

NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



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FOR RELEASE April 14, 1961

YOUNGWOOD ELECTRONIC METALS FILES FOR STOCK OFFERING. Youngwood Electronic Metals, Inc., 204 North Fifth Street, Youngwood, Pa., filed a registration statement (File 2-17957) with the SEC on April 13th seeking registration of 75,000 shares of common stock, to be offered for public sale at \$4 per share. The offering will be made on a best efforts basis through Bruno-Lenchner, Inc. and Amos Treat & Co., Inc., which will receive a 50¢ per share selling commission and \$10,000 for expenses. The registration statement also includes 15,000 additional shares which were acquired by the underwriters at 1¢ per share from certain stockholders.

The company (formerly Youngwood Metals Co.) is engaged in the design, development and manufacture of precision parts or stampings principally used in the semi-conductor industry. According to the prospectus, most of the company's products are manufactured on special order and have commercial, industrial and military applications. The \$235,000 net proceeds from the stock sale will be used as follows: \$35,000 for retirement of trade accounts, \$47,000 for repayment of bank borrowings and other notes, \$40,000 for additional inventory, \$15,000 for payment of taxes, \$35,000 for research and development and \$63,000 for working capital.

In addition to certain indebtedness, the company has outstanding 65,000 shares of common stock of which Robert A. Domin, president, owns 35,000 shares and Santord M. Lampl, secretary, 11,250 shares. According to the prospectus, after this offering the present stockholders will own about 46% of the company's outstanding common stock at a cost of \$18,272.53 and the public will have acquired about 54% of the then outstanding stock at an aggregate cost of \$300,000. Assuming the sale of the new stock, the promoter's stock will be increased from 40¢ to \$2.32 per share.

WATSCO FILES FOR STOCK OFFERING AND SECONDARY. Watsco, Inc., 1020 East 15th Street, Hialeah, Fla., filed a registration statement (File 2-17958) with the SEC on April 13th seeking registration of 155,000 shares of common stock, of which 135,000 shares are to be offered for public sale by the company and 20,000 shares, being outstanding stock, by William Wagner, president and principal stockholder. Aetna Securities Corporation heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 20,000 additional shares which were sold to the principal underwriter by the selling stockholder at \$3.50 per share.

The company was organized in 1956 and in March 1961, Wagner Tool and Supply Corp. and Devices Research Corp., both Florida corporations, were merged into it. The company's principal business is the manufacture of valves, strainers and other products for the refrigeration and air conditioning industry. The net proceeds from the company's sale of additional stock will be used as follows: \$115,000 to purchase and construct shop and production machinery, \$75,000 to purchase automatic metal plating machinery, \$35,000 to purchase office equipment and furnishings, \$50,000 towards construction of a new building, \$25,000 to equip an experimental and testing laboratory in its plant, \$100,000 for increased advertising and to train and pay the salaries and expenses of two sales engineers to be employed, \$70,000 to repay a note to Wagner, and the balance for research and development and for addition to general funds.

In addition to certain indebtedness, the company has outstanding 140,000 shares of common stock, of which Wagner owns 120,000 shares and proposes to sell the 20,000 shares.

NEW ORLEANS PUBLIC SERVICE PROPOSES BOND OFFERING. New Orleans Public Service Inc., 317 Baronne Street, New Orleans, La., filed a registration statement (File 2-17959) with the SEC on April 13th seeking registration of \$15,000,000 of First Mortgage Bonds, due 1991, to be offered for public sale at competitive bidding. The net proceeds from the bond sale will be applied toward financing the company's construction program, to repay short-term bank borrowings of about \$2,000,000 and for other corporate purposes. The company's construction program for 1961 is estimated at \$24,698,000.

ISTHMUS STEAMSHIP & SALVAGE STOCK OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public stock offering by Isthmus Steamship & Salvage Co., Inc., 1214 Ainsley Bldg. Miami, Fla.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed in May 1957, Isthmus Steamship proposed the public offering of 150,000 shares of common stock at \$2 per share pursuant to such an exemption. The Commission's suspension order asserts that the company's offering circular was false and misleading in respect of certain material facts; that the company, through one of its underwriters, Robert Edelstein Co., directly or indirectly "engaged in transactions, practices and a course of business which operated as a fraud and deceit" upon purchasers of Isthmus Steamship stock, by reason of false and misleading statements made in the offer and sale of such stock; and that certain material facts were concealed in order to induce investors to purchase the stock. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

According to the Commission's order, the Isthmus Steamship offering circular misrepresented the commissions and expenses paid or to be paid the said underwriter, failed to disclose the true nature and value of the cargo on the S. S. Bayard and the true facts concerning the ownership thereof, and misrepresented the proposed application of the proceeds of the stock sale by reason of the failure to disclose that sums were

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converted for the personal use of Robert J. Stefanich, company president. The order further asserts that in the offer and sale of stock through the Edelstein firm, false and misleading statements were made that purchasers of the stock would double their money in two or three months, that the price of the stock would increase from \$2 to \$20, \$30 and \$40 per share and might go to \$50 per share within one year, that Isthmus Steamship was about to salvage and bring up a highly-valued cargo worth \$2,000,000, that anticipated publicity in nationally known magazines would push the stock up 10 or 15 points, that the stock had unlimited money-making potentialities, that there were possibilities of stock dividends, and that purchasers could make as much as \$32 per share and that some purchasers had made as much as \$100 per month on 100 shares. In addition, it was alleged that there was a failure to disclose that there were no prospects of any immediate salvage work because of Isthmus Steamship's lack of funds, that the company's operations disclosed continued operating deficits, and that the company had no earnings or earned surplus from which to declare or pay any stock or other dividends.

OSBORNE, CLARK & VAN BUREN ENJOINED. The SEC New York Regional Office announced April 12th (LR-1978) the entry of a Federal court order (USDC SDNY) preliminarily enjoining Osborne, Clark & Van Buren, Inc., 230 Park Ave., New York, from further violating the record-keeping requirements under the Securities Exchange Act and directing the defendant to make its books and records available for Commission inspection.

SEC COMPLAINT NAMES CASPER ROGERS & CO. The SEC New York Regional Office announced April 12th (LR-1979) the filing of Federal court action (USDC SDNY) seeking to enjoin further violations of the net capital and record-keeping requirements under the Securities Exchange Act by Casper Rogers & Co., Inc. Casper A. Rogers, president, also was named as a defendant.

STAY GRANTED ARNOLD L. KAHN. The SEC has issued an order granting the request of Arnold L. Kahn for a stay, pending court review, of an earlier decision and order of the Commission which found Kahn to be a cause of the revocation of the broker-dealer registration of Mac Robbins & Co., Inc., Jersey City, N. J., and to have violated the anti-fraud provisions of the Securities Exchange Act (Release 34-6527).

FORD FILES STOCK PLAN. Ford Motor Company, The American Road, Dearborn, Michigan, filed a registration statement (File 2-17960) with the SEC on April 13th seeking registration of 1,500,000 shares of common stock, to be offered to salaried employees pursuant to the company's Savings and Stock Investment Program.

GEORGIA POWER HEARING POSTPONED. At the request of Georgia Power Company and its parent, The Southern Company, both of Atlanta, Ga., the SEC has authorized postponement from May 2 to July 11, 1961, of the hearing in proceedings under the Holding Company Act on a plan filed by the SEC Division of Corporate Regulation for divestment by Georgia Power of its transportation properties and business in Rome, Ga. The date for filing of position statements by the parties was postponed to June 25, 1961. (Release 35-14408).

NATIONAL FUEL GAS SYSTEM PROPERTY TRANSFER APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14409) authorizing Penn-York Natural Gas Corporation, a subsidiary of National Fuel Gas Company, New York holding company, to sell to another subsidiary, Iroquois Gas Corporation, all of Penn-York's gas plant located in New York state, consisting of natural gas well and production and transmission facilities and related assets, for a price of about \$874,000. Upon completion of such sale, Penn-York will convert its net assets into cash and distribute to National, as a liquidating dividend, all of its cash, including proceeds of the sale. National will surrender to Penn-York for cancellation all of the latter's outstanding common stock, whereupon it will be dissolved.

VALIC ADVANCES CLEARED. The SEC has issued an exemption order under the Investment Company Act (Release IC-3227) permitting Variable Annuity Life Insurance Company of America, Washington, D. C., to make loans and advances to affiliated persons and principal underwriters for special purposes related to the furtherance of Valic's business.

UNITED INDUSTRIAL TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act (Release 34-6528) suspending trading on exchange and over-the-counter markets in the common and preferred stocks of United Industrial Corporation (Del.) and its common stock purchase warrants, for the further ten-day period April 16 to 25, 1961, inclusive.

ADRS FOR SIMCA AUTOMOBILES FILED. The First National City Bank of New York today filed a registration statement (File 2-17961) with the SEC seeking registration of American Depositary Receipts representing 250,000 Capital Shares of Simca Automobiles (France).

ADRS FOR SIMCA INDUSTRIES FILED. The First National City Bank of New York today filed a registration statement (File 2-17962) with the SEC seeking registration of American Depositary Receipts representing 100,000 capital shares of Simca Industries (France).

SECURITIES ACT REGISTRATIONS. Effective April 14: 176 East 71st Street Company (File 2-17571); Automatic Canteen Company of America (File 2-17574); The Dekcraft Corporation (File 2-17598); Filmways, Inc. (File 2-17600); The Ohio Oil Company (File 2-17641); The Ohio Oil Company (File 2-17642); The Ohio Oil Company Thrift Plan (File 2-17682); Investors Syndicate of America, Inc. (File 2-17681). Effective April 15: Chrysler Thrift-Stock Ownership Program (File 2-17698).