

# 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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**AMERICAN RADIOTELEPHONE 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 debenture offering by American Radiotelephone Corporation, 215 Oak Street, Natick, Mass.

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 2, 1961, American Radiotelephone proposed the public offering of \$250,000 of 8% convertible debentures due 1966. The Commission asserts in its suspension order that it has reasonable cause to believe that certain terms and conditions of the Regulation were not complied with and that the offering was made in violation of the anti-fraud provisions of the Securities Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

According to the order, the company did not comply with the Regulation in that it failed to furnish the offering circular to certain purchasers of the debentures and failed to file certain sales literature with the Commission as required. The indicated anti-fraud violations relate to the company's alleged misrepresentations to certain investors that (1) an offering of common stock of the company would shortly go on the market at \$15 to \$20 per share, (2) \$221,000 of the debentures had been sold, (3) the company was acquiring several companies through mergers, (4) the "Nomad" cordless microphone was the best in the field because "all the bugs had been worked out," and (5) the former president of the company owned 73% of the voting stock.

**ALLIED NEW HAMPSHIRE GAS SEEKS ORDER.** Allied New Hampshire Gas Company, Portsmouth, N.H. gas utility subsidiary of Colonial Utilities Corporation, a registered holding company, has applied to the SEC for an order under the Holding Company Act authorizing the sale by Allied of \$400,000 of 5-5/8% first mortgage bonds due 1982 to Monarch Life Insurance Company, and a \$225,000 20-year 6 1/2% unsecured promissory note to The Lincoln National Life Insurance Company; and the Commission has issued an order (Release 35-14693) giving interested persons until September 20th to request a hearing thereon. The net proceeds from the sale of the bonds and note will be used to pay at maturity (October 1962) an outstanding \$56,000 bank note; to retire 2,000 outstanding shares of \$100 par series A 6 1/2% preferred (including a \$12,000 premium); to pay all then outstanding short term bank notes (aggregating \$30,000 at May 1962); to reimburse treasury for expenditures for purchase and construction of additional utility assets; and for other corporate purposes.

**MID-AMERICA MINERALS FILES FOR STOCK OFFERING.** Mid-America Minerals, Inc., 14 North Robinson, Oklahoma City, Okla., filed a registration statement (File 2-20705) with the SEC on September 5th seeking registration of 15,000 shares of 6% convertible preferred stock (\$100 par), to be offered for public sale at \$100 per share directly by the company and Midamco, Inc., a wholly-owned subsidiary. The offering will initially be made to common stockholders of the company.

The company is generally engaged in the business of oil and gas production and development. It owns properties in 16 states, substantially in Texas, Oklahoma and Louisiana. All of the net proceeds from the preferred stock sale will be used to redeem outstanding 7% convertible preferred shares (\$100 par) in the aggregate amount of \$1,125,000 (plus any accrued dividends). Any balance will be added to working capital. The prospectus reflects a net loss for the fiscal year ended June 30, 1962 of \$147,055 and a working capital deficit as of that date of \$298,413 (but the reported loss is down considerably over the two prior years). In addition to certain indebtedness and preferred stock, the company has outstanding 823,358 shares of common stock, of which John W. Fisher, board chairman, owns (and holds for members of his family) an aggregate of 19.8% and management officials as a group own 52.2%. John W. Nichols is president and owner of 4.9% of the outstanding common stock.

**TRADING IN AUTOMATED PROCEDURES TO RESUME.** The SEC today announced that it had determined not to further suspend trading in the Class A common stock of Automated Procedures Corp. (New York City) on the National Stock Exchange and over-the-counter market beyond the September 11, 1962, expiration date of the most recent suspension order. Accordingly, trading therein may be resumed on and after September 12, 1962. However, it is understood that the Exchange proposes to continue the suspension of trading on the Exchange for an indefinite period, but that its members will be permitted to trade in the stock in the over-the-counter market.

Trading in Automated Procedures stock has been suspended since March 16, 1962, because of the inadequacy of public information concerning certain developments in the company's financial condition. Reports have now been filed with the Commission and a summary thereof mailed to all stockholders. Included therein is information with respect to the company's current financial position, together with an explanation of certain transactions which gave rise to reported losses.

OVER

ASPIC INVESTMENTS REORGANIZATION. The SEC has filed an appearance in the Chapter X proceedings for the reorganization of Aspic Investments Corporation, Miami, Florida pending in the United States District Court in Miami. The Debtor's voluntary petition for reorganization, filed on June 29, 1962, was approved by Judge Emmet C. Choate on July 25, 1962, and Thomas J. Bomar was appointed trustee. The Debtor is a mortgage broker which provided mortgages sold to investors by American Bonded Mortgage Company ("ABM"), including mortgages on real property known as Apollo Beach, located near Tampa, Florida, and owned by Flora Sun Corporation. Approximately \$7,500,000 face amount of mortgages sold by ABM are outstanding, and held by about 2,000 investors. An involuntary Chapter X petition for reorganization of ABM has been filed by creditors and is now pending. A voluntary Chapter X petition for reorganization of Flora Sun Corporation has been approved by the Court. The Debtor also owns a real estate development known as Old South Plantations, located near Fort Myers, Florida. Total assets of the Debtor are stated to be \$1,838,000, including land carried at a cost of \$1,666,000. Liabilities total \$1,339,400, including \$1,300,000 of real estate mortgages.

RICHMOND CORP. HEARING POSTPONED. On request of The Richmond Corporation of Washington, D. C., the hearing in stop order proceedings involving that company's Securities Act registration statement has been postponed from September 11 to October 15, 1962, to provide an opportunity for the parties to negotiate a factual stipulation which might avoid the necessity for an evidentiary hearing.

NANCE-KIETH HEARING POSTPONED. On request of Staff Counsel, the hearing in broker-dealer revocation proceedings involving Nance-Kieth Corporation of New York City has been postponed from September 11 to September 18, 1962, to allow further opportunity for pre-trial negotiations which might avoid the necessity of an evidentiary hearing.

SECURITIES ACT REGISTRATIONS. Withdrawn September 4: Girard Industries Corporation (File 2-20077). Effective September 5: Pacific Northwest Bell Telephone Company (File 2-20652). Withdrawn September 5: Greater New York Box Co., Inc. (File 2-19594); Tork Time Control, Inc. (File 2-19448). Effective September 6: General Economics Syndicate, Inc. (File 2-20231); Rusco Industries, Inc. (File 2-20309).

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