

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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DONNKENNY FILES FOR SECONDARY. Donnkenny, Inc., 1407 Broadway, New York, filed a registration statement (File 2-19809) with the SEC on February 20th seeking registration of 90,000 outstanding shares of common stock, to be offered for public sale by the holders thereof at \$9 per share. The offering will be made through underwriters headed by Brand, Grumet & Seigel, Inc., 49 West 33rd St., N. Y., which will receive a 72¢ per share commission and \$18,000 for expenses. The statement also includes 10,000 outstanding shares to be sold to the underwriters by the selling stockholders at \$8.28 per share. The underwriters will sell 4,250 of such shares to Edward Komar at the same price.

The company is engaged in the design, manufacture and sale of popularly priced misses coordinated sportswear and casual apparel made of cottons, synthetic fabrics and woollens which are designed to be worn in a variety of combinations. Most of its products are sold under the registered trade name "Donnkenny." The company recently acquired all of the stock of six corporations from present stockholders of the company in exchange for 350,000 common shares. The company now has outstanding 500,000 shares of common stock, of which Leon Nadler, secretary, Murray Nadler, president and board chairman, and Glenn O. Thornhill, treasurer, own 200,000, 181,250 and 100,000 shares, respectively, and propose to sell 40,000, 36,250 and 20,000 shares, respectively. In addition, Morris A. Pomeranz, vice president, and Leon Nadler, as trustees under two trusts, hold an aggregate of 18,750 shares and propose to sell 3,750 shares.

NEWMONT MINING FILES EXCHANGE AND STOCK PLANS. Newmont Mining Corporation, 300 Park Avenue, New York, filed a registration statement (File 2-19810) with the SEC on February 20th seeking registration of 607,346 shares of \$100 par 4% cumulative preferred stock (convertible). It is proposed to offer such stock to the holders of 809,794 capital shares of Magma Copper Company at the rate of 3/4ths of a share of such preferred for each share of Magma. The company presently owns 21.5% of the 1,328,187 outstanding shares of Magma. The statement also includes 85,000 shares of common stock, to be offered pursuant to the company's Restricted Stock Option Plan.

Newmont is primarily engaged in the exploration, development, financing and management of mining and petroleum properties. Magma has been engaged in the business of producing copper from the Magma mine near Superior, Arizona, and through a wholly-owned subsidiary, San Manuel Copper Corp., from a mine at San Manuel, Arizona. The company has outstanding 2,824,518 shares of common stock. Fred Searls, Jr. is board chairman and Plato Malozemoff is president.

CTS CORP. FILES FOR OFFERING AND SECONDARY. CTS Corporation, 1142 West Beardsley Avenue, Elkhart, Ind., filed a registration statement (File 2-19811) with the SEC on February 21st seeking registration of 125,000 shares of common stock, of which 35,000 shares are to be offered for public sale by the company and 90,000 shares, being outstanding stock, by the holders thereof. The offering will be made on an all or none basis through underwriters headed by Goldman, Sachs & Co., 20 Broad Street, N. Y. The public offering price (maximum \$28 per share*) and underwriting terms are to be supplied by amendment.

The company manufactures electronic and electro-mechanical components, its main product being mass produced variable resistors (used to regulate the flow of current in an electronic circuit) and associated switches. Of the net proceeds from the company's sale of additional stock, \$540,000 will be applied to the prepayment of the 1962 installment of its outstanding 4% promissory note, and the balance will be added to general funds to be available to provide additional working capital for a loudspeaker plant at Paducah, Kentucky, as required. In addition to certain indebtedness, the company has outstanding 1,447,003 shares of common stock, of which John G. Best, board chairman, and Basil S. Turner, president, own 25.5% and 9.6%, respectively, and management officials as a group 51.1%. The prospectus lists five selling stockholders, including Best, Turner and three other management officials, who propose to sell 18,000 shares each.

MAGNETICS, INC. FILES STOCK PLANS. Magnetics, Inc., East Butler, Pa., filed a registration statement (File 2-19812) with the SEC on February 20th seeking registration of 229,417 shares of common stock, to be offered to certain officers and key employees pursuant to the company's Stock Option Plans.

PA. REAL ESTATE INVESTMENT TRUST FILES FOR OFFERING. Pennsylvania Real Estate Investment Trust, 2220 Philadelphia Saving Fund Building, Philadelphia, filed a registration statement (File 2-19813) with the SEC on February 21st seeking registration of 500,000 shares of beneficial interest in the trust, to be offered for public sale at \$10 per share. The offering will be made on an all or none basis through underwriters headed by Stroud & Company, Inc., 123 S. Broad St., Philadelphia, and Walston & Co., Inc., 75 Wall Street, New York. The underwriters will receive a 90¢ per share commission.

The trust is an unincorporated association in business trust form organized under Pennsylvania law in 1960. Its purpose is to provide investors with an opportunity to own, through transferable limited-voting shares, an interest in the trust which in turn will own diversified properties consisting principally of real estate interests. It intends to qualify as a "real estate investment trust" under the Internal Revenue Code. In June 1961, the trust received \$1,981,720 in net proceeds from its sale (without underwriting) of 20,000 shares at \$100 per share to residents of Pennsylvania. The trust spent \$1,146,461 of such funds to acquire properties at 2031 Locust Street and 1420 Walnut Street, Philadelphia, during 1961; and in February

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1962, it will borrow from various commercial banks \$1,750,000 which it will use, together with \$684,168 of its own funds, to acquire the 25th Street Shopping Center near Easton, Pa., and School Lane Apartments in Philadelphia. From the net proceeds of this stock sale, \$1,750,000 will be used to repay said bank loans and \$1,200,000 to acquire the stock of a corporation which owns the Maryland Apartments in Baltimore. The balance of the net proceeds (\$1,500,000) will provide working capital and an additional source of funds from which other real estate investments, as yet undetermined, may be made. Simultaneously with this offering, the trust will issue 250,000 new shares (\$8 par) for the 20,000 shares (\$100 par) presently outstanding.

In addition to certain indebtedness, the trust has (or will have) outstanding 250,000 shares of beneficial interest, of which management officials as a group own 44.9%. Sylvan M. Cohen is president. He is also a partner of the law firm of Cohen, Shapiro and Cohen, which received a \$19,000 fee for services rendered in connection with the trust's organization and initial offering of shares; a fee of \$10,000 for services pertaining to the trust's acquisition of the Maryland Apartments, the School Lane Apartments and the 25th Street Shopping Center; and will receive a fee of \$25,000 for services in connection with this offering and contemplated exchange of shares.

NATIONAL CASH REGISTER PROPOSES DEBENTURE AND RIGHTS OFFERING. The National Cash Register Company, Main and K Streets, Dayton, Ohio, filed a registration statement (File 2-19815) with the SEC on February 21st seeking registration of (1) \$50,000,000 of sinking fund debentures due 1987, to be offered for public sale on an all or none basis through underwriters headed by Dillon, Read & Co., Inc., 46 William St., New York; and (2) 319,090 shares of common stock, to be offered for subscription by common stockholders at the rate of one new share for each 25 shares held (the same underwriters to take down unsubscribed shares). The interest rate and public offering price of the debentures, record date and subscription price (maximum \$115 per share*) of the rights offering, and underwriting terms for both issues are to be supplied by amendment.

The company and its subsidiaries are engaged in the production, distribution and servicing of business machines, including cash registers, accounting machines, adding machines and electronic data processing systems, together with supplies for use in its machine products. The net proceeds from this financing will be added to general funds to be used primarily to finance the expansion of the company's business in the electronic data processing field, for working capital purposes particularly increased inventories and accounts receivable, and for continuing improvement and replacement of production facilities. In addition to certain indebtedness, the company has outstanding 7,975,417 shares of common stock, of which management officials as a group own 1.55%. Robert S. Oelman is board chairman and president.

JOHN WILEY & SONS FILES FOR SECONDARY. John Wiley & Sons, Inc., 440 Park Avenue, South, New York, filed a registration statement (File 2-19814) with the SEC on February 21st seeking registration of 150,022 outstanding shares of capital stock, to be offered for public sale by the holders thereof on an all or none basis through underwriters headed by White, Weld & Co., 20 Broad Street, New York. The public offering price (maximum \$20 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the publication and distribution of scientific and technical books for students and for professional and reference purposes. It recently succeeded by merger to the business of Interscience Publishers, Inc., a New York corporation engaged primarily in the publication and distribution of research and reference works in scientific and technical fields. Pursuant to such merger, the stockholders of Interscience received 228,738 capital shares of the company. The company has outstanding 1,158,606 shares of capital stock (after giving effect to a recent 6-for-1 stock split), of which Kate R.Q. Wiley and Edward P. Hamilton, board chairman, own 257,700 and 210,900 shares, respectively, and propose to sell 45,000 and 18,000 shares, respectively. The prospectus lists 17 other selling stockholders who propose to sell amounts ranging from 187 to 42,000 shares, the latter by Elizabeth W. Hamilton who owns 69,600 shares. W. Bradford Wiley is president.

STERNCO INDUSTRIES FILES FOR OFFERING AND SECONDARY. Sternco Industries, Inc., 52 Cottage Place, Allendale, N. J., filed a registration statement (File 2-19817) with the SEC on February 21st seeking registration of 115,000 shares of Class A stock, of which 40,000 shares are to be offered for public sale by the company and 75,000 shares, being outstanding stock, by the holders thereof. The offering will be made at \$6 per share on an all or none basis by Andresen & Co., 30 Broad Street, New York, which will receive a 50¢ per share commission and \$10,000 for expenses. The statement also includes 10,000 Class A shares underlying 3-year warrants to be sold to the underwriter for \$100, exercisable at \$6 per share.

The company (formerly Longlife Fish Food Products) is engaged in the manufacture, sale and distribution of fish foods and remedies and the distribution of tropical fish, goldfish, turtles, animals, reptiles and a complete line of aquarium supplies for the hobbyist. The net proceeds from the company's sale of additional stock will be used for new plant construction and for working capital purposes, including the carrying of accounts receivable and larger inventories. In December 1961, Leonard Stern, executive vice president, and Stanley Stern, secretary, were the sole stockholders of the company and the principal stockholders of Aquarium Supply Co., Inc., which was merged and consolidated into the company. In connection with such merger, the Sterns received 325,000 Class B and 64,000 Class A shares in exchange for their shares of the company (pursuant to a recapitalization) and 64,000 Class A shares in exchange for their shares in Aquarium. There were also issued 36,000 Class A shares to three other stockholders of Aquarium. In addition to certain indebtedness, the company has outstanding 175,000 Class A and 325,000 Class B shares, of which the Sterns each own 39.7% and 50%, respectively. They propose to sell 37,500 Class A shares each. Max Stern is president. Book value of stock now outstanding is 57¢ per share.

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PORTSMOUTH CORP. SEEKS ORDER. Portsmouth Corporation, Cleveland, Ohio., has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Rel. IC-3430) giving interested persons until March 8th to request a hearing thereon. Portsmouth is said to have dissolved in November 1960; and a final distribution of its assets was made to shareholders in December 1961.

UNITED CORP. PURCHASE CLEARED. The SEC has issued an exemption order under the Investment Company Act (Rel IC-3431) permitting The United Corporation, New York investment company, to purchase 20,000 shares of True Temper Corporation from a director of the latter.

BORROWINGS PROPOSED BY NEES SYSTEM. New England Electric System, Boston holding company, has joined with 16 NEES subsidiaries in the filing of a proposal with the SEC under the Holding Company Act pursuant to which the subsidiaries will make borrowings from NEES and/or banks during 1962 in the maximum aggregate amount of \$71,175,000 to be outstanding at any one time; and the Commission has issued an order giving interested persons until March 8th to request a hearing thereon. The funds will be used to pay then outstanding notes due to NEES and/or the banks (\$36,477,000 outstanding at January 1st), and to provide new money for construction expenditures or to reimburse treasuries therefor.

CARROLS, INC. PROPOSES RIGHTS OFFERING. Carrols, Inc., 176 West Adams Street, Chicago, filed a registration statement (File 2-19816) with the SEC on February 21st seeking registration of 688,375 shares of common stock. It is proposed to offer such shares for subscription at \$6 per share by the stockholders of Tastee Freez Industries, Inc., the company's parent, at the rate of one such share for each two shares of Tastee Freez held. Bear, Stearns & Co., One Wall Street, New York, will take down unsubscribed shares on a firm commitment basis; and the underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in December 1961 by Tastee Freez. Tastee Freez is engaged in franchising and supplying a chain of stores and mobile units selling a soft ice product of low butter fat content (tastee-freez or king freez) and certain selected food products. It also grants franchises for and supplies Carrols Drive-In stores and mobile units which serve light snacks, featuring 15¢ hamburgers. In addition, Tastee Freez manufactures and sells freezers and related equipment used in the preparation and dispensing of soft ice cream, chipped ice machines, milk shake machines, soft drink dispensers, chipped ice adapters for automatic drink machines and mobile units of the types described above. The company has been organized to develop those areas of the country where tastee-freez franchises are not now being developed and to develop the Carrols business in densely populated areas of the country other than those areas where the 27 existing Carrols stores now are located. At organization, Tastee Freez purchased 500 company shares for \$3,000 in cash and later transferred various assets valued at \$684,000 to the company in exchange for 114,000 shares, such assets consisting of tastee-freez franchises, Carrols franchises and a king-freez mobile unit franchise. The company also obtained a Carrols Drive-In store and an unimproved lot, both in Puerto Rico. The net proceeds from the stock sale will be used to develop the franchises so acquired, by the acquisition and operation of mobile units, Carrols Drive-In stores and tastee-freez stores. In addition to certain indebtedness, the company has outstanding 114,500 shares of common stock, all of which are owned by Tastee Freez. Leo S. Maranz is president.

J.A. WINSTON HEARING SCHEDULED. A hearing has been scheduled for 10:00 A.M., March 12, 1962, in the Commission's New York Regional Office in proceedings to determine whether to revoke the broker-dealer registration of J.A. Winston & Co., Inc., 11 Broadway, New York. The proceedings, which were authorized by the Commission's order of December 28, 1961 (Release 34-6698), concern the question whether J.A. Winston & Co., Inc., Joel Alfred Winston, president, and three other officers and individuals made fraudulent misrepresentations in the offer and sale of stock of Gob Shops of America, Inc.

H. KOHNSTAMM & CO. FILES FOR STOCK OFFERING AND STOCK PLAN. H. Kohnstamm & Co., Inc., 161 Avenue of the Americas, New York, filed a registration statement (File 2-19818) with the SEC on February 21st seeking registration of 160,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Kidder, Peabody & Co., 20 Exchange Place, New York. The public offering price (maximum \$18 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 47,000 common shares to be issued pursuant to the company's Employees' Stock Option Plan.

The company and its subsidiaries manufacture and sell colors and flavors used in the food, drug and cosmetic industries, colors and chemicals used in industry generally, and a wide variety of commercial laundry and dry cleaning supplies. The company recently purchased 48,533 shares of its outstanding stock from First National City Trust Company, The United States Trust Company of New York, and the latter trust company and Walter Petschek, as trustees of various trusts, at \$11.50 per share. To finance such purchase, the company borrowed \$2,200,000 from Chemical Bank New York Trust Company. The net proceeds from the stock sale to the public will be applied to repayment of such loan, and the balance will be added to general funds and will be available for any corporate purpose.

In addition to certain indebtedness, the company has outstanding 313,328 shares of common stock, after giving effect to a proposed 4-for-1 stock split and excluding 40,000 of the 48,533 shares (194,132 shares on the adjusted basis) recently purchased by the company. Of such outstanding stock, Paul L. Kohnstamm, president, Richard L. Kohnstamm, a director, and Elizabeth K. Ogden, own 29.5%, 22.9% and 18.5%, respectively. Robert A. Phair is board chairman.

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TRADING IN APEX MINERALS SUSPENDED. The SEC has ordered the suspension of trading in the common stock of Apex Minerals Corporation on the San Francisco Mining Exchange and in the over-the-counter market for a further ten-day period, February 25, 1962, to March 6, 1962, both dates inclusive.

ORAL ARGUMENTS, COMING WEEK: March 1. Gearhart & Otis, Inc., and McCoy & Willard.

SECURITIES ACT REGISTRATIONS. Effective February 23: Diplomat Motel Associates (File 2-19296); The Jupiter Corp. (File 2-18880); Koninklijke Zout-Ketjen N.V. (ADR's) (File 2-19756); P & H Tube Corp. (File 2-19197); Texstar Securities, Inc. (File 2-19450). Withdrawn February 20: Thermo-Chem. Corp. (File 2-18300). Withdrawn February 23: Cole Vending Industries, Inc. (File 2-18785).

* As estimated for purposes of computing the registration fee.

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