

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington 25, D.C.

(In ordering full text of Releases from Publications Unit, cite number)

FOR RELEASE August 22, 1961

**YORK SECURITIES REGISTRATION CANCELLED.** The Commission has cancelled the broker-dealer registration of York Securities, Inc., 80 Wall Street, New York. The order of cancellation was based upon a Federal court order (USDC SDNY) of June 1960 enjoining the said company and Edythe Herbertz, its secretary-treasurer and sole stockholder, from engaging in and continuing certain conduct and practices in connection with the purchase and sale of securities and the further fact that the company has not been engaged in business for some time. Notice of the proposed cancellation was mailed to the last known address of the subjects but was returned by the post office because the company had moved from such address and left no forwarding address.

**GULF STATES UTILITIES PROPOSES DEBENTURE OFFERING.** Gulf States Utilities Company, 285 Liberty Avenue, Beaumont, Texas, filed a registration statement (File 2-18719) with the SEC on August 21st seeking registration of \$15,000,000 of debentures due 1961, to be offered for public sale at competitive bidding. Net proceeds from the debenture sale will be used towards payment of short-term notes due December 31, 1961, estimated at \$15,000,000, incurred for construction purposes. It is expected that construction expenditures for the years 1961-62 will total about \$92,000,000.

**PRECISION MICROWAVE FILES FOR OFFERING AND SECONDARY.** Precision Microwave Corp., Main Street, Millis, Mass., filed a registration statement (File 2-18720) with the SEC on August 21st seeking registration of 165,000 shares of common stock, of which 115,000 shares are to be offered for public sale by the company and 50,000 shares, being outstanding stock, by the holders thereof. The offering will be made at \$10 per share on an all or none basis by Peter Morgan & Company, which will receive a \$1 per share commission and \$10,000 for expenses. The registration statement also includes 22,500 shares which underlie five-year warrants to be sold to the underwriter at 1¢ each, exercisable at the public offering price.

The company and its subsidiaries are engaged in the business of manufacturing specialized microwave components for radar detection and missile guidance systems and communication systems; manufacturing specialized components for commercial and military jet aircraft engines; applying and processing its own specialized high-temperature ceramic coatings to components for jet engines and missiles; and performing non-destructive testing and specialized heat treating of jet aircraft engine components. In addition, the company is engaged in the development of various microwave sub-systems for use in communications and radar detection systems which are intended to be offered for sale as standard items for off-the-shelf sales throughout the United States through sales representatives. Organized in August 1959 the company in July 1961 acquired its subsidiaries from Joseph L. Travers, president, and Thomas F. Maher, executive vice president, in exchange for an aggregate 234,000 common shares of the company. The net proceeds from the company's sale of additional stock, estimated at \$1,000,000, will be added to working capital and used for general corporate purposes including specifically the retirement of sundry indebtedness (\$142,990), retirement of certain accounts payable (\$199,000), and for additional technical personnel and for research and development projects in the microwave field (\$150,000). The balance will be used to finance inventories and purchase equipment.

In addition to certain indebtedness, the company has outstanding 300,000 shares of common stock, of which Travers and Maher own 152,750 and 41,250 shares, respectively, and propose to sell 40,000 and 10,000 shares, respectively. Anne Travers owns 15.5% of the outstanding stock. Book value of the outstanding shares as of May 31, 1961 was about 81¢ per share and, after the sale of new shares, will be about \$2.99 per share.

**FEDERAL-MONGUL-BOWER BEARINGS FILES INVESTMENT PLAN.** Federal-Mongul-Bower Bearings, Inc., 11031 Shoemaker Avenue, Detroit, Mich., filed a registration statement (File 2-18721) with the SEC on August 21st seeking registration of \$600,000 of interests in the company's Salaried Employees' Investment Plan, and 26,000 shares of common stock which may be acquired pursuant thereto.

**WYOMING NUCLEAR HEARING POSTPONED.** The Commission has authorized an indefinite postponement of the hearing scheduled for September 6th in its Denver Regional Office in proceedings to determine whether to vacate, or make permanent, an order temporarily suspending a Regulation A exemption from Securities Act registration with respect to a public offering of stock by Wyoming Nuclear Corporation, of Lander, Wyo. The postponement was authorized to allow counsel further opportunity to negotiate a factual stipulation which might avoid the necessity of an evidentiary hearing.

**GPU SUBSIDIARIES SEEK ORDER.** Two subsidiaries of General Public Utilities Corporation, New Jersey Power & Light Company and Jersey Central Power & Light Company, both of Morristown, N. J., have filed a proposal with the SEC under the Holding Company Act with respect to certain property transfers; and the Commission has issued an order (Release 35-14500) giving interested persons until September 7th to request a hearing thereon. Under the proposal, New Jersey Power & Light will sell to Jersey Central Power & Light

OVER

(a) the "Whippany-Roseland right-of-way for \$88,506.49 in cash and (b) a segment of the "Mercer-Larrabee right-of-way" for \$71,110.62 in cash. The Whippany-Roseland right-of-way of approximately 2.191 miles connects a JCI&L substation with a substation of Public Service Electric and Gas Company, a non-affiliate, and since 1953 JCI&L has been the sole user of the 230 KV line which it constructed thereon at its own expense. The Mercer-Larrabee right-of-way of approximately 2.603 miles connects a site for a proposed generating station with a JCI&L substation and as a result of the proposed purchase JCI&L will own the entire right-of-way upon which it has constructed a 230 KV line.

MORE ON AMERICAN PRECISION INDUSTRIES OFFERING. The News Digest of August 21st referred to the proposal of American Precision Industries, Inc., of Buffalo, N. Y., to offer 115,000 common shares for public sale through underwriters (in addition to 38,000 outstanding shares to be offered by the present holders thereof). An additional 5,000 shares are to be offered first to company employees, shares not so purchased to be offered for public sale through the underwriters.

CORRECTION RE NATION-WIDE REALTY TRUST. The News Digest of August 8th, in its reference to the proposed offering of shares by Nation-Wide Real Estate Investment Trust, of Boston, incorrectly stated that the company will become an investment company subject to the Investment Company Act.

SEC COMPLAINT NAMES AMERICAN INTERNATIONAL SAVINGS & LOAN. The SEC Washington Regional Office announced August 21st (LR-2086) the filing of court action (USDC, Baltimore) seeking to enjoin violations of the Securities Act registration requirement in the offering and sale of stock of American International Savings & Loan Association by that company and the following: Lloyd, Miller & Co. and N. Warren & Co., brokers and dealers in securities at 1411 Pennsylvania Avenue, N. W., Washington, D. C., Marshall I. Stewart, of Washington, counsel for American International and agent for unnamed holders of its stock, Samuel H. Gressit, Herman Price, James Seidman, John O. Stoner, George J. Collier, Daniel Price, Hiram Ricker & Sons, a Maine corporation, Royal Queen Corporation and World-Wide Artists, Inc., New York corporations, and Arthur Freedman, an attorney-at-law of Coral Gables, Florida.

CASAVAN INDUSTRIES FILES FOR STOCK OFFERING. Casavan Industries, Inc., 250 Vreeland Ave., Paterson, N. J., filed a registration statement (File 2-18722) with the SEC on August 21st seeking registration of 816,060 shares of capital stock, of which 275,000 shares are to be offered for public sale on a best efforts all or none basis by Dean Samitas & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment. The company will grant to McLaughlin, Kaufman & Co., as a finder's fee, two-year warrants to purchase an additional 50,000 shares at the public offering price. The registration statement also includes 40,000 shares which underlie two-year warrants issued to Byron D. Forster in March 1960, exercisable at \$2.25 per share (or 90% of the then market value), which warrants were subsequently sold by Forster to 21 individuals. The remaining 541,060 shares have previously been sold or assigned to the public or certain individuals, as to which a possible contingent liability under the Securities Act of 1933 may have been created. The company is offering to repurchase said shares at the paid price.

The company, through two of its five subsidiaries, is a producer and importer of marble and vitreous mosaic products used in the building construction field. Each of these has operated at a deficit and the company has had a net operating loss during each fiscal year since at least 1956 (year of organization). Fiscal 1960 reflects a consolidated net operating loss of \$383,647. The prospectus further states that the company is in "serious financial difficulties" and that, if the sale of the securities being offered is not consummated, unless private financing can be arranged or unless the company is successful in obtaining extension of time for meeting its obligations, the company "is faced with the possibility of having to effect some composition with creditors or bankruptcy." The net proceeds from the company's sale of new stock will be used to acquire and install additional machinery and equipment, to acquire an inventory of raw materials and finished goods, for leasehold improvements, to complete construction of facilities at Ridgefield Park, N. J., to reduce existing liabilities, and the balance will be added to general funds.

If the stock sold without registration under the Securities Act, 109,380 shares were sold by the company to some 180 persons at a net of \$2.50 per share, and 431,680 shares were sold to 377 persons at \$2.50 per share by Paul R. Casavina, president, the \$1,079,200 proceeds therefrom being advanced to the company for operating and working capital purposes. The company has granted to Casavina a two-year option to purchase 450,000 new shares at \$2.50 per share. In July 1961 the Commission instituted injunctive proceedings against the company, Casavina and Henrietta Zinovoy based upon charges that certain untrue statements of material facts and certain omissions to state other material facts were made or omitted in connection with the sale, in interstate commerce, of some 480,000 non-exempt shares, in violation of the registration requirements of the Securities Act. The company consented to the entry of a permanent injunction on July 19, 1961: As of June 30, 1961, the company had outstanding 1,650,536 shares of stock, of which Casavina owns 23.20% and management officials as a group 30.30%.

CANADIAN RESTRICTED LIST. The SEC has added Devonshire Mining Co. Ltd., of Vancouver, B. C., to its Canadian Restricted List, which now comprises the names of 256 Canadian companies whose securities recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide. (Release 33-4408)

SECURITIES ACT REGISTRATIONS. Effective August 21: MIO Videotronics, Inc. (File 2-18402).  
Effective August 22: Ets-Hokin & Galvan, Inc. (File 2-18233); Florida Capital Corp. (File 2-18362);  
Fox-Stanley Photo Products, Inc. (File 2-17826); Orkin Exterminating Company, Inc. (File 2-18469);  
Swanee Paper Corp. (File 2-18424).