

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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FOR RELEASE April 1, 1963

Statistical Release No. 1890. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended March 29, 1963, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1963 is as follows:

	1957-59 = 100		Percent Change	1963	
	3/29/63	3/22/63		High	Low
Composite	135.6	134.9	+ 0.5	135.6	130.6
Manufacturing	126.6	125.6	+ 0.8	126.6	121.1
Durable Goods	120.8	119.3	+ 1.3	121.7	116.2
Non-Durable Goods	132.1	131.5	+ 0.5	132.1	125.8
Transportation	111.0	109.9	+ 1.0	112.0	106.4
Utility	175.9	175.9	0.0	178.1	170.3
Trade, Finance & Service	159.2	159.9	- 0.4	159.9	153.5
Mining	114.1	115.7	- 1.4	115.7	104.2

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended March 29, 1963, 80 registration statements were filed, 25 became effective, 1 suspended by stop order, 7 were withdrawn, and 404 were pending at the week-end.

REGISTRATIONS OF THREE BROKERS CANCELLED. The Securities and Exchange Commission has issued orders under the Securities Exchange Act of 1934 cancelling the broker-dealer registrations of the following: (a) Neil, James & Co., Inc., 44 Beaver St., New York, (b) W. Edward Tague, doing business as W. Edward Tague Company, 2005 Investment Bldg., Pittsburgh, and (c) Coombs & Company of Washington, D. C., 1012 14th St., N. W., Washington, D. C. All three are no longer engaged in the securities business. According to the order with respect to Neil, James & Co., in April 1961 that firm and its president, Neil James Shanman, were permanently enjoined (by consent) by a Federal court in New York from further violations of the Commission's net capital and bookkeeping rules; in November 1961 Shanman was permanently enjoined by a New York State court from engaging in securities transactions in that State; and in January 1962 Shanman was convicted by a New York court of a felony involving the purchase and sale of securities while a broker-dealer. With respect to W. Edward Tague, in March 1961 a receiver was appointed for the firm by a Federal court in Pennsylvania; and shortly thereafter an order was entered by the court enjoining Tague from further violations of the Commission's net capital and record keeping rules. In 1956 an order was entered by a Federal court in the District of Columbia enjoining Coombs & Company from violations of the Commission's net capital rule and a receiver was appointed for the firm. In April 1962, the court entered an order permanently enjoining (among others) Herman Singer, its president and sole stockholder, from further violations of the Securities Act registration requirements in the offer and sale of common stock of Macinar, Incorporated.

ADELPHIA CAPITAL INVESTMENT SEEKS ORDER. Adelpia Capital Investment Corporation, Philadelphia closed-end investment company, has applied to the SEC for an order under the Investment Company Act declaring that it ceased to be an investment company; and the Commission has issued an order (Release IC-3656) giving interested persons until April 15, 1963 to request a hearing thereon. According to the application, the outstanding securities of Adelpia (other than short-term paper) consist of a \$150,000 5% subordinated debenture owned by the Small Business Administration and 15,670 common shares owned by 78 individuals. The company does not presently propose to make a public offering of its securities.

REGISTRATION OF PALOMBI SECURITIES REVOKED. The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-7047) revoking the broker-dealer registration of Palombi Securities Co., Inc. 37 Wall St., New York. Edward R. Palombi, president and sole stockholder, joined the company in consenting to the order, in which he was found a cause of the revocation order. According to the decision, the firm, aided and abetted by Palombi, violated the Commission's net capital rule and failed to file a report of financial condition in 1961, thereby also violating its reporting requirements. In November 1962, the Commission sustained findings by the National Association of Securities Dealers, Inc. that the firm and Palombi had violated the NASD Rules of Fair Practice and affirmed the NASD's expulsion of the firm from membership and revocation of Palombi's registration as a registered representative.

GENERAL AUTOMOTIVE PARTS FILES FOR STOCK OFFERING. General Automotive Parts Corp., 2011-13 Cedar Springs Road, Dallas, filed a registration statement (File 2-21230) with the SEC on March 28 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Hornblower & Weeks, 1 Chase Manhattan Plaza, New York. The public offering price (maximum \$15 per share*) and underwriting terms are to be supplied by amendment.

OVER

The company and its subsidiaries are engaged in the business of distributing a substantially complete complement of lines of automotive replacement parts and supplies through ten warehouses. Of the net proceeds from the stock sale, \$2,000,000 will be used to retire a like amount of 5% interim notes due 1964 issued principally to obtain funds to advance to certain subsidiaries for working capital and in connection with the retirement of long term indebtedness. The balance will be available for general corporate purposes, including possible acquisition or construction of additional distribution outlets. In addition to certain indebtedness, the company has outstanding 1,152,661 shares of common stock, of which The Test Trust (with C. E. Test, Donald N. Test, Jr., president, and Cynthia T. Sweeney as trustees and primary beneficiaries) holds 20.03%, Ralph W. Boozer, board chairman, 12.48%, and management officials as a group 46.42%.

NATIONAL FIDELITY LIFE FILES FOR OFFERING AND SECONDARY. National Fidelity Life Insurance Company, 1002 Walnut St., Kansas City, Mo., filed a registration statement (File 2-21231) with the SEC on March 28 seeking registration of 72,455 shares of common stock, of which 36,227 shares are to be offered for public sale by the company and 36,228 shares, being outstanding stock, by Charles F. Curry. E. F. Hutton & Company Inc., One Chase Manhattan Plaza, New York, heads the list of underwriters. The public offering price (maximum \$35 per share*) and underwriting terms are to be supplied by amendment. The shares to be offered by the company and Curry were purchased by them for \$2,064,967 in March 1963 from Keystone Corporation, of Kansas City. The principal underwriter will receive a fee of \$8,150 from the company and Curry for services in connection with their acquisition of such stock.

The company offers whole life and term life insurance on an individual basis, group term life insurance, individual and group creditor insurance, individual annuities and individual and group accident and health insurance. The net proceeds from the company's sale of stock will be applied to payment of current indebtedness of \$750,000 incurred in connection with its recent purchase of the shares now being offered for public sale, and the balance will be added to general funds. The company has outstanding 500,000 shares of common stock, of which W. Ralph Jones (board chairman) and family own 21%, and management officials as a group (and their families) 36.2%. About 47.5% of the outstanding stock is held by voting trustees. Harold S. Hook is president.

OPTECH FILES FOR STOCK OFFERING. Optech, Inc., 102 Grand Street, Westbury, New York, filed a registration statement (File 2-21232) with the SEC on March 28 seeking registration of 140,000 shares of common stock, to be offered for public sale at \$3 per share. The offering will be made on a 90,000-share or none basis by Stone, Ackerman & Co., Inc., 61 Broadway, and Heritage Equity Corporation, 518 Fifth Avenue (both of New York) which will receive a 36¢ per share commission and \$12,500 for expenses. The statement also includes 20,000 shares underlying 3-year options to be granted to the underwriters (proportionate to the number of shares sold), exercisable at \$3 per share.

The company was organized in 1961 for the purpose of engaging in research, development and manufacture of materials and products presently being utilized in the "Laser" field (Light Amplification by the Stimulated Emission of Radiation) and in other fields of optical electronics. According to the prospectus, the company does not expect to realize any material amounts from operations during the current year since most of its work will initially be of an experimental and development nature. Furthermore, this area is a new and highly technical field which is presently in its earliest stages of development and this development stage may continue for many years. Most of the work presently being done in the "Laser" field consists of research and development by the company's potential competitors and/or customers and, to date, there has been little practical commercial application of "Laser" systems. The prospectus states that as a result of the many uncertainties inherent in the company's proposed operations, the risks to public investors are substantial. A substantial portion of the net proceeds from the stock sale will be used to meet the company's operating expenses, including salaries.

The company has outstanding 216,050 shares of common stock, of which Scientific Ventures Corporation and Lazarus C. Weiner, president, own 59% and 16.6%, respectively. Robert Colton, secretary-treasurer, and S. Spencer Grean are officers and principal stockholders of Scientific Ventures; and they are also officers and 95% owners of Heritage Equity, one of the underwriters. If all the shares are sold, present stockholders will own 60.7% of the company's outstanding stock for a cash payment of \$101,014 while public investors will own 39.3% for \$420,000. Sale of all of the new stock to the public at \$3 per share will result in an increase in the book value of stock now outstanding from 47¢ to \$1.20 per share, with a resulting dilution of \$1.80 per share in the book equity of stock purchased by the public. According to the prospectus, the offering price of the shares was determined upon the basis of the funds estimated to be necessary for operations and is not based on book value, assets or any other established criterion of value.

LIFE ASSURANCE OF PA. FILES FOR STOCK OFFERING. Life Assurance Company of Pennsylvania, 2204 Walnut Street, Philadelphia, filed a registration statement (File 2-21233) with the SEC on March 28 seeking registration of 100,000 shares of capital stock, to be offered for public sale through underwriters headed by Auchincloss, Parker & Redpath, Two Penn Center Plaza, Philadelphia, and Arthurs, Lestrangle & Co., 2 Gateway Center, Pittsburgh. The public offering price (maximum \$33 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 7,500 shares to be offered pursuant to the company's Agents' Stock Option Plan.

The company is authorized to write all types of life insurance and annuities, and accident and health insurance. The net proceeds from the stock sale will be invested in income producing securities and mortgages qualified as legal investment under Pennsylvania insurance law, and thereafter the funds will be used as needed to absorb the cost of writing new insurance and to enable the company to expand its operations. The company has outstanding 164,320 shares of capital stock (not reflecting a 2% stock dividend payable in April), of which management officials as a group own 15%. David J. Dean is board chairman and Sherman J. Edelman is president.

CONTINUED

LIBERTY FABRICS OF N. Y. FILES FOR RIGHTS OFFERING AND SECONDARY. Liberty Fabrics of New York, Inc., 105 Madison Avenue, New York, filed a registration statement (File 2-21234) with the SEC on March 28 seeking registration of 108,700 shares of common stock, to be offered for subscription by common stockholders. Blair & Co., Inc., 20 Broad Street, New York, heads the list of underwriters. The record date, rate of subscription, subscription price (maximum \$18.50 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 14,900 outstanding shares, to be offered for public sale by Norman J. Alexander, vice president, commencing 90 days after the completion of the rights offering.

The company designs, manufactures and sells a diversified line of woven and knitted laces and nettings produced from natural and synthetic fibers. Of the net proceeds from the stock sale, \$200,000 will be used to construct and purchase and install machinery for an additional plant in Gordonsville, Va., \$300,000 to reduce short term bank loans, \$417,000 to repay loans due certain company directors, and the balance will be added to general funds and used initially as increased working capital. In addition to various indebtedness and preferred stock, the company has outstanding 271,690 shares of common stock, of which Abe Gottlieb, president, owns 32.7% and management officials as a group 42.2%. According to the prospectus, Gottlieb and Louis Greenblatt, secretary, who own a total of 94,922 shares, have expressed their intention to sell the rights to be received by them.

PRINCETON RESEARCH LANDS FILES FOR STOCK OFFERING. Princeton Research Lands, Inc., 195 Nassau Street, Princeton, N. J., filed a registration statement (File 2-21235) with the SEC on March 28 seeking registration of 40,000 shares of common stock, to be offered for public sale at \$25 per share. No underwriting is involved. The principal business of the company is the purchase and sale of real property with emphasis on acquiring and holding unimproved land within a fifty mile radius of Princeton, N. J. for capital appreciation. As of December 31, 1962, the company owned 12 separate properties either directly or through wholly owned subsidiaries. Of the net proceeds from the stock sale, about \$95,000 will be used to meet certain obligations during 1963, including real estate taxes, interest payments on mortgages, amortization of mortgages, payments on purchase contracts, and operating expenses, and the balance will be used to acquire additional properties. In addition to certain indebtedness, the company has outstanding 31,316 shares (at Dec. 31, 1962) of which W. Bryce Thompson, IV, president, owns 11.56%, Henry Abrams, a vice president, 19.51% and management officials as a group 74.01%.

STERNCO INDUSTRIES FILES FINANCING PLAN. Sternco Industries, Inc., 53 Cottage Place, Allendale, New Jersey, filed a registration statement (File 2-21236) with the SEC on March 28 seeking registration of \$400,000 of 6% convertible subordinated debentures due 1977 and 25,000 shares of Class A common stock, to be offered for public sale by Oppenheimer & Co., 5 Hanover Square, New York. The debentures are to be offered in \$1,000 units with a \$65 per unit commission to the underwriter; and the public offering price (maximum \$12 per share*) and underwriting terms with respect to the Class A shares are to be supplied by amendment. The statement also includes 10,000 Class A shares underlying 5-year warrants to be sold to the underwriter at 10¢ per warrant, exercisable at a price to be supplied by amendment.

The company is engaged in the United States and Canada in the manufacture 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. In Canada the company is engaged in the manufacture and distribution of birds, bird foods, animal health products and general pet supplies. Of the net proceeds from this financing, \$120,000 will be used for the acquisition of machinery and other fixed assets; \$200,000 for development of new product lines; and the balance will be added to general funds to be used for the carrying of larger inventories. In addition to certain indebtedness, the company has outstanding 325,750 Class A and 325,000 Class B common shares, of which Leonard Stern, executive vice president, owns 49.4% and 81.4%, respectively. Hartz Mountain Products Corp. of New York, (of which Leonard Stern and Max Stern, president, are principal stockholders) owns 15.3% of the Class A; and management officials as a group own 62.7% of the Class A and 100% of the Class B shares.

WOMAN'S LIFE INSURANCE FILES FOR STOCK OFFERING. Woman's Life Insurance Company of America, Inc., 7940 Wisconsin Avenue, Bethesda, Maryland, filed a registration statement (File 2-21237) with the SEC on March 28 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$7.50 per share. No underwriting is involved; and any brokers whom the company may employ to sell such shares will receive a 75¢ per share selling commission.

Organized in 1960, the company provides life insurance and contracts supplemental thereto only on the lives of female insureds. The \$997,500 estimated net proceeds from the stock sale will initially be invested in income producing securities and subsequently used to expand business, enlarge sales force and to underwrite losses from operations which can be anticipated for some years in the future. The company has outstanding 150,000 shares of common stock, of which William H. Ferguson, Jr., board chairman, Phyllis R. Biondi, president, and Jerry M. Kelso, vice president, own 16.2%, 14.8% and 17.5%, respectively, and management officials as a group 64.3%. Sale of new stock to the public at \$7.50 per share will result in an increase in the book value of stock now outstanding from \$1.46 to \$4.05 per share, with a resulting dilution of \$3.45 per share in the book equity of stock purchased by the public.

BERNS AIR KING FILES FOR STOCK OFFERING. Berns Air King Corporation, 3050 North Rockwell St., Chicago, filed a registration statement (File 2-21239) with the SEC on March 29 seeking registration of 100,000 shares of Class A stock, to be offered for public sale through underwriters headed by McCormick & Co. and H. M. Byllesby and Company, both of 135 S. LaSalle St., Chicago. The public offering price (maximum \$7.50 per share*) and underwriting terms are to be supplied by amendment. The statement also includes (1) 12,500 shares to be offered pursuant to the company's Restricted Stock Option Plan, and (2) 7,500 shares underlying 5-year options to be granted to the underwriters, exercisable at from 107% to 128% of the offering price.

The company's main business consists of the manufacture and sale of products designed to control

OVER

interior atmospheric conditions, such as ventilating range hoods, kitchen fans, humidifiers, dehumidifiers, electrical heating equipment, cooling fans, commercial exhaust fans and air circulators. The company also manufactures specialty cooking appliances. The net proceeds from the stock sale, together with \$900,000 of borrowings, will be used as follows: \$120,000 to retire a mortgage, \$750,000 to repay short-term bank loans, one-third of which was incurred in the expansion of the company's business activities in Canada; and the balance will be added to working capital and used for general corporate purposes including \$400,000 for the purchase of inventory and carrying of certain accounts receivable and \$200,000 for purchase of additional inventory. In addition to certain indebtedness, the company has outstanding 31,250 Class A and 218,750 Class B shares, of which Samuel M. Bernstein, president, and his immediate family own all but 1,750 shares of each class.

POULSEN INSURANCE FILES FOR STOCK OFFERING. The Poulsen Insurance Company of America, Executive Plaza, Park Ridge, Illinois, filed a registration statement (File 2-21240) with the SEC on March 29 seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by A.C. Allyn & Co., 122 S. LaSalle Street, Chicago. The public offering price (maximum \$10 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in selling and underwriting group and individual life and accident and sickness insurance. Of the net proceeds from the stock sale, \$150,000 will be used to retire 5½% subordinated notes issued in March 1962 to G. H. Poulsen & Co., an affiliate of the company, and the balance will be added to surplus to permit the company to employ, finance and train new individual agents. In addition to certain indebtedness, the company has outstanding 200,000 shares of common stock, of which G. H. Poulsen & Co. (75.73% owned by a trust for the benefit of Janet H. Kline, a director, and 24.17% owned directly by Mrs. Kline) owns 32.64%, a trustee under another trust for the benefit of Mrs. Kline and members of her family holds of record 17.25%, and Robert A. Schneider, president, owns 10.01%.

GREENWICH GAS FILES FOR RIGHTS OFFERING. The Greenwich Gas Company, 33 Greenwich Avenue, Greenwich, Conn., filed a registration statement (File 2-21241) with the SEC on March 29 seeking registration of 37,735 shares of common stock. It is proposed to offer such stock for subscription at \$13.25 per share by common shareholders at the rate of one new share for each 5.6 shares held. A \$1 per share commission is payable to the underwriter, F. L. Putnam & Company, Inc., 77 Franklin St., Boston. Unsubscribed shares are to be offered for public sale at \$13.25 per share.

The company manufactures, buys, sells and distributes gas and gas appliances for any and all purposes within Greenwich. The \$429,654 estimated net proceeds from the stock sale, together with other funds, will be applied to payment of \$475,000 of outstanding bank loans incurred to pay for the costs of additions, betterments and equipment. In addition to certain indebtedness and preferred stock, the company has outstanding 212,801 shares of common stock, of which management officials as a group own 9.15%. Frederic L. Putnam is board chairman and David T. Gilbert is president.

TO THE PRESS: Re: Special Study of Securities Markets.

At 12:30 P.M. on Wednesday, April 3d, five chapters of the Report of the SEC Special Study of Securities Markets, comprising about 1600 pages, will be made public upon their delivery to Congress. Press copies will be available at the Offices of the Commission (Room 292, 425 Second Street, N. W.) at 12:30 P.M. At the same time, a comprehensive 28-page "Press Summary" of the five chapters also will be available both in the said Room 292 and at the National Press Club. For those members of the Press who wish to review the five chapters and the summary in advance of 12:30 P. M., they may come to Room 292 at any time after 9:30 A.M. April 3d where table space will be provided for that purpose, subject to the understanding that no one may leave the room until 12:30 P.M. Those wishing to do so may bring portable typewriters. Available facilities are so limited that it would not be advisable to plan on telephoning in your story from the Commission's Office after the 12:30 P.M. deadline.

For those interested in a further analysis of the detailed texts of the five chapters, Milton H. Cohen (Director of the Special Study) and his associates will conduct a "briefing" session at 10:00 A.M. on Thursday, April 4, 1963, in Room 292.

TO THE PUBLIC. Only a limited supply of copies of the five chapters of the Report of the Special Study has been printed (by the off-set process in the Commission's Duplicating unit), primarily for Congress, the Press and the self-regulatory agencies. Accordingly, the Commission is unable to make public distribution of copies of the Report. However, arrangements have been made for the printing of the Report by the Government Printing Office; and as soon as possible a further announcement will be made as to the date on which printed copies will be available at the G.P.O. and the cost thereof. Requests for copies should then be directed to the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

SECURITIES ACT REGISTRATIONS: Effective March 29: Maremont Corporation (File 2-21097), American Coffee Co. (File 2-19607), and Jansai Power Company (File 2-17587). Effective April 1, 1963 Waltham Associates, (File 2-20790).

*As estimated for purposes of computing the registration fee.