

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

FOR RELEASE September 28, 1959

## Statistical Release No. 1633

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended September 25, 1959, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1959, is as follows:

|                          | 1939 - 100 |         | Percent<br>Change | 1959  |       |
|--------------------------|------------|---------|-------------------|-------|-------|
|                          | 9/25/59    | 9/18/59 |                   | High  | Low   |
| Composite                | 413.8      | 409.1   | +1.1              | 441.3 | 400.1 |
| Manufacturing            | 515.7      | 509.5   | +1.2              | 554.2 | 490.7 |
| Durable Goods            | 497.4      | 489.4   | +1.6              | 527.7 | 457.8 |
| Non-Durable Goods        | 522.6      | 518.1   | +0.9              | 570.1 | 510.5 |
| Transportation           | 331.6      | 324.8   | +2.1              | 371.5 | 324.8 |
| Utility                  | 210.3      | 207.1   | +1.5              | 231.8 | 207.1 |
| Trade, Finance & Service | 422.1      | 425.0   | -0.7              | 433.0 | 382.7 |
| Mining                   | 291.6*     | 302.1   | -3.5              | 360.4 | 291.6 |

\*New Low

### CADRE INDUSTRIES PROPOSES RIGHTS OFFERING

Cadre Industries Corp., 20 Valley St., Endwell, N. Y., filed a registration statement (File 2-15637) with the SEC on September 25, 1959, seeking registration of 17,532 shares of common stock, to be offered for subscription at \$64 per share by common stockholders of record October 23, 1959, at the rate of one new share for each eight shares then held. No underwriting is involved. Certain key officials of the company will not exercise their rights to the new stock but have made arrangements to sell such rights.

The company is engaged in the production of cables, wiring harnesses and various other component assemblies for the electronics industry. It now has outstanding 140,000 common shares (in addition to other securities). Net proceeds of the sale of additional stock will be added to the general funds of the company, for subsequent anticipated capital expenditures and for use as working capital. About \$280,000 is to be added to the company's investment in Cadre Realty Corporation, its real estate subsidiary, for use by the latter in the construction of an addition to the main manufacturing facility in Endwell. In this connection, the company plans extensive outlays for tooling and equipping the addition, as well as the acquisition of greater raw material inventories. It also anticipates the expenditure of some \$180,000 in tooling, equipping and stocking its proposed new manufacturing plant at Los Gatos, California. Another subsidiary, Montrose Hanger Corporation, will receive about \$140,000 for the construction of additional warehousing facilities, for the purchase and installation of semi-automated final assembly equipment and for expenses in connection with the marketing of several new products planned by it. Finally, the company plans to reduce outstanding bank borrowings by \$200,000.

### DOMAN HELICOPTERS ENJOINED

The SEC New York Regional Office announced September 24, 1959 (Lit. Release 1490) that Judge Sidney Sugerman (USDC, SDNY) had permanently enjoined Doman Helicopters, Inc., and Glidden S. Doman, its president, from further offering and sale of Doman Helicopters stock in violation of the Securities Act registration requirement. The defendants consented to the order of permanent injunction.

OVER

For further details, call ST. 3-7600, ext. 5626

## VIOLATIONS CHARGED TO CARLTON SECURITIES

The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Carlton Securities, Inc., One Exchange Place, Jersey City, N. J., defrauded investors to whom it offered and sold Belmont Oil Corporation stock or otherwise violated the Federal securities laws and, if so, whether its broker-dealer registration should be revoked.

According to the Commission's order, information developed in an investigation conducted by its staff tends if true to show that, in the offer and sale of Belmont stock, Carlton Securities, David Mandel, president, and Harry Cohen, secretary, "engaged in acts, practices, and a course of business which would and did operate as a fraud and deceit" upon purchasers of the stock, in that they made false and misleading statements concerning, among others, the following: (a) the program for development of Belmont's properties, new oil or gas wells being brought in by Belmont in California and Texas, the acquisition by Belmont of numerous additional properties in Kern County, California, and of a large and valuable tungsten property in the Imperial Valley of California, the interest of various major oil companies in Belmont, and a possible merger between Belmont and another oil company; (b) the income of Belmont, the market price of its stock, anticipated increases therein, and the listing of Belmont stock on an exchange; and (c) the right of existing holders of Belmont stock to subscribe to additional shares.

Furthermore, the order asserts, Carlton Securities, aided and abetted by Mandel and Cohen, induced investors to purchase Belmont stock "at prices far in excess of, and having no reasonable relationship to, the prevailing market prices for such stock," without disclosure of said prevailing market prices, "thereby obtaining unreasonable and excessive profits;" and that the stock was offered and sold in violation of the registration requirements of the Securities Act of 1933.

It is further asserted by the Commission that Carlton Securities failed to amend its registration application to disclose the existence of a Federal court order of temporary injunction issued in August 1959 and to reflect the fact that Abe Biegelson is no longer a director.

## BECKMAN INSTRUMENTS FILES STOCK OPTION PLAN

Beckman Instruments, Inc., 2500 Fullerton Rd., Fullerton, Calif., filed a registration statement (File 2-15639) with the SEC on September 25, 1959, seeking registration of 117,559 shares of Common Stock, issuable upon exercise of options granted and to be granted under the company's Restricted Stock Option Plan.

## HOFFMAN ELECTRONICS FILES THRIFT PLAN

Hoffman Electronics Corporation, 3761 South Hill St., Los Angeles, filed a registration statement (File 2-15640) with the SEC on September 25, 1959, seeking registration of \$375,000 of interests in its Employee Thrift Plan, together with 12,808 shares of common stock which may be acquired pursuant to said plan.

## THERM-O-DISC FILES FOR SECONDARY

Therm-O-Disc, Incorporated, South Main St., Mansfield, Ohio, filed a registration statement (File 2-15642) with the SEC on September 25, 1959, seeking registration of 121,057 outstanding shares of common stock, to be offered for public sale by the present holders thereof through an underwriting group headed by Goldman, Sachs & Co. and McDonald & Company. The public offering price and underwriting terms are to be supplied by amendment.

The company designs, manufactures and sells thermostatic controls and devices. It has outstanding 513,457 common shares, of which 169,498 shares are owned by John D. Bolesky, president. He proposes to sell 69,498 of his holdings. Other officials also propose to sell part of their holdings, namely, Harold F. Bolesky, 16,361 shares, Russell W. Bolesky, 15,148, and James H. Germany, 12,050. Two other blocks of 4,000 shares each are to be sold by Victor G. Vaughan, Jr., and Mary Elizabeth Vaughan.

## MONTREAL PROPOSES DEBENTURE OFFERING

The City of Montreal (Canada) filed a registration statement (File 2-15643) with the SEC on September 25, 1959, seeking registration of \$20,000,000 of Sinking Fund Debentures for Public Works,

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due 1979. The interest rate, public offering price, underwriting terms, and names of the underwriters are to be supplied by amendment.

Net proceeds of the sale of the debentures will be applied by the City toward the repayment of interim borrowings incurred for various public works purposes, including road and highway construction, as authorized by the resolution authorizing such borrowings adopted by the Executive Committee of the City on August 20, 1959, as amended September 8, 1959.

#### UNIVERSAL CONTAINER PROPOSES STOCK OFFERING

Universal Container Corporation, 8318 Grade Lane, Louisville, Ky., filed a registration statement (File 2-15644) with the SEC on September 25, 1959, seeking registration of 150,000 shares of Class A common stock, to be offered for public sale at \$4 per share. The offering is to be made by Michael G. Kletz & Co., Inc., which has agreed, as the company's agent, to find purchasers or to purchase and pay for the said stock, for which it will receive a commission of 50¢ per share. In addition, the principal stockholder of the underwriter has purchased 12,500 outstanding shares from present stockholders of the company, at 10¢ per share, and an additional 5,000 shares have been purchased by Leonard S. Dlasnow, which shares are included in the registration statement but are not being offered at this time.

Organized in May 1954 as Universal Cooperage Corporation, Universal Container is engaged directly or through subsidiaries primarily in the business of converting and reconditioning tight wooden barrels and reconditioning steel drums. It now has outstanding 117,500 shares of Class A common and 500,000 shares of Class B common along with certain indebtedness. Of the net proceeds of the sale of additional Class A shares, the company plans to expend \$75,000 to install equipment and complete the new plant in Baltimore; to allocate \$100,000 to improving and expanding the San Francisco plant and to install new blasting facilities and a new process for reconditioning and rebuilding steel drums; to invest \$50,000 in improving and expanding the plant at Paulsboro, N. J.; to use \$100,000 to purchase the assets of an operating manufacturing company of wooden staves and heads; and the balance for working capital and other general corporate purposes.

The prospectus lists Lewis Maslow of New York as president and owner of 40,277 Class A and 201,389 Class B shares. Arthur J. Horwitz of Philadelphia owns 15,276 Class A and 76,390 Class B shares.

#### LUNN LAMINATES FILES FOR EXCHANGE OFFER

Lunn Laminates, Incorporated, Huntington Station, Long Island, N. Y., filed a registration statement (File 2-15638) with the SEC on September 25, 1959, seeking registration of 375,000 shares of common stock and warrants to purchase 112,500 additional shares. The company has offered holders of \$750,000 of outstanding 5% Subordinated Promissory Notes the privilege of exchanging their notes for common stock on the basis of 500 common shares for each \$1,000 principal amount of notes. Each holder of notes who deposits for exchange all the notes held by him may also exchange any warrants for the purchase of common stock held by him for new warrants. Outstanding warrants covering 112,500 common shares are presently exercisable at the price of \$10.25 per share, and the new warrants will be exercisable at \$2.50 per share. The registration statement has been filed in order that a prospectus may be available for use by any noteholders who accept the exchange offer and wish to sell publicly the securities acquired by them.

#### GERTSCH PRODUCTS FILES FOR OFFERING AND SECONDARY

Gertsch Products, Inc., 3211 South La Cienega Blvd., Los Angeles, filed a registration statement (File 2-15641) with the SEC on September 25, 1959, seeking registration of 107,143 shares of capital stock, of which 28,571 shares will be offered for public sale for the account of the issuing company and 78,572 shares for the accounts of the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Schwabacher & Co. is named as the underwriter.

The company is engaged in the development, manufacture and sale of precision electronic instruments used primarily in the fields of measurement and generation of radio frequencies and division of AC voltages. It now has outstanding 290,212 common shares. Net proceeds to the company of its sale of additional stock will be used to increase the working capital of the company, said to be required by the increasing volume of business and to finance an expanded program of research and development in existing and new product lines. Initially, a portion of the proceeds will be used to liquidate

OVER

short-term bank loans.

Of the outstanding stock, 239,448 shares (82.5%) are owned by E. P. Gertsch, president and board chairman, and 35,148 by Thomas F. Walker, a director. Gertsch and Walker propose to sell 75,000 and 3,572 shares, respectively, of their present holdings.

#### FOSTER GRANT CO. FILES FOR OFFERING AND SECONDARY

Foster Grant Co., Inc., 289 North Main St., Leominster, Mass., filed a registration statement (File 2-15645) with the SEC on September 25, 1959, seeking registration of 190,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the issuing company and 90,000 shares by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Goldman, Sachs & Co. is listed as the principal underwriter.

The company is engaged in the production of plastic polymers and copolymers, styrene monomer and a variety of molded plastic articles. It now has outstanding 1,156,250 common shares (in addition to certain indebtedness). Net proceeds to the company from its sale of additional stock will be added to general funds and will be available for general corporate purposes, including a capital construction program now estimated at about \$4,000,000 during the 1960 fiscal year. Principal among these are additions to present facilities at Baton Rouge, La., and Leominster, Mass., and the addition of new research and development laboratory and pilot systems for the production of various thermoplastic products at Leominster, as well as the purchase of additional equipment.

Of the outstanding stock, 447,500 shares (38.7%) are owned by Joseph C. Foster, president, and 394,385 by Delamare Company, Inc., of New York. The prospectus lists 22 selling stockholders, including Wertheim & Co., which proposes to sell 25,000 of its holdings of 75,000 shares. An additional 20,000 shares are being offered by Lazard Freres & Co. (all its holdings). An additional 15 selling stockholders are partners, employees and associates of Carl M. Loeb, Rhoades & Co., members of their families, and trusts of which some persons are beneficiaries, including Deborah F. Loeb who is selling all of her holdings of 9,875 shares. Two insurance companies are selling blocks of 5,625 shares each; and Joan L. Cowett is selling 3,750 of her holdings of 12,500 shares (Wilbur A. Cowett is listed as a director).

#### ELECTRONICS DEVELOPMENT PROPOSES STOCK OFFERING

Electronics Development, Inc., State College, Pa., filed a registration statement (File 2-15646) with the SEC on September 25, 1959, seeking registration of 115,459 shares of common stock, to be offered for public sale at \$3.50 per share. An additional 28,541 shares were recently sold to 13 persons at \$2.625 for investment. The offering is to be made on a best efforts, all-or-nothing basis by First Broad Street Corporation, for which it will receive a selling commission of \$.525 per share plus \$12,000 for expenses. The prospectus also states that in June 1959 Leo P. Nathanson, president of the underwriter, acquired 24,000 shares of the outstanding stock from other stockholders for \$24, and three other individuals acquired an additional 12,000 shares from a principal stockholder for \$12.

Organized in December 1957, the company is engaged in the electronics business in the field of manufacturing and selling high frequency induction heating and dielectric machines. On September 8, 1959, it purchased all the assets of Intertectics, Inc., an Ohio corporation; and through a newly-organized subsidiary, Interact, Inc., it intends to engage in the business of manufacturing and selling Inter-Act, a eutectic material which fuses aluminum with aluminum, and aluminum with certain other non-ferrous metals, including copper. The company now has outstanding 182,541 common shares. Net proceeds of the sale of additional stock are to be used for moving machinery, equipment and inventory to a new plant (\$15,000); for additional production equipment and modernization (\$10,000); for advertising and further engineering sales training (\$25,000); for research and development (\$75,000); for payment of certain indebtedness (\$22,000); and for working capital (\$156,490).

Promoters of the company were Andrew R. Farrell, Mary K. Stuart and Ethel Meserve. They and their associates (including the recent purchasers of stock) have invested \$118,611 and will own (after this stock offering) about 61% of the outstanding stock. Farrell is listed as president. He and Ruth Farrell own 36,000 shares; Mary Stuart and Ethel Meserve 47,428, Hermetic Seal Corp., 36,000, and Leo P. Nathanson, 24,000

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## BELL &amp; HOWELL SHARES IN REGISTRATION

Bell & Howell Company, 7100 McCormick Road, Chicago, filed a registration statement (File 2-15647) with the SEC on September 25, 1959, seeking registration of 15,000 shares of common stock. According to the prospectus, as part of its new program to promote greater cooperation and better understanding and to demonstrate the interdependence of the company and its dealers, Bell & Howell will award its common shares to those of its directly franchised or authorized retail or wholesale dealers purchasing specified products of the company, at net prices then in effect, in the amounts and during the periods specified, at the following rates: 1 share for each \$1,000 invoiced for such specified products which are ordered during the month of September 1959; 1 share for each \$1,250 ordered during October 1959; and 1 share for each \$1,500 ordered during November 1959. Bonus Units will be awarded for sales to consumers of certain specified products, in varying units for each product, one additional share being awarded for each 70 bonus units.

## URETHANE CORP. FILES FOR STOCK OFFERING

Urethane Corporation of California, 235 Montgomery St., San Francisco, filed a registration statement (File 2-15648) with the SEC on September 25, 1959, seeking registration of 170,000 shares of Class A capital stock and 340,000 shares of common stock. It is proposed to offer these shares for sale in units, each unit consisting of one share of Class A and one share of common stock, at a public offering price of \$5.05 per unit. Wilson, Johnson & Higgins and Evans, MacCormack & Co. are listed as the underwriters, on an all-or-nothing basis; and they are to receive an underwriting commission of 50¢ per share. In addition, the company will sell 25,000 shares of common stock to the underwriters at 5¢ per share.

The company was organized under California law in August 1959 and intends, initially, to manufacture and produce flexible urethane foam in Los Angeles and to market its product throughout Western United States, Hawaii and Alaska. Concurrently with the issuance of the aforementioned units, the company will issue to certain founders (and the underwriters) 170,000 shares of common stock at 5¢ per share. Net proceeds of the sale of securities will be used in the amount of \$10,000 to lease and adapt a plant in Los Angeles for manufacturing purposes and for sales and administrative offices; \$74,800 for the purchase of a foam manufacturing machine (under license from Mobay Chemical Company); \$125,200 for other machinery and equipment; \$107,000 for chemical raw materials; \$363,500 for working capital; and the balance for expenses and other purposes.

The prospectus lists Frank P. Adams of San Francisco as board chairman and John F. O'Grady of Los Angeles as president.

## DIVERSIFIED COMMUNITIES PROPOSES STOCK OFFERING

Diversified Communities, Inc., 29A Sayre Woods Shopping Center, Madison Township, P. O. Parlin, N. J., filed a registration statement (File 2-15649) with the SEC on September 25, 1959, seeking registration of 467,200 shares of common stock to be offered for public sale through an underwriting group headed by Lee Higginson Corporation. The public offering price and underwriting terms are to be supplied by amendment. The company also has agreed to sell 50,000 shares to Lee Higginson Corporation at \$1 per share and an additional 50,000 shares to Republic Funding Corporation at \$1 per share (the latter in consideration of services as a finder).

The company was organized under New Jersey law on September 22, 1959, to acquire the stock or assets of various real estate corporations, the first of which was organized in 1952. The stock and assets being acquired are owned directly or through subsidiaries by Messrs. Saul Cantor and Paul Goldman, the organizers of Diversified Communities. The principal activity of the corporations has been the development of communities of single-family houses, mostly in the \$17,500 price range, although they have also built and leased a large shopping center and other commercial properties. The major project currently under way is the development of a residential community on a 555-acre site in Madison Township, Middlesex County, N. J., known as Sayre Woods South, and presently under construction, comprising 1,769 houses, schools and recreational facilities. For their interests in the Sayre Woods South and other properties, developments and tracts, the organizers are to receive 882,800 shares of common stock. Other properties are to be acquired for cash in substantial amounts, subject to existing mortgages.

Of the net proceeds of the stock sale, \$1,039,146 is to be used to acquire the assets of Hope

OVER

Homes, Inc., a company owned by the organizers (the assets consisting principally of the Sayre Woods Shopping Center), and the stock of Browntown Water Company and Cantor and Goldman Builders, Inc. In addition, the company expects to acquire for \$3,850,000 (to be financed primarily by a purchase money mortgage) a tract of land adjacent to Sayre Woods South suitable for a residential community; and it is anticipated that at least \$1,500,000 of the net proceeds of the stock sale will be used for the acquisition and development of that property. The balance of the proceeds will be added to general funds for use as working capital.

The prospectus lists Saul Cantor as president and Paul Goldman as vice president. After this stock offering, they will own 65.4% of the outstanding stock.

#### REK-O-KUT CO. FILES FOR OFFERING AND SECONDARY

Rak-O-Kut Company, Inc., 38-19 108th St., Corona, N. Y., filed a registration statement (File 2-15650) with the SEC on September 25, 1959, seeking registration of 214,000 shares of common stock, of which 142,666 shares are to be offered for public sale for the account of the issuing company and 71,334 shares for the account of the present holders thereof. The stock is to be offered for public sale at \$3.50 per share through D. A. Lomasney & Co., for which it will receive a \$.385 commission per share. According to the prospectus, the company has sold to David A. Lomasney and Carl M. Loeb, Rhoades & Co., for the account of a limited number of its partners and employees, for investment, each 5,000 shares of common stock for \$3,020, or an aggregate of 10,000 shares for \$6,040.

The company designs, engineers, and produces a line of high fidelity monophonic and stereophonic components, and it also builds professional disc recording machines and transcription turntables. It now has outstanding 510,000 shares of common stock (in addition to certain indebtedness). Net proceeds to the company from its sale of additional stock as follows: \$40,000 to repay one of its outstanding bank loans; \$24,700 to repay a loan from an officer; and \$60,000 for the tooling and production of new items designed for stereophonic sound reproduction. The balance will be utilized for general corporate purposes.

The five selling stockholders own all but 10,000 of the 500,000 outstanding common shares. George Silber, president, and Lillian G. Silber own 232,719 and 55,300 shares, respectively. They propose to sell 33,201 and 7,890 shares, respectively. Victor Silber, a director, proposes to sell 15,779 of his holdings of 110,599 shares. Additional blocks of 7,232 shares each are being sold by the trustees for Marian Silber and Richard Silber, respectively, whose holdings amount to 50,691 shares each.

#### TEXAS GAS TRANSMISSION PROPOSES PREFERRED STOCK OFFERING

Texas Gas Transmission Corporation, 416 West Third St., Owensboro, Ky., today filed a registration statement (File 2-15651) with the SEC seeking registration of 150,000 shares of Second Preferred Stock, Convertible Series, \$100 par, to be offered for public sale through an underwriting group headed by Dillon, Read & Co., Inc. The dividend rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the preferred, together with the proceeds from the contemplated sale of an aggregate of \$30,000,000 of long term debt securities, are to be used for property additions and improvements. The company's current construction program is estimated at \$45,000,000.

#### ADDITIONAL CONCORD FUND SHARES IN REGISTRATION

Concord Fund, Inc., Boston investment company, filed an amendment on September 25, 1959, to its registration statement (File 2-10808) seeking registration of an additional 300,000 shares of common stock.

#### JACOBS CO. STOCK SUSPENDED

The SEC has issued an order (Release 34-6082) suspending trading in the common stock of F. L. Jacobs Co. on the New York and Detroit Stock Exchanges and in the over-the-counter market for a further ten-day period, September 29 to October 8, 1959, inclusive.

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