

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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ALASKA HONOLULU FILES LAND AND STOCK OFFERING. The Alaska Honolulu Company, 120 South Third Street, Las Vegas, Nevada, filed a registration statement (File 2-18551) with the SEC on July 24th seeking registration of 1,600,000 shares of common capital stock to be offered for public sale, together with oil leases totalling 400,000 acres, in 625 units, consisting of 640 acres at \$832 and 2,560 shares at \$1,728 (\$.675 per share) or \$2,560 per unit. No underwriting is involved. Sales shall be made by individual salesmen, selling on a commission basis (\$320 per unit).

The company was organized under Nevada law in June 1961. It was formed primarily for the purpose of acquiring federal oil and gas leases in Alaska, exploring and developing such leases to the point where a profitable sale with a retained overriding royalty will eventually, through seismic logs and other exploratory work, develop one or more areas that will attract oil capital to complete the development of the property. The company intends to acquire oil leases in three areas of Alaska totalling 400,000 acres. At present, the company owns 31,306 royalty acres of overriding royalties in the Koyukuk Basin, West Central Alaska, representing interests in 207,660 surface acres. It is contemplated to acquire leases on 115,000 acres in the Unalakleet River Basin, 85,000 acres on the Adams Dome at the extreme southern tip of the Koyukuk Basin and 200,000 acres in the Bethel Basin in Southwest Alaska. The net proceeds from the land and stock sale will be used to purchase land, for sales promotion, exploration and development, and delay rental reserve. The company has outstanding 400,000 shares of common stock issued for services and overriding royalties, of which Vilas F. Adams, president, owns 97.5%.

REVISION OF BROKER-DEALER RECORD KEEPING PROPOSED. The SEC today announced a proposal (Release 34-6607) for amendment of its rules (Rules 17a-3 and 17a-4) under the Securities Exchange Act governing the books and records which must be maintained by certain members of national securities exchanges and other broker-dealers; and it invited the submission of views and comments thereon not later than September 1, 1961. Rule 17a-3 specifies the books and records which must be maintained by certain members of national securities exchanges and other broker-dealers. Rule 17a-4 requires the preservation of books and records by such broker-dealers and members for specified periods. The proposed amendment to Rule 17a-3 would require persons subject to the rule to maintain a questionnaire or application for employment containing specified information with regard to partners, officers and employees other than clerical employees, and the proposed amendment to Rule 17a-4 would require the preservation of such questionnaires or applications for three years.

There are two principal reasons for the proposed amendment. First, it would appear that good business practice would call for the obtaining and preservation of fairly detailed data concerning the experience and past records of salesmen and other employees of a securities firm as well as the partners or officers of the firm and, in the second place, the availability of such information in the offices of securities firms would be of value to the Commission in connection with broker-dealer inspections and enforcement activities. The National Association of Securities Dealers, Inc. and various national securities exchanges require that all personnel engaged in managing, supervising, soliciting or handling securities transactions be registered with, or approved by, the association or the exchange and, in this connection, the association and the exchange require the execution of applications for registration or for approval by such persons which contain rather detailed information concerning their experience and business records. Consequently, the proposed amendment would provide that retention of copies of applications made to the association or to specified securities exchanges shall constitute compliance with its requirements. Thus, persons subject to the proposed amendment who are members either of the National Association of Securities Dealers, Inc. or of the specified exchanges, would merely be required to maintain copies of all of such applications. It has been suggested that this would not be particularly burdensome and that, in most instances, copies of such applications will, in any event, be retained.

PROCEDURES ON APPEAL OF NASD ACTIONS MODIFIED. The SEC today announced the adoption (Release 34-6606) of a revision of its Rule 15ag-1 under the Securities Exchange Act governing the procedures to be followed in connection with a review by the Commission of disciplinary action, or denial of membership, by a national securities association where such review is on the application of a person aggrieved by such action or denial. The amendments are designed to facilitate and expedite the handling of such appeals and to avoid unnecessary delays. The amendments make it mandatory for the applicant to file a brief or statement in support of his application within a specified period. The applicant's brief must specify the basis of the appeal and the relief sought. The amendments authorize summary dismissal of an application where a timely brief in compliance with the rule is not filed by the applicant. An answering brief by the association is optional as is the applicant's reply to such an answering brief. The amendments also provide that oral argument will be heard only with special Commission permission. Earlier provisions providing for oral argument in all cases resulted in uncertainty and undue delay where an applicant failed to appear or it was not possible to obtain a waiver of oral argument.

ACCOUNTING RULES GOVERNING CERTAIN INSURANCE COMPANIES REVISED. The SEC today announced the adoption (Release 33-4396) of a general revision of Articles 7 and 12 of Regulation S-X (the SEC accounting regulations) governing the form and content of financial statements and related schedules filed by insurance

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companies other than life and title insurance companies. This revision reflects changes in requirements of the Annual Statement filed with state regulatory authorities and developments in insurance reporting since these articles were originally adopted. The Commission's announcement states in part: "As a result of the reluctance on the part of independent public accountants to express an opinion in respect of the financial statements included in the Annual Statement and the accounting principles and practices reflected therein as required by Rule 2-02(c) of Regulation S-X without taking exception to certain insurance accounting practices, there has grown up the practice of reconciling the statutory capital share equity and net income or loss with capital share equity and net income or loss as determined in accordance with generally accepted accounting principles and practices. Special note 2 of Rule 7-05 gives recognition to this practice where such differences are deemed to be material, the principal differences being in the accounting for non-admitted assets and commissions and expenses incurred in writing insurance."

MIDLAND ENTERPRISES ACQUISITION OF STOCK CLEARED. In a decision under the Holding Company Act announced today (Release 35-14465), the SEC granted an application filed by Midland Enterprises Inc., of New York, and S. H. Scheuer, Midland's principal stockholder, with respect to the acquisition of stock of Eastern Gas and Fuel Associates in consideration for properties being transferred to Eastern. Under an agreement between Midland and Eastern, Midland will convey and transfer, subject to most of its debts and liabilities, substantially all of its assets and those of its subsidiary, The Ohio River Company ("ORCO"), to a newly-organized subsidiary of Eastern. Eastern, an exempt holding company, is engaged directly or through subsidiaries in the operation of various enterprises, including mining, transportation and sale of bituminous coal, coke plants, bulk and world-wide cargo ships and towboats. It also owns all the stock of Boston Gas Company, a gas utility serving the Boston area. In exchange for the assets to be transferred by Midland, the latter will receive 494,500 shares of Eastern's authorized but unissued common stock, approximating 15% of the stock to be outstanding and having an aggregate value of about \$20,000,000 based upon the market price of Eastern stock on June 1, 1961. This is equivalent to 1 1/2 shares of Eastern to 1 share for each of the 395,600 outstanding shares of Midland common.

Upon receipt of the Eastern stock, Midland will promptly distribute the Eastern shares to its stockholders and, thereupon, will be dissolved. Upon such dissolution, Scheuer and certain family trusts and foundation will acquire 323,955 shares of Eastern which, together with 700 shares now held, will amount to 9.78% of Eastern's then outstanding stock. Scheuer has also applied for approval of the acquisition of such stock.

In approving the stock acquisitions, the Commission concluded that, on the facts presented, there was no basis for making adverse findings with respect thereto or for the imposition of terms and conditions to its approval, and that the applicable provisions of the Holding Company Act are satisfied. The Commission reserved jurisdiction over a related application of Midland that it be declared not to be a holding company with respect to Eastern during the interval between its acquisition of the Eastern stock and its dissolution. In approving the stock acquisition, the Commission overruled objections of American Commercial Barge Line Company and Mississippi Valley Barge Line Company, competitors of ORCO, primarily for the reason that such objections raise questions for determination by other agencies under other laws.

SEC ORDER SUSPENDS HAMILTON OIL OFFERINGS. The SEC today announced a decision under the Securities Act (Release 33-4397) suspending a Regulation A exemption from registration with respect to a 1957 public offering of stock by Hamilton Oil and Gas Corporation, of Denver, Colorado, as well as the effectiveness of a registration statement pursuant to which a further public stock offering was to be made in 1958. The action was based upon false and misleading representations made in both filings, in offers and sales of stock to investors and in a report to the Commission, the fact that the Regulation A offering exceeded the \$300,000 limitation prescribed by the regulation, and other violations of SEC rules.

Hamilton was organized in September 1957, when it issued 1,250,000 shares in the name of John O. Maberry, president, in exchange for certain farmout agreements acquired by Maberry at no cash cost under which the company would drill for oil and gas on properties owned or leased by others. In its Regulation A filing in October 1957, Hamilton represented that it would make a public offering of 1,176,000 units, each consisting of one common share and an option to purchase an additional one-half share at 50¢ per share, that the units would be offered to the public at 25¢ per unit, that the company would act as its own underwriter and that salesmen would receive a commission of 20%. In its decision (written by Chairman Cary) suspending the Regulation A exemption, the Commission found that in fact the company distributed its stock to the public through a group of individuals who acquired units from the company at 20¢ per unit, retained the options for themselves and sold the stock at prices ranging as high as \$1.50 per share without furnishing public investors offering circulars as required by Regulation A. The Commission also found that these distributors were statutory underwriters, that the total offering price to the public exceeded the statutory maximum of \$300,000 and that the company falsely reported that the offering to the public had been completed when in fact it was still in progress.

In May 1958, Frank Leahy became a director and executive vice president, and he sought funds from persons in high tax brackets for participations in a proposed exploration and drilling fund which Hamilton would manage. In announcing this to shareholders, Maberry stated that, after obtaining such a fund of \$1,000,000, the company intended to file a registration statement to qualify a further offering of \$1,000,000 of stock at \$2 to \$3 per share. The exploration fund plan was abandoned in September 1958, although Maberry and Leahy testified that oral commitments for about \$500,000 had been received. To obtain funds to meet Leahy's requirements (including establishment of residence in Denver), Maberry persuaded a stockholder who had purchased 200,000 shares of Hamilton stock at 25¢ and 20¢ to sell back 100,000 shares at 50¢. During the period September 1958 to January 1959, Leahy sold these shares and an additional 54,700 shares similarly obtained to numerous purchasers throughout the country at \$1.50 per share. He represented that Hamilton had

had and would continue to have remarkable success with its farmouts, that an additional 1,000,000 shares would be offered at \$2 per share, and that the stock would likely be listed on the American Stock Exchange.

In a later announcement to shareholders of the filing of the registration statement in October 1958, Maberry stated that an early "approval" by the Commission was expected, that the company expected to sell 200,000 shares at \$2 and drill two farmouts with the funds so received, and that further offerings at higher prices would be made as more reserves were developed. The Commission found that the registration statement contained false and misleading statements regarding the previous sales of securities, the outstanding options, the proposed plan of distribution, the remuneration and interests of officers and directors, and the company's oil and gas properties. The Commission also ruled that Hamilton's financial statements filed as part of its registration statement were false and misleading in that, among other things, they understated accounts payable, concealed the fact that the company had failed to receive payment for part of the stock previously sold, and failed to disclose contingent liabilities arising from the prior sales, in violation of the Securities Act, of the 1,176,000 units for which no valid exemption was available and 155,000 shares sold by Leahy without registration. Moreover, statements made by Hamilton and Leahy in the course of the distribution of the latter block were misleading in several respects, the Commission stated, including reference by Leahy to Hamilton's "remarkable success" with its farmouts without disclosing that the production obtained from Hamilton's wells was of a limited nature, that Hamilton was in a precarious financial condition, and that its only current source of funds was the proceeds of stock sales. These misrepresentations, the Commission stated, violated Section 17 of the Act and also exposed the company to contingent liabilities.

The prospectus stated that no salary or other direct remuneration had been paid to management officials, that Maberry and Leahy and another officer had been paid some \$26,000 as reimbursement for out-of-pocket expenses incurred in connection with the affairs of the company up to August 31, 1958, and that none of the proceeds to be derived from the offering would be used for payment of salaries or other remuneration of management. In fact, the Commission stated, management officials received amounts during such period much greater than those disclosed. Moreover, substantial portions of the amounts paid to or for them were for their personal benefit and not reimbursement for expenses incurred in connection with the affairs of the company. In addition, the Commission observed, Hamilton's officers and directors, by the scale and manner in which they withdrew and used funds for their personal benefit after August 31, 1958, "continued to demonstrate an attitude with respect to the use of corporate funds which was inconsistent with the representations in the prospectus." For the entire period October 1957 through June 1959, payments by Hamilton to or for the benefit of Maberry totalled more than \$52,000. Through June 1959, Hamilton made payments in excess of \$25,000 to or for the account of Leahy, including cash withdrawals, payments for insurance premiums, medical and miscellaneous other expenses, advances to a minor daughter, travel and hotel bills, and bills for expenses of his office in Michigan City, Ind. Hamilton also made a down payment of \$12,512 on a \$90,000 house of Leahy in Denver, and paid \$9,226 of the proceeds from the Leahy stock sales to acquire for Leahy from the company's attorney the beneficial interest in 10,000 shares of Hamilton stock. Payments by Hamilton to or for officers and directors aggregated over \$103,000, not including the down payment on the house for Leahy or about \$30,000 expended in connection with the activities of officers and directors but charged directly to travel (\$19,120), entertainment (\$2,550), automobile expenses (\$3,375), and telephone expenses (\$4,952).

Moreover, the prospectus was found misleading in reference to its description of "the successful drilling of an oil well in Washakie County, Wyoming," and in setting forth an estimate of 404,736 barrels of recoverable crude oil and of 157,442 barrels as Hamilton's interest in the well, when the production history of the well justified estimates of recoverable reserves of only about one-fifth to one-third of 404,736 barrels. In fact, the Commission stated, the evidence showed that it would be many years, if ever, before the net proceeds of production allocable to Hamilton from this well would be sufficient to pay its share of drilling and completion costs.

SEC ORDERS PROCEEDINGS AGAINST CLINTON ENGINE STATEMENT. The SEC has instituted "stop order" proceedings under the Securities Act of 1933 challenging the accuracy and adequacy of informational disclosures contained in a registration statement filed by Clinton Engines Corporation, of Clinton, Mich. The statement, which was filed in January 1960 and became effective on February 25, 1960, proposed the public offering of 350,000 shares of Clinton common stock at \$8 per share by the company and an additional 86,000 shares of outstanding stock by 18 selling stockholders.

The company, with executive offices at 250 Park Avenue in New York, is primarily engaged in the manufacture and sale of small general purpose air-cooled gasoline engines; and it also manufactures and sells chain saws and air-cooled outboard motors. According to its prospectus, net proceeds of the company's sale of the 350,000 new shares, estimated at \$2,460,814, were to be applied to the reduction of the company's indebtedness to Walter E. Heller & Company of Chicago. The Commission asserts that it has reasonable cause to believe that the registration statement included untrue statements of material facts and omitted to state material facts required to be stated therein and material facts necessary to make the statements made not misleading. A hearing for the purpose of taking evidence on these questions is scheduled for August 8, 1961, in the Commission's Washington Office.

According to the prospectus, in July 1959 David B. Charnay, on behalf of a small group of investors and himself, commenced negotiations to acquire 176,771 shares of stock held by the company's founder, Donald D. Thomas, and an associate, Lloyd Gibson, amounting to about 20% of the then outstanding shares and representing working control. Such stock was acquired in August 1959 at \$8.30 per share, whereupon a majority of the members of the board of directors, including Thomas, were replaced by new members, several new executive officers were elected, Charnay became board chairman and chief executive officer, and Karl W. Mueller became president. Because of the company's immediate need for additional working capital, the new directors authorized the issuance of an additional 137,200 common shares to a small group of purchasers (including Charnay) at \$8.30 per share, resulting in net cash proceeds to the company of \$1,138,760. The 86,000 shares the subject of the secondary offering were part of 97,400 such shares purchased by the 18 selling stockholders.

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At December 31, 1959, management officials as a group owned an aggregate of 144,726 shares, or about 15% of the then outstanding stock.

Various informational disclosures contained in the company's prospectus are challenged by the Commission, including the following: (a) the range of bid price quotations for Clinton stock during 1959 (low \$6.125, high \$10.375) and 1960 through February 18th (low \$8, high \$9.625) and the failure to disclose transactions in the stock by management officials and others and the possible effect thereof on such quotations; (b) the stated earnings (unaudited) for the eight months ended October 31, 1959, amounting to \$336,321, or 35¢ per share (financial statements subsequently filed showed a net profit of only \$13,108 for the year ended February 28, 1960, and a loss of \$684,984 for the six months ended August 28, 1960); (c) the failure to disclose the nature and extent of the investigation by the Charnay group which preceded its purchase of the 176,711 shares in August 1959, as well as information in possession of the new management with respect to the necessity and reasons for the stated proposal to change plant facilities and/or acquire new facilities and equipment; (d) the failure to disclose in respect of stated plans to improve the company's operations and financial condition, that Walter E. Heller & Company, which had advised and financed the company under its former management, had expressed dissatisfaction with the company's poor financial condition and methods of operation and had advised officials of the new management that continued financing by Heller & Co. was contingent upon the adoption of a plan of business by Clinton premised upon a substantially reduced volume of sales, fixing new prices for merchandise so that it could be sold at a profit, and revision of the company's discount and warehousing arrangements; (e) failure to disclose the relative earnings contributions by the several Clinton divisions and the fact that the company was losing money or making no profit on its principal product, original equipment motors; (f) failure to make proper disclosures of the suitability, adequacy and productive capacity of the company's plant facilities; (g) failure to disclose the terms and conditions of a profit sharing arrangement entered into by Charnay with certain other persons, in connection with the purchase and sale of 20,000 shares of Clinton common; and (h) the adequacy and accuracy of the financial statements (represented to be for an unaudited eight months period ended October 31, 1959) and related footnotes to "Inventories."

UNITED INDUSTRIAL TRADING BAN CONTINUED. The SEC on July 24th issued an order temporarily suspending trading in securities of United Industrial Corporation (Del.) on the exchange and over-the-counter markets for a further ten-day period July 25 to August 3, 1961, inclusive.

KINGS ELECTRONICS HEARING POSTPONED. The SEC has authorized a further postponement from July 26 to August 2, 1961, of the hearing in "stop order" proceedings under the Securities Act pending against a registration statement filed by Kings Electronics Co., Inc., of Tuckahoe, N. Y., pending further attempts of counsel to negotiate a factual stipulation which would avoid the necessity of an evidentiary hearing.

LEONARD & CO. HEARING CANCELLED. The SEC has cancelled a hearing scheduled for July 26th in its New York Regional Office in proceedings to determine whether to revoke the broker-dealer registration of W. E. Leonard & Company, Inc., 15 William St., New York. The hearing related to the initial question whether the said registration should be suspended pending decision upon the ultimate question of revocation. Leonard & Company advised that it is no longer doing any business as a broker-dealer and does not intend to do any business as such pending final determination as to whether its registration as a broker-dealer should be revoked, and that it intends to instruct its attorneys to enter into a stipulation consenting to revocation of its registration. Accordingly, the Commission concluded that there is no necessity for a hearing.

CARL AND GERTRUDE PRUETT ENTER GUILTY PLEAS. The SEC Atlanta Regional Office announced July 20th (LR-2069) that Carl A. and Gertrude M. Pruett had withdrawn their pleas of not guilty and entered pleas of guilty to three counts of an indictment charging fraud in the conduct of the securities business of Pruett & Company, Inc., of Atlanta, Ga.

INDICTMENT NAMES 7 FIRMS, 22 INDIVIDUALS. In a 30-count indictment returned July 14th (USDC SDNY - LR-2072), the following firms and individuals were charged with conspiring to fraudulently sell stock of United Dye and Chemical Corporation: I. F. Stillman and Company, R. G. Gravis, Inc., Cornelius deVroedt, Inc., G. F. Rothschild and Company, McGrath Securities, Inc., Rockwell Securities Corporation, J. H. Lederer Company, Samuel S. Garfield, Irving Pasternak, Allard Roen, Allen K. Swann, Virgil D. Dardi, Louis Levin, Herman Brann, Irving F. Stillman, Cornelius deVroedt, Garland L. Culpepper, Jr., Joseph H. Lederer, Charles M. Berman, Robert B. Gravis, I. Vincent Powell, Murray Porter, Oscar Gould, Jacob Klein, Sidney Barclay, Michael Kramer, Charles Rosenthal, Garry Hochman and Charles Landeau.

SEC COMPLAINT NAMES WESTERN INDUSTRIES, INC. The SEC San Francisco Regional Office announced July 24th (LR-2073) the filing of court action (USDC, Nev.) seeking to enjoin Western Industries, Inc., of Las Vegas, and William J. Moore, its president, from further sales of Western Industries stock in violation of the Securities Act anti-fraud provisions.

AMERICAN REALTY TRUST FILES FOR OFFERING. American Realty Trust, 608 13th St., N. W., Washington, D.C., filed a registration statement (File 2-18552) with the SEC on July 25th seeking registration of 500,000 shares of beneficial interest in the Trust, to be offered for public sale at \$10 per share. The offering will be made on an all or none basis through underwriters headed by Stifel, Nicolaus & Co., Inc., which will receive a 95¢ per share commission. The registration statement also includes 13,000 shares reserved for allotment at \$9.05 per share to certain persons who have indicated an interest in the Trust's affairs.

The Trust was organized under District of Columbia law in July 1961. According to the prospectus, its purpose is to provide investors with an opportunity to own, through transferable shares, an interest in diversified income-producing properties consisting principally of real estate interests. The \$4,642,650 estimated net proceeds from the sale of shares will be applied toward the purchase of real estate assets.

The Trust has outstanding 16,200 shares of beneficial interest, of which Thomas J. Broyhill, president and chairman of the trustees, James C. Bishop, secretary-treasurer and trustee, and Joel T. and Marvin T. Broyhill, trustees, own over 8% each, and trustees and officers and the underwriter as a group own 100%. These shares were purchased at \$7 and \$7.50 per share.

INTERSTATE BOWLING FILES FOR STOCK OFFERING. Interstate Bowling Corp., 10391 Magnolia Avenue, Riverside, Calif., filed a registration statement (File 2-18553) with the SEC on July 25th seeking registration of 150,000 shares of common stock, to be offered for public sale at \$3.50 per share. The offering will be made on an all or none basis by Currier & Carisen Incorporated, which will receive a 42¢ per share commission. The registration statement also includes 18,000 outstanding common shares, of which the former holders thereof sold 14,400 to the underwriter and 3,600 to Sutro & Co. (as a finder's fee), all at 10¢ per share.

The company was organized under Delaware law in July 1961 for the purpose of acquiring and operating the 24 lane Belleview Bowl and 48 lane Dahlia Bowl, both located in Colorado. In August 1961 the company will assume operation of the two centers as a result of a series of transactions whereby the company will acquire substantially all of the assets and assume all of the liabilities of two limited partnerships which now operate the centers. As consideration for such businesses and assets, the company will issue an aggregate of 125,000 common shares to the partners. The net proceeds from the sale of additional stock, estimated at \$422,000, will be used to retire bank loans of \$97,438.50 which are secured by chattel mortgages, and to pay off \$87,926.88 on conditional sales contracts held by the Brunswick Corporation covering the alley beds of the Belleview Bowl. The company also proposes to repay a loan of \$10,000 to a corporation owned by Ralph S. Roberts, president. The balance will be available for general purposes, including the establishment of new centers or acquisition of existing centers.

In addition to certain indebtedness, the company has outstanding 275,000 shares of common stock (with an April 30th book value of \$1.40), of which Roberts and Harry C. Polonitza, vice president, own 42% and 20%, respectively, and management officials as a group 66%. After the sale of new shares (which will have a book value of \$2.17 per share), stockholdings of the partners of the predecessor companies will represent 39% at a cost of \$120,000; and stockholdings of new purchasers will represent 55% at a cost of \$525,000

THEIL PUBLICATIONS FILES FOR STOCK OFFERING. Theil Publications Inc., 1200 Hempstead Turnpike, Franklin Square, L. I., N. Y., filed a registration statement (File 2-18554) with the SEC on July 25th seeking registration of 110,000 shares of common stock, to be offered for public sale (without underwriting) at \$3 per share. The registration statement also includes 25,000 common shares which Carter, Berlind, Potoma & Weill (financial adviser) and Arthur Brooks purchased in June 1961 (20,000 and 5,000 shares, respectively) at 26¢ per share.

The company is engaged in the business of writing, illustrating and producing a wide variety of technical material, specifically designed for use by industry and the Department of Defense. The net proceeds from the stock sale will be used to repay short term bank loans, to pay an obligation due to the United States Government, and the balance for additional working capital and other corporate purposes.

In addition to certain indebtedness, the company has outstanding 245,000 shares of common stock (after giving effect to a 2,200-for-1 stock split in June 1961), of which Andrew A. Senese, president, and Walter C. Wantschek, executive vice president, own 35.6% each, and management officials as a group own 97%. After the sale of new stock, each common share will have a book value of about \$1.09 per share as against April 30th book value of 23¢ per share.

CLE-WARE INDUSTRIES FILES FOR OFFERING AND SECONDARY. Cle-ware Industries, Inc., 10604 St. Clair Ave., Cleveland, Ohio, filed a registration statement (File 2-18555) with the SEC on July 25th seeking registration of 195,000 shares of common stock, of which 160,000 shares are to be offered for public sale by the company and 35,000 shares, being outstanding stock, by the present holder thereof. The offering will be made on an all or none basis through underwriters headed by Westheimer & Company. The public offering price and underwriting terms are to be supplied by amendment.

The company (formerly Cleveland Warehouse Distributors, Inc.) was organized under Ohio law in April 1960. It is engaged in the selling to jobbers and distributors of parts, chemicals and accessories related to the automotive and marine fields. Of the \$682,000 estimated net proceeds from the company's sale of additional stock, \$71,119 will be used to repay current bank obligations, \$250,000 for retirement of trade accounts payable, and the balance for working capital and general corporate purposes.

In addition to certain indebtedness, the company has outstanding 215,000 shares of common stock, of which Harry Adelman, president, David Adelman, vice president, and Oscar Adelman, secretary-treasurer, own 37.1%, 37.1% and 7%, respectively. Manuel Adelman owns 40,420 shares (18.8%) and proposes to sell the 35,000 shares.

SECURITIES ACT REGISTRATIONS. Effective July 26: Arcs Industries, Inc. (File 2-18149); Bramalea Consolidated Developments Limited (File 2-18142); City Center Parking Associates (File 2-18243); Denver Real Estate Investment Association (File 2-18118); Florida Steel Corp. (File 2-18264); Goodway Printing Company, Inc. (File 2-18165); Northern States Power Company (File 2-18355); Suval Industries, Inc. (File 2-18020). Withdrawn July 26: South Florida Citrus Industries, Inc. and Tropical River Cooperative Association (File 2-17551).