

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 August 2, 1962

REALTY SECURITIES CITED. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether an application for broker-dealer registration filed by Realty Securities, Inc., 19 East First South Street, Salt Lake City, Utah, should be denied.

Realty Securities ("applicant") filed an application with the Commission on July 2, 1962, for registration as a broker-dealer. Charles L. Wall is listed as beneficial owner of 10% or more of its common stock. In its order, the Commission recites charges of its staff that information developed in an investigation tends to show that (1) Wall is currently serving as president of Guaranty Trust Deed Corporation, a Utah company which was organized to act as trustee for and to solicit investments in a fund known as Guaranty 7-Plan Trust Fund (and he has been connected with it as a director or officer since October 1960), and (2) from about October 1960 to date, in the offer and sale of certificates of ownership in the 7-Plan Fund, Guaranty and Wall made false and misleading representations and engaged in "acts, practices and a course of business which would and did operate as a fraud and deceit upon certain persons," in violation of the anti-fraud provisions of the Federal securities laws. The alleged misrepresentations relate to (a) the true financial condition of 7-Plan Fund and of Guaranty, (b) Guaranty's breach of its fiduciary duties to the 7-Plan Fund, (c) the operating histories of the business of 7-Plan Fund and of Guaranty, and (d) certain apparent risks involved in investments in second mortgages.

A hearing will be held on August 8, 1962, at the Commission's Salt Lake Branch Office, for the purpose of taking evidence to determine whether the staff charges are true and, if so, whether applicant's registration application should be denied. The hearing will concern itself initially with the question whether to postpone the effective date of applicant's registration pending decision on the question of denial.

NEW ENGLAND ELECTRIC FINANCING CLEARED. The SEC has issued an order the Holding Company Act (Release 35-14678) authorizing New England Electric System, Boston holding company, to purchase from one of its subsidiaries, New England Power Company, 342,857 additional common shares of the latter at \$35 per share (\$11,999,995). The proceeds from such stock sale will be used by New England Power to pay short-term indebtedness incurred for capital expenditures.

INTERCONTINENTAL MANAGEMENT FILES FOR STOCK OFFERING. Intercontinental Management Corporation, 19 Country Club Shopping Center, Levittown, Pa., filed a registration statement (File 2-20625) with the SEC on July 31st seeking registration of 144,000 shares of common stock, to be offered for public sale at \$7 per share. The offering will be made on an all or none basis as to the first 100,000 shares and a best efforts basis as to an additional 44,000 shares, through underwriters headed by Walnut Securities Corp., 2104 Walnut St., Philadelphia, which will receive an 84¢ per share commission and \$30,240 for expenses. The statement also includes 500 shares to be issued to Victor E. Balenger as a finder's fee.

The company owns and operates two bowling centers (in Levittown and in Meridian, Miss.) and is a party to agreements to purchase four additional centers and an option to purchase a fifth. The company also is engaged in the trading stamp business near Philadelphia. The aggregate purchase price for the four centers is 98,334 common shares and \$456,500. Of the \$816,540 estimated net proceeds from the stock sale, \$393,500 will be used for consummation of the purchase agreements covering the four centers; and the balance will be used to repay advances used to acquire a center presently owned by the company, to reduce indebtedness and for working capital. In addition to certain indebtedness, the company has outstanding 228,500 shares of common stock, of which Leonard B. Kessler, board chairman and president, and Morton Stein and Bernard Levit, vice presidents, own 12.3% each, and Albert D. Ross, a vice president, 14.8%.

NATIONAL UNI-PAC FILES FOR STOCK OFFERING. National Uni-Pac, Inc., 15 Peachtree St., Atlanta, Ga., filed a registration statement (File 2-20626) with the SEC on July 31st seeking registration of 85,000 shares of common stock, to be offered for public sale on a best efforts all or none basis by Drourr, Lampert & Company, Inc., 230 Park Avenue, New York. The public offering price (maximum \$4 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 5,000 shares underlying 5-year warrants to be sold to the underwriter for \$50, exercisable at \$4 per share.

The company (formerly Atlanta Engineering & Development Corp.) was organized in March 1961 and is in the organizational and development stage. It intends to engage in the business of selling or leasing coin operated vending machine units and the sale of food products to be dispensed therefrom. Thus far, the company has arranged solely for one franchise dealer, such franchise covering Georgia and Florida and contingent upon the dealer securing equity financing. Of the \$277,500 estimated net proceeds from the stock sale, \$120,000 will be used to purchase inventory and the balance to redeem an outstanding debenture, to pay costs of tools, dies and engineering expenses, and for working capital and certain consultant services. In addition to certain indebtedness, the company has outstanding 115,000 shares of common stock (after giving effect to a recent 115-for-1 stock split), of which Charles L. Lewis, president, owns 81%. Sale of new stock to the public will increase the book value of stock now outstanding from a deficit of \$.0042 to about \$1.48 per share. Presently outstanding stock was purchased at 10¢ per share.

OVER

ATLANTIC RESEARCH FILES FOR SECONDARY. Atlantic Research Corporation, Shirley Highway at Edsall Road, Alexandria, Va., filed a registration statement (File 2-20627) with the SEC on July 31st seeking registration of 179,000 outstanding shares of common stock, to be offered for public sale by the holders thereof at the market price prevailing at the time of sale (maximum \$24 per share*).

The company is primarily engaged in research, development, and manufacture in the field of solid propellant rockets and, in addition, performs work in electronics and electromechanics, combustion, chemical engineering and chemistry, optics, and military pyrotechnics and rocket ignition. In addition to certain indebtedness, the company has outstanding 1,961,162 shares of common stock, of which Arch C. Scurlock, president, and Arthur W. Sloan, executive vice president, own 21.3% and 18.9%, respectively, and management officials as a group 46.8%. The prospectus states that three of the selling stockholders, Atomics, Physics & Science Fund, American Potash & Chemical Co. and Sloane Manufacturing Co., have advised the company that they intend to sell 10,000, 29,000 and 25,000 shares, respectively (of 50,000, 29,000 and 75,460 shares owned, respectively). The fourth stockholder, Television-Electronics Fund, Inc. has not advised the company that it has a present intention to dispose of any part of its Atlantic Research shares (115,000), but has indicated that it may from time to time sell part of such shares to the public on the American Stock Exchange.

LAWTER CHEMICALS FILES FOR SECONDARY. Lawter Chemicals, Inc., 3550 Touhy Avenue, Chicago, filed a registration statement (File 2-20629) with the SEC on August 1st seeking registration of 49,721 outstanding shares of capital stock, to be offered for public sale by the holders thereof through Blunt Ellis & Simmons, 111 West Monroe Street, Chicago. The public offering price (maximum \$18 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of printing ink vehicles, fluorescent pigments and coatings, and synthetic resins. It has outstanding 390,044 shares of capital stock, of which Daniel J. Terra, president, and Adeline R. Terra, his wife, own 122,721 and 93,000 shares, respectively. They propose to sell 39,721 and 10,000 shares, respectively. After the sale, they will each own 83,000 shares and individually and as trustees will own about 57% of the outstanding stock of the company. They now hold of record, respectively, 17,706 and 38,558 shares in trust for the benefit of their children.

AMERICAN BRAKE SHOE PROPOSES DEBENTURE OFFERING. American Brake Shoe Company, 530 Fifth Avenue, New York, filed a registration statement (File 2-20630) with the SEC on August 1st seeking registration of \$12,000,000 of sinking fund debentures due 1987, to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment. The company is engaged principally in the manufacture of components, machinery, and equipment for sale to the manufacturing and transportation industries. The net proceeds from its debenture sale will be used for general corporate purposes, including additional working capital, the retirement of about \$2,600,000 of indebtedness of a Canadian subsidiary, and capital improvements which in 1962 are estimated at \$13,600,000.

SEC ACTS IN ATLAS SEWING CENTERS CASE. The SEC has entered its appearance in the proceedings under Chapter X of the Bankruptcy Act for the reorganization of Atlas Sewing Centers, Inc., and its 49 subsidiaries, pending in the United States District Court in Miami, Florida. The Debtor's voluntary petition for reorganization, filed on June 22, 1962, was approved by Judge Emmet C. Choate, who appointed Irwin Ray as trustee.

The parent company, a Delaware corporation, was organized in 1955 and is headquartered in Miami. It operates a chain of retail stores engaged in selling sewing machines and vacuum cleaners, primarily on the installment plan. In schedules filed with the petition, the Debtor listed assets of \$12,673,496, including accounts receivable carried at \$11,786,633. Total liabilities were reported at \$15,460,285, including claims of secured creditors amounting to \$12,753,147 and \$1,839,000 principal amount of publicly held 6% convertible subordinated debentures. The Debtor has outstanding 808,648 shares of common stock, which are listed on the American Stock Exchange and held by approximately 2,700 stockholders. For the fiscal year ending May 31, 1961, the Debtor reported gross sales of \$13,208,447, an operating loss of \$2,705,536, and a net loss of \$6,791,162 after provisions for bad debts, collection fees and other adjustments.

TRADING BAN CONTINUED IN TWO STOCKS. The SEC has issued orders under the Securities Exchange Act suspending exchange and over-the-counter trading in the Class A stock of Automated Procedures Corp. and the common assessable stock of Industrial Enterprises, Inc., for a further ten-day period August 3 to 12, 1962, inclusive.

CANADIAN RESTRICTED LIST. The SEC has removed Monarch Gold Mines Ltd. from its Canadian Restricted List. This reduces to 255 the number of Canadian companies whose securities the Commission has reason to believe recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide. (Release 33-4520)

SECURITIES ACT REGISTRATIONS. Effective August 1: Schlumberger Ltd. (File 2-20364). Effective August 2: Atlantic Bowling Corp. (File 2-20478); Drew Properties Corp. (File 2-19902); The Esquire Realty Co. (File 2-20358). Withdrawn August 1: Evans, Inc. (File 2-19661); Morse Electro Products Corp. (File 2-19592); Slick Airways, Inc. (File 2-19466); Sun City Dairy Products, Inc. (File 2-19228).

*As estimated for purposes of computing the registration fee.

---000000---