

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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STERLING EXTRUDER FILES FOR OFFERING AND SECONDARY. Sterling Extruder Corporation, 1537 West Elizabeth Avenue, Linden, N. J., filed a registration statement (File 2-18877) with the SEC on September 12th seeking registration of 90,000 shares of common stock, of which 20,000 shares are to be offered for public sale by the company and 70,000 shares, being outstanding stock, by the holders thereof. The offering will be made at \$10 per share through underwriters headed by Marron, Sloss & Co., Inc., which will receive a \$1 per share commission and \$12,000 for expenses. The registration statement also includes 13,000 common shares underlying five-year warrants to be granted by the company and selling stockholders to the principal underwriter (8,500) and to Andre Yokana, a director (4,500), exercisable at the offering price.

The company manufactures and sells a line of plastic extrusion machinery and auxiliary equipment. Depending upon the auxiliary equipment attached, plastic extruders are used to manufacture such items as plastic sheeting (for wrapping, construction, garment bags, etc.), squeeze bottles, garden hose, plastic pipe, plastic toys, plastic insulated wire, photographic film and other products. Net proceeds from the company's sale of additional stock will be used to increase working capital to help carry inventory and accounts receivable and to be available to pay taxes, if required.

In addition to certain indebtedness, the company will have outstanding 411,600 shares of common stock (after giving effect to a proposed recapitalization in September 1961 whereby the 2,000 common shares now outstanding will be exchanged for the 411,600 shares). Lucien D. Yokana, president, and his wife will own 205,800 shares (50%) and propose to sell 35,000 shares, and Albert Moss, a director, and certain members of his family will own the remaining 50% and also propose to sell 35,000 shares.

KIDDIE RIDES FILES FINANCING PLAN. Kiddie Rides, Inc., 2557 West North Avenue, Chicago, Ill., filed a registration statement (File 2-18876) with the SEC on September 12th seeking registration of \$1,000,000 of 7% convertible subordinated debentures due 1971 (convertible into 250,000 common shares initially at \$4 per share) and 30,000 shares of common stock, to be offered for public sale in units, each consisting of \$1,000 of debentures and 30 common shares. Offering of units covering \$800,000 of the debentures and 24,000 shares will be made on an all or none basis through underwriters headed by Paul C. Kimball & Co. The public offering price and underwriting terms are to be supplied by amendment. The remaining \$200,000 of debentures and 6,000 shares are to be sold to the underwriter from time to time; and the underwriter has agreed to use its best efforts to find purchasers for said additional securities.

The company is engaged in the operation of coin operated children's amusement equipment known as children's rides. Net proceeds from the sale of the \$800,000 of debentures and 24,000 shares will be applied to payment and retirement of existing indebtedness, including \$202,000 of unsecured promissory notes due 1961 to 1964, held by shareholders, or associates or affiliates of shareholders, of the company; and \$500,000 will be applied to payment of equipment contracts which are secured by conditional sales contracts or chattel mortgages on children's ride equipment operated by the company. The balance of such proceeds will be added to the general corporate funds and will be employed as working capital in the operation of the company's business. The proceeds of the indebtedness to shareholders to be retired was used in part for the acquisition of children's ride equipment and in part for working capital. The net proceeds from the sale of additional securities will also be applied to the payment of equipment contracts.

In addition to certain indebtedness, the company has outstanding 246,600 shares of common stock (after giving effect to a recent recapitalization whereby each preferred share then outstanding was reclassified into 90 new common shares and each common share was reclassified into 900 new common shares). Jerome Braverman, president, is record holder of and trustee under a Voting Trust Agreement covering an aggregate of 241,200 shares. He and Leonard Becker, executive vice president, own beneficially 24.09% and 16.78% of the outstanding stock respectively, and management officials as a group 50.72%.

STAUFFER CHEMICAL FILES STOCK PLAN. Stauffer Chemical Company, 380 Madison Avenue, New York, filed a registration statement (File 2-18878) with the SEC on September 12th seeking registration of 191,843 shares of common stock, to be offered to executive employees pursuant to the company's Incentive Stock Option Plan.

UNITED INDUSTRIAL TRADING BAN CONTINUED. The SEC on September 12th issued an order under the Securities Exchange Act suspending trading in securities of United Industrial Corporation (Del.) on national exchanges and the over-the-counter market for a further ten-day period September 13 to 22, 1961, inclusive.

BROADCAST INTERNATIONAL HEARING POSTPONED. On request of its Staff, the SEC has postponed from September 27 to October 16, 1961, the hearing in the SEC New York Regional Office on the question whether to vacate, or make permanent, the Commission's prior order temporarily suspending a Regulation A exemption from Securities Act registration with respect to a proposed offering of stock by Broadcast International, Inc.

AMERICAN ORBITRONICS STOCK SALE ENJOINED. On August 31st, Judge Hart of the U.S. District Court (DC) granted the SEC motion for a preliminary injunction against the further offer and sale of American Orbitronics Corp. stock in violation of the Securities Act registration and anti-fraud provisions. Defendants enjoined in addition to the issuing company were Richard Candelaria, Joseph G. Rosales, Sam L. Todd, L. A. Nikoloric, Neil Kelly, George Sharigan, Aaron Bassin, George W. Franklin, Norman W. Cook and Genevieve M. Kahler. Motion denied as to defendants H. P. Black, individually, H. P. Black & Co., Ben H. Cooper and Philip J. Mason. (Lit-2099).

SEC COMPLAINT NAMES HOMER BRAY SERVICE. The SEC Chicago Regional Office announced September 9th (Lit-2100) the filing of Federal court action (USDC, ND, Ill.) seeking to enjoin Harold J. Craig, Homer Bray Service, Inc., Charles W. Bray and J. Norman Bray from violating the Securities Act registration requirement in the offer and sale of Central Casualty Company stock.

COOKE ENGINEERING FILES FOR STOCK OFFERING. Cooke Engineering Company, 735 N. St. Asaph Street, Alexandria, Va., filed a registration statement (File 2-18879) with the SEC on September 12th seeking registration of 32,000 shares of common stock, to be offered for public sale at \$11 per share. The offering will be made on a best efforts basis by Jones, Kreeger & Co., which will receive a \$1.10 per share selling commission plus an expense allowance of an additional 2% of the offering price. The registration statement also includes 10,000 shares underlying five-year warrants to be sold to the underwriter at 1¢ per warrant if all shares are sold to the public, exercisable at \$11 per share.

The company is engaged in developing and manufacturing electronic products and in providing engineering services, primarily under Government contracts. It is also developing and manufacturing certain commercial products, some of which are unrelated to electronics, including a normal-through coaxial switching jack, a VU (volume unit) meter, and a microtitration kit. The net proceeds from the stock sale will be used to purchase new test and production equipment, for development of new products, sales promotion of commercial products, and for working capital.

In addition to certain indebtedness, the company has outstanding 143,665 shares of common stock, of which Nelson M. Cooke, president, and Elizabeth R. Cooke, secretary-treasurer, own 35.9% and 41.8%, respectively. In addition, Leif Eid, a director, and Jean Allen Eid own an aggregate of 17.4% and management officials as a group 95.4%.

SECURITIES ACT REGISTRATIONS. Effective September 13: Illinois Tool Works, Inc. (File 2-18489); Pacific Northwest Bell Telephone Company (File 2-18764); Rudd-Melikian, Inc. (File 2-18321); Shulton, Inc. (File 2-18540); Xtra Inc. (File 2-18392).

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