

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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INTERNATIONAL PACKERS FILES FOR SECONDARY. International Packers Limited, 135 S. La Salle St., Chicago, filed a registration statement (File 2-21456) with the SEC on May 28 seeking registration of 250,000 outstanding shares of common stock, to be offered for public sale by Armour and Company from time to time through one or more brokerage firms (among whom Wertheim & Co. may initially be included), on the New York Stock Exchange, in the over-the-counter market, or otherwise, at the best price and on the best terms available at the time of sale (maximum \$20.75 per share*).

The company processes and distributes meats and meat products and operates principally in the international market. It also produces dairy products, vegetable oils, soaps, animal feeds and fertilizers and in some areas distributes other grocery products and household supplies. In addition to certain indebtedness, the company has outstanding 2,792,849 shares of common stock, of which Armour owns 757,594 shares (27%) and, as indicates, proposes to sell 250,000 shares. Management officials as a group own 2.37%. A. Thomas Taylor is president and board chairman.

ROYAL AMERICAN INDUSTRIES SHARES IN REGISTRATION. Royal American Industries, Inc., 1001 Park Ave., Lake Park, Fla., filed a registration statement (File 2-21457) with the SEC on May 29 seeking registration of 2,621,133 outstanding shares of common stock, to be offered for public sale by the holders thereof from time to time on the American Stock Exchange at prices prevailing thereon (maximum \$2.50 per share*). The statement also includes 1,443,765 common shares to be offered by the company in exchange for (1) all of the outstanding stock (other than shares owned by the company) of Fort Pierce Port & Terminal Company, a Florida company, at the rate of 1 share for each 3 shares of Fort Pierce, (2) all of the outstanding stock of Military and Computer Electronics, Inc., a Delaware company, at the rate of 5 shares for each 8 shares of Military, and (3) all of the outstanding stock (other than that owned by the company) of Southern Realty & Utilities Corp., a Delaware company, at the rate of 2 shares for each share of Southern Realty. The company intends to borrow the shares required in connection with the exchange offers from Bankers Life and Casualty Company, a principal stockholder of the company, and/or from American Airmotive Corporation, a wholly-owned subsidiary of Bankers Life, pending either (1) the listing on the American Stock Exchange of an equivalent number of common shares of the company to be issued in repayment of shares so borrowed, or (2) the payment of cash for the shares so borrowed.

The company's principal business is the direct or indirect ownership of various interests in Florida real estate, the bulk of which is located in Palm Beach, Brevard, Martin and St. Lucie Counties. The company owns about 26% of Southern Realty, which is engaged in developing and selling Florida real estate and operating utilities which provide water and sewer services primarily in connection with the real estate so developed; and it also owns 87% of Fort Pierce, which is preparing a site for a port terminal facility in the City of Fort Pierce, St. Lucie County. According to the prospectus, the operations of the company and Southern Realty have not been profitable in recent years and are not expected to be profitable in the near future. The operations of Fort Pierce and of Military (which is in the electronics business) have never been profitable and are not expected to be profitable in the near future. Moreover, the company's income from the sale or rental of properties in the near future is not expected to result in sufficient funds to meet all required operating expenses and carrying charges and it is anticipated that the company will be able to meet such expenses only if advances to the company in substantial amounts are arranged. The prospectus further states that the company and Southern Realty have substantial holdings of undeveloped land, the bulk of which is subject to mortgages the amortization of which will require substantial sums. Furthermore, any development of such land will require further substantial sums and the prospectus notes that most of the company's properties outside of Palm Beach County (and certain properties therein) are remote from any areas of present development and are not likely to be developed in the near future.

In addition to certain indebtedness, the company has outstanding 18,641,258 shares of common stock, of which Bankers Life (and subsidiaries) owns 78.99%, and Madison Square Garden Corporation, 13.01%. Bankers Life is wholly-owned by John D. MacArthur, president and board chairman of the company. Book value of stock now outstanding is 94¢ per share. The list of selling stockholders and amounts proposed to be sold by each are to be supplied by amendment.

VTC'S FOR PETERSON, HOWELL & HEATHER FILED. Peterson, Howell & Heather, Incorporated, 2701 North Charles St., Baltimore, filed a registration statement (File 2-21458) with the SEC on May 29 seeking registration of voting trust certificates for 191,487 Class A and 2,644 Class B common shares of the company. The voting trustees are Harley W. Howell, president, Richard M. Heather, board chairman, and Lawrence B. Fenneman. The company has outstanding 191,487 Class A and 164,137 Class B shares, of which no Class A shares and 161,493 Class B shares have been deposited in the voting trust. Howell and Heather own 48,105 and 54,577 Class B shares, respectively, of the Class B shares in the trust. Fenneman is a co-executor of an estate which owns 46,407 Class B shares in the trust.

SECURITIES ACT REGISTRATIONS. Effective May 29: The North American Coal Corp. (File 2-21309).
Effective May 31: Studebaker Corp. (File 2-21377).

ORAL ARGUMENT, COMING WEEK: J. A. Winston & Co., Inc., June 4, 2:30 P.M.

OVER

CITY GAS OF FLORIDA FILES FOR STOCK OFFERING. City Gas Company of Florida, 955 East 25th St., Hialeah, Fla., filed a registration statement (File 2-21460) with the SEC on May 29 seeking registration of 84,000 shares of common stock, to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Place, and Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., both of New York. The public offering price (maximum \$25 per share*) and underwriting terms are to be supplied by amendment.

The company and its subsidiaries distribute natural gas and liquified petroleum gas in various portions of the Miami metropolitan area in Dade County, and in Broward and Brevard Counties, Florida. Of the net proceeds from the stock sale, \$1,000,000 will be used to pay outstanding bank loans incurred to finance the acquisition of two distributors of liquified petroleum gas and for construction purposes, and the balance will be used for construction purposes. In addition to certain indebtedness, the company has outstanding 916,000 shares of common stock, of which S. W. Langer, president and board chairman (and his family), owns 14.5%.

REGISTRATIONS OF TWO WASHINGTON, D.C. BROKERS REVOKED. The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-7086) revoking the broker-dealer registrations of Batten & Co., Inc., and Mutual Funds of America, Inc., both of 1835 K Street, N. W., Washington, D. C., for violation of the anti-fraud and other provisions of the Federal securities laws in the offer and sale of stock of Saber Boats, Inc. Franklin L. Batten, president and principal stockholder of Batten & Co., and (when these proceedings were initiated) of Mutual, was found a cause of the revocation order.

According to the Commission's decision, in February 1960 Saber Boats commenced a public offering of 106,875 shares at \$2 per share pursuant to a claimed Regulation A exemption from Securities Act registration, with Batten & Co. as underwriter on a best efforts basis. In its decision, the Commission sustained findings by its hearing examiner that, contrary to a report filed with the Commission by Batten & Co. and Saber that the offering had been completed on May 2, 1960, at least 10,000 shares reportedly sold to the public at \$2 per share were recorded on Batten & Co.'s books as sold to certain of Batten's relatives, employees and friends just prior to or on May 2d. After May 2d, most of such shares were repurchased by the firm from customers for resale. In a number of cases, the customers were unaware of the transactions, and in some instances checks issued by Batten & Co. in payment for the purported repurchase of shares were endorsed in the names of customers and deposited to the credit of Batten & Co. without the knowledge or consent of such customers. The Commission found that the firm and Batten violated the anti-fraud provisions of the Federal securities laws in that in the period following May 2d, Batten & Co. actively traded in Saber stock at prices higher than the \$2 offering price; made unfounded predictions as to the future price of the stock and led customers to believe that the distribution had been completed when in fact it had not; and made false entries in its books and records. Moreover, the Commission held that under the circumstances the offering circular employed in the offering contained untrue and misleading statements with respect to the plan of distribution and offering price, and the registration provisions of the Securities Act were thereby violated.

ELK EXPLORATION SUSPENSION MADE PERMANENT. Elk Exploration, Inc., 111 West Telegraph St., Carson City, Nev., has withdrawn its request for a hearing upon the April 4, 1963 order of the SEC which temporarily suspended a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of 60,000 common shares at \$5 per share. Accordingly, the suspension order, which was based upon false and misleading representations in the issuer's offering circular, has become permanent.

FLEX-I-BRUSH SUSPENSION MADE PERMANENT. Flex-I-Brush, Inc., of Miami, Fla., and Lodi, N. J., has withdrawn its request for a hearing upon the Commission's order of March 27, 1963, temporarily suspending a Regulation A exemption from registration with respect to a public offering of 100,000 common shares at \$3 per share (of which 18,045 shares were reportedly sold). Accordingly, the suspension order, which was based upon false and misleading representations in the issuer's offering circular, has become permanent; and the hearing scheduled for June 10, 1963 has been cancelled.

COURT AFFIRMS CONVICTIONS OF JOHN M. ADDISON, ET AL. The SEC Fort Worth and Denver Regional Offices announced May 24 (LR-2636) that the Court of Appeals in New Orleans had affirmed the convictions of John Milton Addison (15 years in prison and \$36,000 fine), Miles A. White (7 years and \$20,000 fine), William D. Groom (5 years), Robert C. Olson (2 years and \$5,000 fine), James D. (Bob) Scoggins (2 years and \$5,000 fine), and John R. Metz (2 years and \$5,000 fine). Said persons had been found guilty in 1961 (USDC, ND, Texas) of violations of the Securities Act anti-fraud provisions in the sale of evidences of indebtedness, participations in profit-sharing agreements, investment contracts and fractional undivided interests in mineral rights.

STERN & CO. ENJOINED. The SEC New York Regional Office announced May 28 (LR-2637) the entry of a Federal court order (USDC, SDNY) permanently enjoining Edward H. Stern & Co., Inc., a New York broker-dealer, and its president, Richard Litt, of New York, from further violations of the Commission's net capital and book-keeping rules and from the Exchange Act anti-fraud provisions requiring the prompt transmission of payments received in connection with an underwriting. The defendants consented to entry of the order. A motion for a preliminary injunction against the firm's bookkeeper and part-time cashier, Estelle Reitman, was withdrawn; and action for a permanent injunction against said defendant remains pending.

COPIES OF MARKET STUDY REPORT. Printed copies of Chapters I through IV of the Report of the SEC Special Study of Securities Markets (House Document No. 95) will be available for purchase from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., commencing Monday, June 3, 1963, at \$2.25 per copy. These chapters are entitled, respectively: Introduction; Qualifications of Persons in the Securities Industry; Broker-Dealers, Investment Advisers and their Customers - Activities and Responsibilities; and Primary and Secondary Distributions to the Public. Further announcement will be made when printed copies of Chapter IX, Obligations of Issuers of Publicly Held Securities, become available.

*As estimated for purposes of computing the registration fee.