

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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UNIVERSAL SECURITIES REGISTRATION REVOKED

In a decision and order announced today (Release 34-6056), the SEC revoked the broker-dealer registration of Universal Securities of Buffalo, 215 Delaware Ave., Buffalo, N. Y. The firm and its partners consented to entry of the order of revocation.

According to the Commission's decision, the firm and its partners were permanently enjoined by decree of the U.S. District Court in Buffalo on June 30, 1958, from effecting transactions in securities while their liabilities exceeded their assets, in violation of the anti-fraud provisions of the Securities Exchange Act of 1934, and while in violation of the net capital and record keeping requirements of that law and Commission's rules thereunder. The defendants consented to the decree.

Furthermore, the Commission stated, upon issuance of the court decree a disclaimer in the firm's registration application that any such injunction had been issued became incorrect; but the firm failed to file an amendment to the application disclosing the entry of the injunction. This failure constituted a violation of the applicable provision of the law and a rule of the Commission thereunder.

In view of the injunction and the non-disclosure thereof, the Commission concluded that revocation of the firm's registration as a broker-dealer is in the public interest. The partners, George T. Argeros, Christ P. Argeros, James Kahris and Frank P. Aronica, were each found to be a cause of the revocation order.

TALMAGE WILCHER STOCK OFFERING SUSPENDED

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed stock offering by Talmage Wilcher, Inc., Harvey Building, West Palm Beach, Florida.

Regulation A provides a conditional exemption from registration for public offerings of securities not exceeding \$300,000 in amount. In a notification filed July 6, 1959, the issuing company proposed the public offering of 150,000 shares of non-voting Class B stock at \$2 per share. The company is registered with the Commission as a broker-dealer and is said to be engaged as underwriter and investment consultant in organizing local lending corporations. Talmage S. Wilcher is listed as president and principal stockholder. The Commission's suspension order asserts that certain terms and conditions of Regulation A have not been complied with; that the company's offering contains false and misleading representations of material fact; and that by reason thereof, the stock offering would violate Section 17 (the anti-fraud provision) 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.

The adequacy and accuracy of various informational disclosures in the offering circular are challenged by the Commission, including a statement that the issuer has acquired a 30-year lease on 100 acres of industrial property adjacent to the County Airport at Okeechobee, Fla., whereas it has only a three-year option to lease such land; failure to set forth the terms and conditions under which the option may be exercised; failure to disclose fully the issuer's
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broker-dealer operations, or a reasonably itemized statement of the proposed use of the proceeds of the stock sale; failure to disclose all material transactions with management officials and controlling persons, including certain remuneration data; references to "highly qualified specialists" on the issuer's staff; inclusion in the balance sheet of a \$100,000 appraisal value for the lease option acquired at no cost and the inclusion of such amount as income in an earning statement; inclusion in the balance sheet of mortgages and stock held in trust by the issuer; and use of the firm name of a certified public accountant when the issuer's financial statements were not certified by such firm.

Furthermore, the notification fails to disclose certain information required by Regulation A, including the name and address of each predecessor and affiliate of the issuer and information concerning unregistered securities issued or sold within one year to the filing, by the issuer and its affiliated companies.

AURORA PLASTICS FILES FOR OFFERING AND SECONDARY

Aurora Plastics Corporation, 44 Cherry Valley Road, West Hampstead, L. I., New York, filed a registration statement (File 2-15544) with the SEC on September 2, 1959, seeking registration of 225,000 shares of its common stock. The company proposes to offer to public sale 150,000 shares of this stock, the remainder, being outstanding stock, to be offered for sale by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Burnham and Company is listed as the principal underwriter. The company has agreed to issue warrants to Burnham and Company, exercisable during the period ending September 1962, to purchase 5,000 additional common shares at the public offering price.

The company manufactures and sells plastic hobby kits, coppercraft tooling sets, electronic model kits, plastic toys and related items. It now has outstanding 400,000 common shares (in addition to certain indebtedness). Net proceeds of its sale of additional stock will be applied in the amount of \$150,000 for the purchase of additional equipment, including injection moulding and extrusion machinery, equipment for the manufacture of boxes, and conveyor units for manufacturing, warehousing and shipping uses; and \$225,000 will be used for the purchase of additional inventories of raw material. The balance will be added to working capital.

All of the outstanding shares are owned by Abe Shikes, president (180,000), Joseph E. Giammarino, secretary-treasurer (180,000), and John R. Cuomo, vice president (40,000). They propose to sell 33,750, 33,750 and 7,500 shares, respectively.

FARADYNE ELECTRONICS PROPOSES STOCK OFFERING

Faradyne Electronics Corp., 744 Broad Street, Newark, N. J., filed a registration statement (File 2-15546) with the SEC seeking registration of 230,000 shares of its common stock, of which 200,000 shares are to be offered for public sale at \$5 per share. The offering is to be made on an "all-or-nothing best efforts" basis by an underwriting group headed by Schrijver & Co. and four other firms, which will receive a selling commission of 75¢ per share, plus \$12,500 for expenses. In addition, the underwriters will receive three-year options to acquire 30,000 common shares at exercise price of \$5 per share.

The company was organized under New Jersey law on June 8, 1959, by Manny Brucker (president), Sol Feldman, Bernard P. Birnbaum (board chairman) and Saul I. Birnbaum. It proposes to engage in the business of serving the electronic equipment industry with electronic components such as dielectric and electrolytic capacitors and precision tungsten wire forms. It has outstanding 300,000 shares of Class A common stock, issued to the four promoters in exchange for all the outstanding stock which was owned by them of Micro-Wire Corp. for an investment of \$20,000, Micro-Wire thus becoming a subsidiary. The company plans to design, test, develop, manufacture and sell a variety of electronic components, with special emphasis on the development and production of dielectric and electrolytic capacitors, and precision tungsten wire forms. It will be operated on a divisional basis consisting of the Capacitor Division and the Micro-Wire Division; the former plans to initiate its line of dielectric capacitors with the production of plastic dielectric capacitors and the latter to design, develop and manufacture precision tungsten wire

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forms. Of the net proceeds of the stock sale, \$250,500 will be applied to various purposes (equipment, etc.) related to the capacitor division, and \$75,000 for furnaces and winding equipment for the Micro-Wire Division. An additional expenditure of \$50,000 for plant expansion and improvements is contemplated, the \$430,500 balance of the proceeds to be used for appropriate corporate purposes, including salaries.

TEXACO-SUPERIOR OIL PLAN FILED

Texaco Inc., filed a registration statement (File 2-15547) with the SEC on September 2, 1959, seeking registration of 5,177,688 shares of Capital Stock. Under an agreement dated August 10, 1959, all the assets, properties, business and goodwill of The Superior Oil Company will be transferred to Texaco Inc. In exchange for 10,134,336 shares of the Texaco stock; Texaco will assume Superior's liabilities; Superior will be dissolved and liquidated; and there will be distribution upon such liquidation to the stockholders of Superior all such shares of Texaco stock at the rate of 24 such shares for each share of Superior stock.

The Texaco prospectus lists six Superior stockholders who "may have been in control of Superior" at the time Superior stockholders voted on the agreement. Although they have advised Texaco that they have no present intention of making a distribution of the Texaco stock to be acquired by them, they, nevertheless, are not prepared unqualifiedly to make commitments to the effect that all such shares will be held by them for investment. Accordingly, Texaco seeks to register the stock to be acquired by them, as follows: W. M. Keck, 2,488,464 shares; W. M. Keck, Jr., 330,240; Howard B. Keck, 566,136; Wilametta Keck Day, 332,856; Alice Keck Park, 359,736; and Union Bank, Los Angeles, as Trustee under various trusts, 1,100,256.

MANPOWER INC. FILES FOR RIGHTS OFFERING

Manpower, Inc., 820 North Plankinton Ave., Milwaukee, filed a registration statement (File 2-15545) with the SEC on September 2, 1959, seeking registration of 150,000 shares of outstanding common stock, to be offered for public sale by the present holders thereof through an underwriting group headed by Smith, Barney & Co. The public offering price and underwriting terms are to be supplied by amendment.

The business of the company and its licensees consists of providing temporary help services and a variety of other services to business organizations, professional and service groups, government agencies and others to meet peak load or emergency needs, furnishing vacation help and sickness replacements, and handling special projects of many kinds. It has outstanding 600,292 shares of common stock, of which 246,091 shares are owned by Sylvia Scheinfeld, of Highland Park, Illinois, a director; 148,358 by Nannette R. Winter, of Milwaukee, a director; and 30,348 by Vernon D. Patterson of San Francisco, vice president and a director. Of these holdings, they propose to sell 85,452, 56,968, and 7,580 shares, respectively.

COLONIAL CORP. FILES FOR OFFERING AND SECONDARY

Colonial Corporation of America, Woodbury, Tenn., today filed a registration statement (File 2-15548) with the SEC seeking registration of 120,000 shares of its common stock. The company proposes to offer 60,000 shares for public sale; and the remaining 60,000 shares, being outstanding stock, are to be offered for sale by the present holder thereof. The public offering price and underwriting terms are to be supplied by amendment. Bear, Stearns & Co. is listed as the principal underwriter. The company has agreed to sell options to Bear, Stearns & Co. for an additional 12,000 shares of stock for \$1,200, the options to be exercisable at the public offering price for a five year period.

The company (formerly called Colonial Shirt Corp.) and subsidiaries manufactures and distributes men's and boys' low priced dress shirts, sport shirts and pajamas. It now has outstanding 540,000 common shares. Net proceeds of the sale of additional stock by the company will be initially added to working capital to finance the current and future expansion of the company's business. The prospectus indicates that the opening of a new plant in Jamaica, British West Indies, will result in additional requirements for machinery, the financing of additional accounts receivable and the maintenance of larger inventories.

The prospectus lists Sol Berger, president, as the selling stockholder. He and Mrs. Berger own all the outstanding stock.

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