of common stock, to be offered for public sale by the holders thereof in the over-the-counter market or on the New York Stock Exchange at prices current at the time of sale (maximum \$53.75 per share*). By agreement dated June 28, 1962, such shares, together with \$500,000 in cash, will be issued to the stockholders of The William H. Block Company in exchange for all of the outstanding stock of Block.

The company and its subsidiaries operate 95 stores in diversified areas of the country, carrying principally women's, men's and children's clothing and accessories, and general articles for home needs including household appliances. Block is engaged in the department store business in and near Indianapolis, Ind. In addition to certain indebtedness and preferred stock, the company has outstanding 2,761,370 shares of common stock. B. Earl Puckett is board chairman and Theodore Schlesinger is president. Of the shares to be issued to Block stockholders, M. S. Block, R. C. Block and E. A. Block will receive 22,500 shares each; and said three persons and Samuel B. Walker, as trustees under a certain will, will receive 67,500 shares.

MASS. ELECTRIC FILES FINANCING PLAN. Massachusetts Electric Company, 939 Southbridge St., Worcester, Mass., filed a registration statement (File 2-20599) with the SEC on July 26th seeking registration of \$60,000,000 of first mortgage bonds (series G) due 1992 and 75,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale at competitive bidding.

The company is a subsidiary of New England Electric System, a registered holding company. In June 1962, it entered into a merger agreement with Lynn Electric Company, Merrimack-Essex Electric Company and Suburban Electric Company, all subsidiaries of New England Electric System, providing for the merger of such companies into Massachusetts Electric. In exchange for all of the common shares of the other merging companies, Massachusetts Electric will issue to its parent 941,068 common shares and will assume the liabilities of the merging companies, including a long-term serial note of Lynn and all the first mortgage bonds of Merrimack and Suburban. The \$67,500,000 estimated net proceeds from this financing will be used (a) to redeem \$7,500,000 preferred stock of Merrimack, (b) to redeem \$25,000,000 of first mortgage bonds of Merrimack, (c) to redeem \$8,500,000 of first mortgage bonds of Suburban, (d) to pay the serial note of Lynn in the amount of about \$2,199,000, (e) to redeem \$7,500,000 of series E bonds of Massachusetts Electric, and (f) to reduce short-term notes of the three merging companies and Massachusetts Electric, expected to aggregate \$17,000,000. Alfred W. Smith is president. After the merger, it is expected that Robert F. Krause will be president and William Webster board chairman.

MODIFICATION OF INVESTMENT CO. REPORTING PROPOSED. The SEC today announced a proposal for amendment of its Rule 30d-1 under the Investment Company Act (Release IC-3509) to extend the period within which annual and semi-annual reports and financial statements of registered investment companies shall be distributed to shareholders, from 30 to 45 days after the date as of which the report is made. The purpose of the proposal is to give companies subject to the rule more time in which to prepare and transmit the required reports to shareholders. Interested persons are invited to submit comments not later than August 27th.

TRADING BAN IN BLACK BEAR INDUSTRIES CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Black Bear Industries, Inc., on the San Francisco Mining Exchange and over-the-counter market for a further ten-day period July 28 to August 5, 1962.

DAN RIVER MILLS FILES EXCHANGE PLAN. Dan River Mills, Incorporated, Box 261, Danville, Va., filed a registration statement (File 2-20596) with the SEC on July 26th seeking registration of 344,886 shares of common stock. It is proposed to offer such stock in exchange for the outstanding common shares (not already owned by the company) of Woodside Mills, of South Carolina, at the rate of 3.75 shares for each share of Woodside Mills. The company presently owns 301,208 shares (76.61%) of Woodside Mills and proposes to acquire the remaining 91,969.44 shares outstanding. The exchange offer is subject to approval by company stockholders at a special meeting to be held in October.

The company is principally engaged in the business of spinning and weaving cotton and synthetic fibers and finishing cloth. The principal products of Woodside Mills are cotton print cloth, combed cotton chambrays and broadcloth, synthetic blended broad woven grey goods, and synthetic tricot. In addition to certain indebtedness and preferred stock, the company has outstanding 4,404,066 shares of common stock, of which management officials as a group own 8.64%. Certain directors of the company and their associates will receive an aggregate of 51,753.75 shares of the company under the exchange offer. William J. Erwin is president and Frank Talbott, Jr. is board chairman.

ARGUMENTS, COMING WEEK. July 31st - 2:30 P.M. - Shasta Minerals & Chemical Co. & Cascade Corp.

SECURITIES ACT REGISTRATIONS. Effective July 27: Plastic Materials & Polymers, Inc. (File 2-20485).
Withdrawn July 27: Summit Gear Co., Inc. (File 2-20434).

*As estimated for purposes of computing the registration fee.

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