

# 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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M & F GRAPHIC ARTS AND INDUSTRIAL PHOTO. SUPPLY FILES FOR OFFERING AND SECONDARY. M & F Graphic Arts and Industrial Photographic Supply Company, 220 Luckie Street, N. W., Atlanta, Ga., filed a registration statement (File 2-18051) with the SEC on May 1st seeking registration of 80,000 shares of Class A common stock, of which 60,000 shares are to be offered for public sale by the company and 20,000 shares, being outstanding stock, by the present holders thereof. The Robinson-Humphrey Co., Inc. heads the list of underwriters. The public offering price and underwriting terms are to be supplied by amendment.

The company (formerly M & F Supply Company) is a distributor to consumers of supplies and equipment used in commercial graphic arts primarily in connection with reproductive processes and in industrial photography. It also operates two camera stores, one catering to amateurs and the other to professional and commercial users. In January 1961, the company acquired 100% of the outstanding common stock of Frye's, Inc. (now operated as a subsidiary), about 55% from A. H. Frye, company president, and 45% from Evelyn R. Frye in exchange for 58 common shares of the company. In March 1961, the company revised its common stock structure creating the Class A common and the series of Class B common, and the 158 outstanding shares were exchanged for 20,000 Class A and 80,000 Class B common shares. The net proceeds from the company's sale of additional Class A stock will be added to working capital and used for general corporate purposes, including the financing of inventories and accounts receivable; and a portion may be used to reduce the outstanding short term bank loan of the company, incurred to provide funds for working capital and general corporate purposes.

In addition to certain indebtedness, the company has outstanding the 20,000 Class A and 80,000 Class B shares, of which Frye, Evelyn R. Frye and John S. McDonald, first vice president, own 13,544, 3,291 and 3,165 Class A shares, respectively, all of which are to be sold, and 54,177, 13,165 and 12,658 Class B shares, respectively.

BRUNS, NORDEMAN REQUEST GRANTED. On request of Bruns, Nordeman & Company, 52 Wall Street, N. Y., the SEC has issued an order under the Securities Exchange Act (Release 34-6548) postponing from May 15 to June 1, 1961, the effective date of the Commission's order of April 26, 1961, which suspended the firm from membership in the National Association of Securities Dealers, Inc., for 60 days and suspended Harold S. Coleman and Lawrence H. Lubin, partners, for periods of 90 and 60 days, respectively, from the New York Stock Exchange and the American Stock Exchange. The postponement had been required because of accounting and bookkeeping difficulties and problems that would result if the suspensions began and ended in the middle of a month.

TELECTRO INDUSTRIES TRADING BAN CONTINUED. The SEC has ordered the suspension of trading on the American Stock Exchange and the over-the-counter market in the common stock of Telectro Industries Corp., for the further ten-day period May 4 to 13, 1961, inclusive (Release 34-6549).

BLACK BEAR INDUSTRIES TRADING BAN CONTINUED. The SEC has ordered the suspension of trading on the San Francisco Mining Exchange and the over-the-counter market in the common stock of Black Bear Industries, Inc. (formerly Black Bear Consolidated Mining Co.) for the further ten-day period May 4 to 13, 1961, inclusive.

DELAWARE VALLEY FINANCIAL ENJOINED. The SEC New York Regional Office announced May 1st (LR-2001) the entry of a Federal court order (USDC SDNY) permanently enjoining Delaware Valley Financial Corporation from further violations of the Securities Act registration requirements in the sale of American Dryer Corp. stock.

NORMAN L. DACUS SENTENCED. The SEC Atlanta Regional Office announced May 1st (LR-2002) that Norman L. Dacus had been sentenced (USDC, Miami, Fla.) to a three-year term in prison, to be suspended after three months followed by probation for the balance of the term. Dacus had been found guilty on his "nolo" plea to one count of an indictment charging fraud in the sale of notes of DuPont Mortgage Company.

ARMCO STEEL PROPOSES DEBENTURE OFFERING. Armco Steel Corporation, 703 Curtis Street, Middletown, Ohio, filed a registration statement (File 2-18063) with the SEC on May 2nd seeking registration of \$50,000,000 of Twenty-Five Year Sinking Fund Debentures due 1986, to be offered for public sale through underwriters headed by Smith, Barney & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment. The net proceeds from the debenture sale will be used to prepay \$50,000,000 of notes payable to banks.

ADR's FOR SOURCE PERRIER S. A. FILED. Morgan Guaranty Trust Company of New York, filed a registration statement (File 2-18064) with the SEC on May 1st seeking registration of American Depository Receipts for 50,000 bearer shares of Source Perrier S.A. (of France).

ADLER-BUILT INDUSTRIES FILES FOR STOCK OFFERING. Adler-Built Industries, Inc., 1201 West 66th Street, Hialeah, Fla., filed a registration statement (File 2-18062) with the SEC on May 1st seeking registration of 200,000 shares of common stock, to be offered for public sale on a best efforts basis through A. J. Gabriel Co., Inc. The shares will be offered from time to time on the over-the-counter market at prices related to

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the current market prices at the time of sale. The underwriter will receive a 10% selling commission, and \$17,500 for expenses. If all the shares are sold, the underwriter is to be given options to purchase an additional 12,500 common shares from the company at one mill per share, and an additional 40,500 common shares at a price equal to \$1 above the initial offering price. In addition, certain stockholders will grant the underwriter options to purchase 12,500 shares at 1¢ per share.

The company was organized under Florida law in June 1960 as a result of the statutory consolidation of six companies, all of whose capital stock was owned by Morton Adler, president, and Joseph Walan, vice president. The company, its predecessors and its wholly owned subsidiaries have been engaged in the acquisition, development and sale of residential and commercial real estate, the construction of homes and home improvements and general construction. The net proceeds from the stock sale will be used for working capital for home improvement and general contracting construction operations in Puerto Rico, for completion of a sewage disposal plant and sewage transmission system in Hialeah, for acquisition of land and working capital for a proposed Puerto Rican home development project, and for development of a 66 unit apartment house and cabana-country club at Lake Cecile, Florida.

In addition to certain indebtedness, the company has outstanding 330,000 shares of common stock, of which Adler owns 187,500 shares (56.8%) and Walan 62,500 shares (18.9%), acquired at a net cost of \$36,600 and \$139,000 respectively.

SEC COMPLAINT NAMES FRANCIS BRENEK CO. The SEC Seattle Regional Office announced May 1st (LR-2003) the filing of Federal court action (USDC Seattle) seeking to enjoin Francis J. Brenek & Co., Inc., Francis J. Brenek, its president, and Clinton F. Crow, vice president, from further violations of the anti-fraud and other provisions of the Federal securities laws in connection with the sale of Brenek & Co. stock.

TWO PLEAS FILED IN ATLAS GYPSUM CASE. On April 28th, George B. Mahler pleaded guilty in New Haven, Conn., to one count of an indictment charging fraud in the sale of stock of Atlas Gypsum Corp. Jack Yetman pleaded guilty to one count of an indictment charging perjury in connection with the Commission's investigation of the distribution of unregistered shares of Atlas Gypsum stock by J. C. Graye & Co. (LR-2004).

MacGREGOR BOWLING CENTERS FILES FOR OFFERING AND SECONDARY. MacGregor Bowling Centers, Inc., 5309 South Park Blvd., Houston, Texas, today filed a registration statement (File 2-18068) with the SEC seeking registration of 120,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the issuing company and 20,000 shares, being outstanding stock, by the present holders thereof. The offering is to be made on an all or none basis through Rowles, Winston & Co. and Fridley & Frederking; and the public offering price and underwriting terms are to be supplied by amendment. The company has agreed to sell the underwriters for \$15, five-year options to purchase 75,000 additional shares at an initial exercise price of 107% of the public offering price. Options for an additional 2,500 shares are to be sold to company counsel for \$25.

The company was organized in March 1959 by a group of the selling stockholders to operate five bowling centers which they had caused to be built or purchased through separate corporations. In November 1960, they transferred the stock of these companies, together with the property and building in which one of the bowling centers operated, to the company in exchange for its capital stock. In addition to indebtedness, the company now has outstanding 110,000 common shares with a February 28th equity value of \$2 per share. Net proceeds of the sale of additional stock by the company will be used in part to retire \$170,000 of bank loans and a \$20,500 loan by a member of the family of the company's president. The balance will be available for general corporate purposes, including the payment of existing obligations for the lease and purchase of centers and equipment, and possibly for the purchase or construction of additional centers.

The prospectus lists Harold N. Raizes as president and one of the principal holders of the outstanding stock. The 20,000 shares are to be sold by Raizes and the other 13 selling stockholders, including 3,206 by Raizes, 3,283 by Louis Kaplan, a director, 4,416 by Mrs. Lulu S. Leicher (M. I. Leicher is a director), and 2,954 by the M. M. Feld family (Feld is a director).

SECURITIES ACT REGISTRATIONS. Effective May 3: Philadelphia Aquarium, Inc. (File 2-17178); Hurleton Inc. (File 2-17723); Red Star Yeast and Products Co. (File 2-17736); H. & A. Selmer, Inc. (File 2-17740); General Precision Equipment Corp. (File 2-17816); Burndy Corp. (File 2-17908); Sierra Pacific Power Co. (File 2-17941).