

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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NOPCO CHEMICAL PROPOSES DEBENTURE RIGHTS OFFERING. Nopco Chemical Company, 60 Park Place, Newark, N.J., filed a registration statement (File 2-20340) with the SEC on May 4th seeking registration of \$5,800,000 of convertible subordinated debentures due 1987. It is proposed to offer such debentures for subscription by common stockholders at the rate of \$100 of debentures for each 20 shares held. White, Weld & Co., 20 Broad Street, New York, heads the list of underwriters. The interest rate, record date, subscription price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture of industrial chemical specialties, mainly organic in nature, fine chemicals, principally for nutritional purposes, and urethane foam plastic and intermediates therefor, which it distributes throughout the United States and Canada. The net proceeds from the debenture sale will be used to retire, at par, \$4,000,000 of 4-3/4% bank notes, and the balance will be added to general funds and used to finance a portion of its 1962 capital expenditures (estimated at \$3,000,000). The proceeds from said bank notes were used for construction and acquisition of plants and property and for other capital expenditures. In addition to certain indebtedness and preferred stock, the company has outstanding 1,135,093 shares of common stock, of which management officials as a group own 92,868 shares. Ralph Wechsler is board chairman and George G. Stier is president.

STANDARD BRANDS PAINT FILES STOCK PLAN. Standard Brands Paint Company, 4300 West 190th Street, Torrance, Calif., filed a registration statement (File 2-20341) with the SEC on May 4th seeking registration of 10,000 shares of common stock, to be offered pursuant to its supplemented Stock Option Plan.

CINCINNATI GAS & ELECTRIC PROPOSES BOND OFFERING. The Cincinnati Gas & Electric Company, Fourth and Main Sts., Cincinnati, filed a registration statement (File 2-20342) with the SEC on May 7th seeking registration of \$25,000,000 of first mortgage bonds due 1992, to be offered for public sale at competitive bidding. Of the net proceeds from the bond sale, \$8,000,000 will be used to repay short term bank loans and the balance to finance a portion of the company's 1962 construction program and for other corporate purposes. The company estimates that its construction program will require expenditures of about \$30,700,000 in the last nine months of 1962.

MASCO CORP. FILES FOR SECONDARY. Masco Corporation, 12825 Ford Road, Dearborn, Michigan, filed a registration statement (File 2-20343) with the SEC on May 7th seeking registration of 180,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Smith, Barney & Co., 20 Broad Street, New York. The public offering price (maximum \$35 per share*) and underwriting terms are to be supplied by amendment.

The company produces and sells single-handle mixing water faucets under the trade name "Delta," and produces certain other valves and fittings for the plumbing industry and small sub-assemblies and component parts primarily for the automotive industry. As a result of a recent acquisition, the company also manufactures plastic and metal toys. In addition to certain indebtedness, the company has outstanding 740,514 shares of common stock, of which Alex Manoogian, president and board chairman, the Marie and Alex Manoogian Fund (a charitable corporation) and Richard Manoogian, a vice president, own 215,400, 135,600 and 72,000 shares, respectively. They propose to sell 95,000, 70,000 and 15,000 shares, respectively.

HALTONE RENTAL HEARING SCHEDULED. At the request of Haltone Rental Corporation, 350 Seventh Ave., New York, the SEC has scheduled a hearing for May 21, 1962, in its New York Regional Office on the question whether to vacate, or make permanent, a prior order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering by Haltone of 150,000 common shares at \$2 per share. The suspension order asserted among other things that Haltone's offering circular was false and misleading in respect of certain material facts.

JANNEY - FRONTIER CO. SUSPENSION LIFTED. The Commission has vacated its December 1957 order suspending a Regulation A exemption with respect to an offering by Russell Janney, general partner of "Frontier Company," of 56 W. 45th St., New York, of \$250,000 of pre-formation limited partnership interests. The suspension was based upon Janney's failure to file semi-annual reports of sales of partnership interests, as required; and the suspension was lifted following the filing of such reports.

AMERICAN RESEARCH ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-3478) with respect to a proposed amendment in the terms of a 6% note of The Geotechnical Corporation in the amount of \$300,000 held by American Research and Development Corporation, Boston investment company. The amendment will eliminate certain restrictive covenants from said note.

TRADING BAN IN BLACK BEAR INDUSTRIES CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending trading in the common stock of Black Bear Industries, Inc., on the San Francisco Mining Exchange and over-the-counter market for a further ten-day period May 9 to 18, 1962, inclusive.

OVER

NATIONAL OTC CLEARING CORP. FILES FOR STOCK OFFERING. National OTC Clearing Corporation, 67 Broad St., New York, filed a registration statement (File 2-20344) with the SEC on May 7th seeking registration of 1,000 shares of common stock, to be offered for sale (without underwriting) at \$1,000 per share. The prospectus states that common stock of the company may be issued only to, and held only by, members in good standing of the National Association of Securities Dealers, Inc. (NASD), and no person may hold directly or indirectly more than 5% of its outstanding stock. Unless subscriptions for at least 500 shares are obtained within 45 days of this offering, the offering will be withdrawn and any amounts received from subscribers will be returned to them.

The company was organized under Delaware law in December 1961 to establish, and to make available to members of the NASD, banks and others, facilities for clearing transactions in unlisted securities traded in the over-the-counter market. Organization of the company is said to have followed a study of the feasibility of establishing over-the-counter clearing facilities carried on by the NASD through a special Committee on Over-the-Counter Clearing House, consisting at the present time of the nine persons who are directors of the company. The NASD and the members of the Clearing Committee may be deemed promoters of the Corporation. The prospectus further states the volume of transactions in the over-the-counter market in recent years has led the Clearing Committee to believe that clearing operations for the over-the-counter market are now feasible and in fact are urgently needed to facilitate the orderly conduct of over-the-counter transactions. The operations of the company will be carried on in leased facilities located in the Lower Manhattan area of New York City within the financial community. The NASD has advanced or undertaken to advance funds needed for organizational and other preliminary expenses, and it has purchased 100 limited participation voting shares (all stock of the company now outstanding) at \$100 per share. The net proceeds from the stock sale to NASD members will be used to pay or reimburse NASD for said advances, to acquire furnishings, fixtures, equipment and supplies, to pay salaries and other expenses prior to commencement of operations, and to provide working capital. The prospectus indicates that although the operations of the company will be similar to those of the stock clearing companies owned by the New York, American and some other stock exchanges, the nature of the over-the-counter market present certain problems which make successful operations more difficult than in the case of such stock exchange clearing operations. Whereas the New York and American Stock Exchanges require substantially all stock exchange transactions in listed stocks to be cleared through the Exchanges' clearing house facilities and exchange members who do not become members of the clearing companies are generally required to effect their transactions through the clearing members, participation in the over-the-counter clearing operations to be carried on by the company will be voluntary. Therefore, unless a sufficient number of broker-dealers elect to avail themselves of the facilities and services provided by the company and channel a sufficient volume of transactions through the company so that a charge on each transaction will be enough to pay the expense of maintaining and operating the necessary organization, the enterprise will be uneconomic. The prospectus states that another problem arises from the fact that of the thousands of security issues traded in the over-the-counter market, only a limited number are actively traded day by day by a sufficient number of broker-dealers to justify their inclusion among the securities to be cleared. It will therefore be necessary to select from the many unlisted issues those which appear to meet the volume requirements for inclusion in the clearing operation, and selection is said to present difficulties because accurate data on over-the-counter volume is not available.

As indicated, except in the case of banks and other financial institutions, membership is expected to be confined to members in good standing of the NASD. Persons desiring membership will be required to submit applications containing relevant financial and other information. The company's by-laws provide for a "Clearing Fund" made up of contributions (minimum \$10,000) by all clearing members, and each contribution to the Fund is immediately available to meet obligations of that Clearing Member arising out of the clearing operation. Losses not covered by the contribution of the Clearing Member primarily liable, including losses through insolvency of a depository or larceny or embezzlement, are first payable from any earned surplus of the company and if not sufficient from the Clearing Fund and charged pro rata against the contributions of Clearing Members not primarily liable. Carl Stolle is board chairman (and president of G. A. Saxton & Co., Inc. and past chairman of the Board of Governors of NASD), and John H. Kirvin is president (and vice president of Glore Forgan & Co., Inc. and a general partner of Reynolds & Co.).

SOUTHWESTERN INVESTMENT FILES STOCK PLAN. Southwestern Investment Company, 205 East 10th Street, Amarillo, Texas, filed a registration statement (File 2-20345) with the SEC on May 7th seeking registration of 15,000 shares of common stock, to be offered pursuant to its Employee Stock Purchase Plan.

STRATORAY OIL - ROE SENTENCED. The SEC Fort Worth Regional Office announced April 27th (Lit-2264) that D. H. Roe had received a four-year prison sentence (plus five-year probation on other counts), and Stratoray Oil Corp. was fined \$15,000, for violations of the Securities Act registration requirements.

SECURITIES ACT REGISTRATIONS. Effective May 8: Ainsbrooke Corp. (File 2-19615); Aluminium Limited (File 2-20246); The Barr Corp. (File 2-19843); California Interstate Telephone Co. (File 2-20088); Carolinas Capital Corp. (File 2-19331); Devoe & Reynolds Company, Inc. (File 2-20020); Equity Capital Co. (File 2-19380); Gulf States Utility Co. (File 2-20256); Industrial Instruments, Inc. (File 2-19919); Jefferson Texas Co. (File 2-19440); Madway Mainline Homes, Inc. (File 2-19898). **Withdrawn May 7:** American Beverage Corp. (File 2-15365). **Withdrawn May 8:** American Management and Investment Corp. (File 2-19482).

* As estimated for purposes of computing the registration fee.