

# 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 March 27, 1961

Statistical Release No. 1741. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended March 24, 1961, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1960 - 1961 is as follows:

	1957-59 = 100		Percent Change	1960 - 1961	
	3/24/61	3/17/61		High	Low
Composite	130.1	130.4	-0.2	130.4	107.7
Manufacturing	124.0	125.2	-1.0	125.2	103.6
Durable Goods	127.8	129.6	-1.4	129.6	107.7
Non-Durable Goods	120.5	121.1	-0.5	121.1	99.5
Transportation	106.6	103.8	+2.7	108.3	87.1
Utility	159.6*	157.0	+1.7	159.6	118.4
Trade, Finance & Service	147.4*	147.3	+0.1	147.4	120.5
Mining	90.1	90.3	-0.2	90.3	67.0

\*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended March 23, 1961, 44 registration statements were filed, 21 became effective, 2 were withdrawn, and 386 were pending at the week end.

WM. L. CARY BECOMES SEC CHAIRMAN. Professor William L. Cary today took the oath of office and assumed his duties as a Member of the Securities and Exchange Commission. He has been designated by President Kennedy to serve as Chairman of the Commission. The oath was administered by Justice William O. Douglas, who also served as SEC Chairman before joining the U.S. Supreme Court in 1939.

Chairman Cary succeeds to the vacancy created by the recent resignation of Commissioner Daniel J. McCauley, Jr., for the term expiring June 5, 1961. His appointment also covers the succeeding five-year term ending June 5, 1966. He succeeds to the Chairmanship held since August 1957 by Edward N. Gadsby, who continues to serve as a Member of the Commission.

Chairman Cary received an A.B. in 1931 and LL.B. in 1934 from Yale University, and an M.B.A. in 1938 from Harvard University. He is a member of Phi Beta Kappa and Phi Delta Phi. He was admitted to the Ohio bar in 1934 and was associated with a Cleveland law firm for two years. In May 1938, upon completion of his graduate studies at the Harvard Business School, he joined the legal staff of the Commission where he served for nearly two years in the general counsel's office and in corporate reorganization work under Chapter X of the Bankruptcy Act. He then became a Special Assistant to the Attorney General in the Tax Division of the Department of Justice, and two years later Counsel, Office of Coordinator of Inter-American Affairs, in Rio de Janeiro. After service during World War II with the U. S. Marine Corps Reserve and the Office of Strategic Services in Rumania and Yugoslavia, Chairman Cary became a lecturer in finance and law at the Harvard Graduate School of Business Administration (1946-47). He later served as professor of law at Northwestern University School of Law (1947-55), except for service as Deputy Department Counsellor for Procurement, Department of the Army, during the Korean War, and at Columbia University School of Law (1955 to date).

LAWRENCE RAPPE CO., REGISTRATION REVOKED. The SEC has revoked the broker-dealer registration of Lawrence Rappee, doing business as Lawrence Rappee & Co., 324 North Camden Drive, Beverly Hills, Calif., for fraud in the sale of securities and violation of the Commission's net capital rule. The order also expelled Rappee from the National Association of Securities Dealers, Inc. Rappee waived a hearing, entered into a factual stipulation on which the Commission's decision was based, and consented to the revocation order. (Release 34-6504)

Rappee became registered in January 1960. According to a unanimous decision of the Commission written by Commissioner Hastings (Commissioner Frear did not participate), Rappee during the period June to August 1960 engaged in an intensive campaign to distribute the stock of Star Chemical Laboratories Inc., through a sales force of 21 salesmen and by means of the long distance telephone. During this period he acquired 38,000 shares of Star Chemical stock at prices ranging from \$3 to \$3.25 per share and 2,000 shares at \$3.875 per share; and he made sales to about 176 customers at prices beginning with \$3.50 per share and continuously increasing to \$4.50 per share. Aggregate proceeds represented an average mark-up of 20% over Rappee's costs, the mark-ups on individual transactions over his contemporaneous (or nearly so) costs ranging from 9% to 30%. At the same time, Rappee was placing quotations for the stock in the National Daily Quotation Service which also were progressively increased; and he induced another firm to place similar quotes in the sheets. Moreover, Rappee used sales literature which contained false and misleading statements concerning Star Chemical stock. These activities were found by the Commission to violate the anti-fraud and anti-manipulative provisions of the Federal securities laws.

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Furthermore, Rappee violated the Commission's net capital rule by engaging in the securities business when he had a net capital deficiency, the amount thereof ranging as high as \$5,386 in April 1960.

**PFEFFER - MURRAYHILL INVESTMENT REGISTRATION REVOKED.** The SEC has revoked the broker dealer registration of Sol T. Pfeffer, doing business as Murrayhill Investment Company, 9350 Wilshire Blvd., Beverly Hills, Calif., for fraud in the sale of securities and other violations of the Federal securities laws (Release 34-6506). Pfeffer agreed to a factual stipulation upon which the revocation order was based and consented to the revocation.

According to a unanimous decision written by Chairman Gadsby, Pfeffer offered and sold stock of International Geophysical Explorations, Inc., a LaSalle company, during the first three months of 1959, at prices representing mark-ups over his nearly contemporaneous costs which were "clearly unreasonable and excessive." Pfeffer sold 11,660 shares of this stock at \$1.94 per share and 11,575 shares at \$2 per share to more than 120 investors in this country. His mark-ups over cost ranged from a low of 14.8% to at least as high as 33-1/3%. The customers were not advised that the prices charged were substantially in excess of the prevailing market price of the stock. In view of the "implied representation" that customers will be dealt with honestly and fairly and in accordance with the established standards of the profession, the Commission commented, this course of conduct operated as a fraud upon the customers.

The Commission also ruled that Pfeffer falsified his registration application, filed in November 1958. The application disclaimed control by any other person; and it also included a financial statement which listed a \$10,000 deposit with First Federal Savings and Loan Association as an asset. Previously, one Sol Posner had agreed to lend \$15,000 to Pfeffer in order to establish him in the securities business. Purportedly for the purpose of making his business experience available to registrant, Posner desired to maintain control over registrant's activities. To this end, it was understood between registrant and Posner that only \$5,000 was to be used in registrant's business and that the remainder of \$10,000 was to remain under the exclusive dominion and control of Posner and was to be used for the sole purpose of satisfying SEC net capital rule. In August 1958, Posner made a \$10,000 deposit with First Federal in the name of Murrayhill Investment Company, which was described to the bank as a partnership composed of Posner and one Benjamin Pisarev; and withdrawals were authorized only on their joint signatures. In November 1958 Posner furnished Pfeffer with \$5,000 which was deposited in his bank account. In February 1959, Posner withdrew the \$10,000 from First Federal. However, on March 11, 1959, shortly after an SEC inspection of Pfeffer's books began, Pfeffer opened an account with First Federal and Posner transferred \$10,000 thereto. At no time prior thereto did Pfeffer have an account with First Federal nor any control over the account previously opened by Posner. Accordingly, the Commission concluded that at least until March 11, 1959, Posner and Pisarev directly or indirectly controlled Pfeffer's business by virtue of their control over the \$10,000 and that the earlier inclusion of that amount as an asset in Pfeffer's financial statement was false. Pfeffer also falsified his books and records by recording a \$10,000 deposit with First Federal in January 1959 when, in fact, the deposit was not made until March 11th. Furthermore, he engaged in the securities business in violation of the Commission's net capital rule by reason of a \$5,349 net capital deficiency as of February 28th, after eliminating the \$10,000 as of that date.

**MAKRIS INVESTMENT BROKERS REGISTRATION REVOKED.** The SEC has revoked the broker-dealer registration of Makris Investment Brokers, 4/30 North Bay Rd., Miami Beach, Fla., for fraud in the sale of securities and other violations of the Federal securities laws. Michael A. S. Makris and Clyde Livingston, partners, were each found to be a cause of the revocation. They consented to the order of revocation.

According to the unanimous decision written by Commissioner Woodside (Release 34-6509) the Commission ruled that during the period July through September 1959 the firm and its two partners offered and sold stock of Real Estate Discount Corporation in violation of the Securities Act registration and anti-fraud provisions. Makris was president and Livingston secretary of the said Discount Corp., which had assets of less than \$50,000, was in a precarious financial condition, and was not engaged in the land development or any other business. There was no market for its shares, and the stock had a value of less than \$1 per share. Nevertheless, the firm and its partners falsely represented that Discount Corp. expected to start operations with assets worth \$1,000,000, that it was engaged in the land development business, that its stock was worth \$5 per share, and that in November 1959 the stock would be registered with the SEC and immediately thereafter offered and sold at \$10 per share, at which time its then holders also could sell the stock at \$10 per share.

The Commission also held that the firm and its partners also made false and misleading representations in the offer and sale of Inter-City Finance Corporation stock during the same period. Inter-City was insolvent; and, despite knowledge that the stock was worthless and had no market, the partners represented to actual and potential customers that Inter-City stock had and would always have a value of \$10 per share and that its holders would realize earnings of 15% per annum. The firm and its partners also represented that Inter-City owned 60,000 shares of Discount Corp. stock having a value of \$600,000, when in fact Inter-City did not own the 60,000 shares; and they falsely represented that Makris had assigned to Inter-City 100,000 shares of Texas International Sulphur Corp. having a value of \$180,000, that Makris planned to invest \$10,000,000 in Inter-City and thereby make it one of the strongest companies of its kind in Florida, and that Makris would purchase 1,500 shares of Inter-City stock from a holder thereof for \$15,000. Moreover, the firm and Makris induced a customer to deliver to them 2,140 shares of Discount Corp. stock by representing that the shares would be exchanged for stock of Greater American Development Corp., and then converted the Discount Corp. stock to their own use; and that the firm induced two customers to make payments of \$1,300 on representations that the funds would be used to purchase securities for the customers, and then converted to its own use the funds of one customer and the securities purchased for the other.

The Commission also ruled that the Makris firm had violated its net capital rule and had failed to revise its registration application to correct a disclaimer that no person associated with it had been enjoined in connection with securities transactions, despite the fact that its manager, George T. Arveros, had been enjoined by a Federal court in June 1958 from engaging in certain conduct in connection with the sale of securities.

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**MORTGAGE CLUBS OF AMERICA REGISTRATION REVOKED.** The SEC has revoked the broker-dealer registration of Mortgage Clubs of America, Inc., 145 State St., Springfield, Mass., for violations of the Federal securities laws. Charles Hershman, president and sole stockholder, was found to be a cause of the revocation order. He and the company waived a hearing, entered into a factual stipulation on which the decision was based, and consented to the order of revocation.

According to the unanimous decision of the Commission written by Commissioner Woodside (Release 34-6508), the respondent company failed to file reports of financial condition for the years 1958 and 1959, as required by SEC rules. In addition, it failed to amend its registration application to correct a disclaimer therein that Hershman had not been convicted of any felony or misdemeanor involving securities transactions despite such a conviction of Hershman in December 1959.

Hershman was convicted by the United States District Court (Conn.) upon his plea of nolo contendere of violating the Mail Fraud statute in the sale of securities by means of false representations and received a one-year prison sentence. Moreover, he was enjoined by the United States District Court in Boston in April 1957, with his consent, from further sale of securities of Mortgage Clubs, Inc., a Rhode Island corporation, in violation of the Securities Act registration requirements. The Commission's revocation order also was based upon the said conviction and injunction.

**JOHN MUNROE ADMITTED TO NASD MEMBERSHIP.** The SEC has ordered the admission of John Munroe, of New York City, to membership in the National Association of Securities Dealers, Inc. (Release 34-6513). He has been registered with the Commission as a broker-dealer since January 1956.

The action was taken on Munroe's application and notwithstanding the fact that Munroe was suspended from the New York Stock Exchange in September 1957, for five years. The suspension was ordered by the Exchange for conduct inconsistent with just and equitable principles of trade, based upon understatement of income in Munroe's tax returns for the years 1954, 1955 and 1956. Although he received commission in those years aggregating not less than \$20,238, \$26,896 and \$19,468, respectively, he reported income only of \$13,496, \$15,584 and \$12,788, respectively.

Shortly after the Exchange proceedings were instituted, and following receipt from the Internal Revenue Service of an assertedly routine notice of audit of Munroe's 1955 tax return, Munroe filed amended returns for the years 1954 through 1956 and paid the additional tax due thereunder. Subsequent to the suspension, and as a result of the audit, a deficiency in Federal income tax was assessed for 1955 in the amount of \$2,370.04 and a penalty for understatement of his Declaration of Estimated Tax for the same year was assessed in the amount of \$11.50. No assessments were imposed with respect to the amended returns for 1954 and 1956. At Munroe's request, his Federal tax returns for all three years were then considered by the Intelligence Division of the Internal Revenue Service to determine whether any fraud or negligence was involved, but that Division took no adverse action and no fraud or negligence penalty was assessed against him.

In support of his application, Munroe urged that the Exchange suspension (which also resulted in cancellation of his then NASD membership) was unreasonably severe in relation to the gravity of the offense and has seriously hindered him in earning a living, that his offense did not involve his professional or business relationships with the Exchange, other Exchange members, or public investors, and that the matter was satisfactorily settled without any imputation of fraud or negligence on his part. He also pledged that his future conduct in the securities business will be in all respects exemplary.

In a unanimous decision written by Commissioner McCauley, the Commission concluded that under the circumstances, including the fact that three years have elapsed since the Exchange suspension, the absence of any finding of fraud or negligence, and Munroe's assurance with respect to his future conduct, it is appropriate to grant Munroe's application for an order directing his admission to membership in the NASD.

**NOTE.** The Commission's decisions in the Rappee, Pfeffer, Makris Investment, Mortgage Clubs and Munroe cases above discussed, were rendered prior to March 27th, when Chairman Cary joined the Commission, and he did not participate in these actions.

**AMERICAN FINANCIAL FILES FOR OFFERING AND SECONDARY.** American Financial Corporation, 3955 Montgomery Road, Norwood, Ohio, filed a registration statement (File 2-17790) with the SEC on March 24, 1961, seeking registration of 175,000 shares of common stock, of which 125,000 shares are to be offered for public sale by the company and 50,000 (being outstanding stock) by the present holders thereof. The offering is to be made on an all or none basis through underwriters headed by Westheimer & Company; and the offering price and underwriting terms are to be supplied by amendment.

Formerly known as Henthy Realty Company, the company's principal business consists of the ownership and operation of the Loveland Mutual Building & Loan Company, Hunter Savings Association, and American Home Savings Association, all Ohio savings and loan associations, and it also operates an automobile and truck leasing business and to a limited degree is a general contractor in the construction business in Southern Ohio. Net proceeds of the sale of additional stock by the company, estimated at \$1,300,000, will be used as follows: \$1,000,000 to reduce notes payable and debentures; \$55,020 in payment of notes given in exchange for 84 shares of Loveland Mutual stock purchased on March 15, 1961; and \$130,000 to pay the balance due on down payment (\$5,000 paid March 18th) for the purchase of 384 shares of Loveland Mutual stock for a total purchase price of \$450,000. The balance of the proceeds will be used for general corporate purposes, including the direct participation in real estate development projects. The proceeds of \$200,000 of the notes being redeemed were used in large part to pay company obligations to certain companies owned and controlled by Carl H. Lindner, president, and Robert D. and Richard E. Lindner, vice presidents.

In addition to various indebtedness, the company has outstanding 443,550 shares of common stock, owned in equal amounts by the three Lindners, all of Cincinnati. Each proposes to sell 16,667 shares (less one for Richard E.).

**JAMES BEAM DISTILLING FILES FOR SECONDARY.** James B. Beam Distilling Co., 65 East South Water St., Chicago, filed a registration statement (File 2-17791) with the SEC on March 24, 1961, seeking registration of 200,000 outstanding common shares, to be offered for public sale through underwriters headed by Goldman, Sachs & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in distilling, aging, bottling, buying and merchandising Kentucky straight bourbon whiskey, scotch whiskey, vodkas, brandies and cordials. In addition to indebtedness, it has outstanding 2,269,359 common shares (after giving effect to a proposed 1-share-for-two stock distribution) of which Harry Blum, board chairman, owns 726,382 shares (32%) and his wife 379,254 shares (16.7%). Members of the Blum family and related or controlled persons own directly or indirectly 1,382,460 shares. The prospectus lists 29 selling stockholders, whose holdings aggregate 1,215,917 shares. The largest block (70,920 shares) is being sold by Harry Blum.

**MIAMI INDUSTRIES FILES FOR SECONDARY.** Miami Industries, Inc., Springcreek Township, Miami County, Ohio, filed a registration statement (File 2-17792) with the SEC on March 24, 1961, seeking registration of 175,000 outstanding shares of Class A common stock, to be offered for public sale by the holders thereof at \$9.50 per share. The offering is to be made on an all or none basis through underwriters headed by H. Hentz & Co., which will receive a commission of 90¢ per share.

The company is engaged in the production and sale of electric resistance welded steel tubing, sold to end-users throughout the country. It has outstanding 280,000 shares of Class A and 420,000 shares of Class B common stock. Samuel E. Jackson, Jr., vice president, owns 38.36% of each class; Isidore Miller, a director, 21.76% of each class; and Philip Miller, 21.76% of each class. The balance of the stock is held by Rex McClure, Jr., president (8.53% of each class), and four other stockholders. Jackson proposes to sell 67,131 Class A shares, the Millers 38,084 shares each, McClure 14,918, and the balance by the other four.

**POTTER INSTRUMENT FILES FOR OFFERING AND SECONDARY.** Potter Instrument Company, Inc., Plainview, (L.I.), N. Y., filed a registration statement (File 2-17793) with the SEC on March 24, 1961, seeking registration of 210,000 shares of common stock, of which 190,000 shares are to be offered for public sale by the issuing company and 20,000, being outstanding stock, by John T. Potter, president and board chairman. The stock is to be offered for sale at \$10 per share on an all or none basis by underwriters headed by Bear, Stearns & Co., which will receive a commission of \$.85 per share.

The company designs, manufactures and sells certain electronic data processing equipment, including highspeed digital magnetic tape transports and systems and other products used in electronic computers, industrial controls and data reduction equipment, and military information systems. Of the net proceeds to the company from its sale of additional stock, \$620,000 will be used to retire bank loans incurred to finance accounts receivable and inventories, and an additional \$500,000 will be used to carry increased amounts of these items. Some \$350,000 is to be used to accelerate the company's product development and tooling, and the balance will be added to working capital and used principally for additional research and development.

In addition to certain indebtedness, the company now has outstanding 1,333,333 shares of common stock, all of which is owned by Potter. As indicated, he proposes to sell 20,000 shares of his stock. The company's \$750,000 of outstanding 8% subordinated convertible debentures due October 1969, purchased by Electronics Capital Corporation in October 1959, are convertible into 666,667 common shares.

**CHARLES OF THE RITZ FILES OPTION PLAN.** Charles of the Ritz, Inc., 11 East 58th St., New York, filed a registration statement (File 2-17794) with the SEC on March 24, 1961, seeking registration of 65,000 shares of common stock, to be offered by the company upon exercise of restricted stock options issued or to be issued to officers and key employees. (There is now pending another registration statement filed by Charles of the Ritz, involving a proposed secondary offering of 215,000 shares by Richard Salomon, company president and sole stockholder. See News Digest of March 8, 1961.)

**TWO AMERICAN ELECTRIC SUBS. PROPOSE TRANSACTIONS.** American Electric Power Company, Inc., New York holding company, has joined with two of its subsidiaries, Wheeling Electric Company and Ohio Power Company, in the filing of an application with the SEC under the Holding Company Act proposing the transfer of utility properties by Wheeling Electric to Ohio Power; and the Commission has issued an order (Release 35-14397) giving interested persons until April 10, 1961, to request a hearing thereon.

Under the proposal, Wheeling Electric will sell its electric utility facilities and related properties in Ohio to Ohio Power for a cash consideration to be determined on the basis of the depreciated original cost of the properties at the date of closing (at December 31, 1960, the depreciated original cost was \$1,408,332). Wheeling Electric purchases all of its electric energy requirements from Ohio Power whose service area almost surrounds the former's service area in Ohio and which operates Wheeling Electric's facilities in Ohio for that company's account.

Wheeling Electric also seeks authority to extend to June 30, 1962, the time within which it may issue \$4,250,000 of notes to banks in renewal of notes maturing on June 23, 1961, which were issued pursuant to Commission order of September 23, 1960.

**INTERNATIONAL UTILITIES SEEKS ORDER.** International Utilities Corporation, Toronto, Canada, has made application to the SEC under the Holding Company Act for an order granting exemption to certain of its subsidiaries; and the Commission has issued an order (Release 35-14396) giving interested persons until April 11, 1961, to request a hearing thereon.

By order of December 7, 1960, the Commission exempted International, a Maryland corporation and a holding company, together with its then fifteen subsidiary companies, from the provisions of the Holding Company Act. In January 1961 International organized a new subsidiary, I. U., Inc., under New York law, and transferred to it certain portfolio securities. It also owns and operates an asphalt manufacturing plant in Pennsylvania; and, in addition, it and I. U., Inc., own portfolios of diversified marketable securities, in many instances representing more than 5% but less than 10% of the total voting securities, of various United States and

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Canadian corporations. At March 7, 1961, such investments of International were carried on its books at \$12,862,809 and had a market value of \$16,248,971; and the investments of I. U., Inc., on that date were carried at \$10,795,440 and had a market value of \$13,836,279. International also proposes to acquire, in exchange for shares of its convertible \$25 par preferred stock, not less than 51% of the voting securities of a Canadian company, Northland Utilities Limited, which in turn has two subsidiaries, Northland Utilities (B.C.) Limited, and Uranium City Power Co. Ltd., both of which are Canadian companies.

JONES & LAUGHLIN FILES OPTION PLAN. Jones & Laughlin Steel Corporation, Pittsburgh, filed a registration statement (File 2-17796) with the SEC on March 24, 1961, seeking registration of 176,708 shares of common stock, to be delivered upon exercise of options granted or to be granted under the company's Stock Option Plans.

PARAMOUNT DEVELOPMENT PROPOSES OFFERING. Paramount Development Company, Petroleum Building, Abilene, Texas, filed a registration statement (File 2-17797) with the SEC on March 24, 1961, seeking registration of co-ownership participations in its 1961 Gas and Oil Exploration Program, to be offered for public sale in 100 units at \$10,000 per unit. Paramount Development will receive 5% of all subscriptions plus expenses of about \$8,600. The program will be managed by Paramount Oil Inc., which shall receive for its services an interest equal to 25% of the net working interest of participants in each lease acquired for the program after the time of pay-out of such lease. Paramount Oil also will receive for its administrative overhead an amount equal to 10% of aggregate subscriptions (exclusive of the 5% commission to Paramount Development) and so long as it is the operator of any lease an amount equal to 5% of direct costs of drilling, reworking and equipping any development well.

Funds subscribed to the program will be utilized to acquire interests in proven, semi-proven and wildcat oil and gas leases within the United States, and to drill test wells thereon. The company is a wholly-owned subsidiary of Paramount Oil, which will manage the program. Walter W. Block, Sr., is president of Paramount Oil. Albert R. Venuto, president of Paramount Development is executive vice president of Paramount Oil.

SEAELECTRO CORP. FILES FOR OFFERING AND SECONDARY. Seaelectro Corporation, 139 Hoyt St., Mamaroneck, New York, filed a registration statement (File 2-17798) with the SEC on March 24, 1961, seeking registration of 231,600 shares of common stock, of which 100,000 shares are to be offered for public sale by the issuing company, 110,000 by William Silberstein, company president, and 21,600 another stockholder. The offering is to be made by underwriters headed by Bache & Co.; and the offering price and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the development, manufacture and sale of electronic components and sub-assemblies for use in electronic and electrical equipment, aircraft, missile, communications, and data-processing industries. Net proceeds to the company for its sale of additional stock will be used to repay a bank loan incurred in 1959 in the acquisition of a former stockholder's interest, and to pay the balance due to such stockholder by virtue of such acquisition (such indebtedness amounting to \$175,000 and \$105,000, respectively). The balance of the proceeds will be utilized to expand plant facilities, purchase additional machinery and equipment, and for working capital and other general corporate purposes.

In addition to the indebtedness mentioned, the company has outstanding a \$120,833 mortgage note and 825,000 shares of common stock. Silberstein owns 708,750 shares, or 85.9%, and proposes to sell 110,000 shares, and M. William Feingold of Rye, N. Y., owns 41,250 shares and proposes to sell 19,650 shares. In September 1959, according to the prospectus, the company, Deltime Inc., Byford Labs, Inc. and Saber Products Corporation each acquired from a stockholder of these corporations 50% of its outstanding shares. Thereupon William Silberstein donated to the Company all of the shares owned by him in the other three corporations. The total purchase price for the former stockholder's shares in all of the corporations was \$575,000, consisting of \$225,000 in cash for his shares of Byford Labs, Inc. (liquidated in 1960), Deltime Inc. and Saber Products Corporation, and \$350,000 for his shares of the Company, of which \$200,000 was paid in cash and the balance of \$150,000 was payable in 60 equal monthly installments of \$2,500, commencing October 1, 1959. Of the \$425,000 paid in cash, \$250,000 was borrowed from a bank.

AEROTEST LABS. FILES FOR OFFERING AND SECONDARY. Aerotest Laboratories Inc., Deer Park, Long Island, N. Y., filed a registration statement (File 2-17799) with the SEC on March 24, 1961, seeking registration of 100,000 shares of common stock, of which 40,000 shares are to be offered for public sale by the issuing company and 60,000 shares, being outstanding stock, by the present holders thereof. The principal underwriter is Hayden, Stone & Co. The public offering price and underwriting terms are to be supplied by amendment. The prospectus also includes 10,000 additional shares issuable upon exercise of five-year warrants sold to a company substantially owned by partners of Hayden, Stone and members of their families, which warrants are exercisable at the public offering price of the 100,000 shares.

The company tests components and systems designed and manufactured principally under government contracts by companies in the missile, space, electronic and aircraft industries, including environmental, qualification and reliability testing. It also manufactures for its own use and for sale to others specialized testing equipment, and, for sale to others, ground support equipment for missiles and aircraft. Of the net proceeds of the company's sale of additional stock, \$65,000 will be used to retire a bank loan in that amount, \$100,000 to acquire certain additional equipment; and the balance will be added to working capital.

The company now has outstanding 390,000 shares of common stock, of which 130,000 shares each are owned by Harris J. Shapiro and Leon Permut, president and executive vice-president, respectively. They proposed to sell 20,000 shares each; and Fairchild Engine and Airplane Corp. proposes to sell 18,000 of its holdings of 117,000 shares. Three other stockholders propose to sell the remaining 2,000 shares.

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**MICROWAVE ASSOCIATES FILES FOR SECONDARY.** Microwave Associates, Inc., South Street, Burlington, Mass., today filed a registration statement (File 2-17801) with the SEC seeking registration of 240,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Lehman Brothers, Kuhn, Loeb & Co., Inc., and Clark, Dodge & Co., Inc. The initial public offering price will be related to the current market price of the stock on the American Stock Exchange at the time of offering. Underwriting terms are to be supplied by amendment.

The bulk of the company's design and production effort has been devoted to supplying to manufacturers of radar and telecommunications systems specialized components and accessories which are associated with the generation, reception, switching and measurement of microwave radio energy. In addition to certain indebtedness, it has outstanding 998,235 shares of common stock, of which American Broadcasting-Paramount Theatres, Inc., and The Western Union Telegraph Company own 241,872 shares each (24.2% Each). Each proposes to sell 120,000 shares. The prospectus lists Dana W. Atchley, Jr., as president.

**PRODUCTS RESEARCH FILES FOR OFFERING AND SECONDARY.** Products Research Company 2919 Empire Ave., Burbank, Calif., today filed a registration statement (File 2-17802) with the SEC seeking registration of 283,200 shares of common stock, of which 120,000 shares are to be offered for public sale by the issuing company and 163,200 shares, being outstanding stock, by the present holders thereof. Schwabacher & Co. heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the development, manufacture and sale of synthetic rubber caulking compounds, protective coatings, encapsulation materials and glass skylights. It now has outstanding 457,974 shares of common stock. Of the net proceeds to the company from its sale of additional stock, \$300,000 will be used to repay bank loans and the balance added to working capital available for general corporate purposes, including research and development of new and improved products, advertising, sales promotion and carrying of larger inventories and trade receivables.

Of the outstanding stock, 305,544 shares (66.72%) is owned by Kathryn M. Schien, board chairman and executive vice president, and 72,000 (15.72%) by George Gregory, president. They plan to sell 139,200 and 24,000 shares, respectively.

**MUNTZ TV FILES EXCHANGE PLAN.** Muntz TV Inc., 100 Grey Ave., Evanston, Ill., today filed a registration statement (File 2-17803) with the SEC seeking registration of 575,989 shares of common stock. It is proposed to offer this stock in exchange for promissory notes issued under a Federal Court Reorganization Plan. On November 4, 1960, the court, which had previously confirmed the reorganization plan, entered its final decree in the Chapter X proceedings for reorganization of Muntz, and since that date the company has been operating entirely free of court supervision. The common stock now being registered will be offered in exchange for \$2,303,957 of promissory notes, non interest-bearing due not less than 20% per year starting in 1962, final payment due in January 1964, on the basis of an exchange at the rate of \$4 per share. The prospectus lists Floyd G. Dana as board chairman and Wallace A. Keil as president.

**SECURITIES ACT REGISTRATIONS. Effective March 27:** Kavanau Corporation (File 2-17146); Thermodynamics, Inc. (File 2-17413); Renwell Electronics Corporation of Delaware (File 2-17455); Lake Arrowhead Development Co. (File 2-17459); E. J. Korvette, Inc. (File 2-17523); Knickerbocker Shares, Inc. (File 2-17579); Francis A. Callery (File 2-17582); Mississippi River Transmission Corporation (File 2-17607); Southern California Edison Co. (File 2-17668).

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