

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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Statistical Release No. 1790. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended November 17, 1961, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1961 is as follows:

	1957-59 = 100		Percent Change	1961	
	11/17/61	11/10/61		High	Low
Composite	145.3*	144.0	+0.9	145.3	118.3
Manufacturing	134.7*	134.2	+0.4	134.7	113.0
Durable Goods	136.3	137.1	-0.6	137.1	117.0
Non-Durable Goods	133.3*	131.5	+1.4	133.3	109.2
Transportation	110.9	109.9	+0.9	111.0	97.8
Utility	187.3*	185.0	+1.2	187.3	144.4
Trade, Finance & Service	193.0*	185.4	+4.1	193.0	132.5
Mining	94.2	95.1	-0.9	99.5	83.3

*New High

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended November 16, 1961, 35 registration statements were filed, 28 became effective, 2 were withdrawn, and 682 were pending at the week end.

CAL-OAK OIL & GAS SHARES IN REGISTRATION. Cal-Oak Oil & Gas Co., 2805 Liberty National Bank Bldg., Oklahoma City, Okla., filed a registration statement (File 2-19311) with the SEC on November 17th seeking registration of 1,078,288 shares of common stock, of which (1) 225,189 shares are to be issued to Cal-Oak Oil Co., a California company, under a Plan of Reorganization, in payment and in exchange for all of the good will, business, property and assets of the California company, subject to all of its liabilities, (2) 799,437 shares are to be offered to some 222 persons in exchange for fractional working interests in 32 oil wells situated in the Cement Field, Caddo County, Oklahoma at a price of \$1 per share, (3) 41,662 shares are to be offered in exchange for presently outstanding promissory notes of the company due at varying times in 1963 at an exchange price of \$1 per share for each \$1.973 principal amount of such notes, and (4) 12,000 shares are to be issued to the company's attorneys in consideration of legal services rendered by them.

The company was organized under Delaware law in March 1961 and has engaged in no business or activities. As indicated, it proposes to acquire the said California company which has been engaged in the business of acquiring, developing and dealing in prospective and proven oil and gas lands and leases and interests therein and in drilling for, producing and selling crude oil and natural gas. Seven former shareholders of the California company will receive the 225,189 company shares in exchange for the 173,236 outstanding shares of the predecessor (including G. E. McKinney, company president, 52,473 shares, and Henry W. Mangold and Cecil E. Coe, vice presidents, 33,346 and 68,849 shares, respectively). After the issuance of all shares included in this statement, the company will have outstanding 1,078,288 shares of common stock, of which said three management officials will own 7.27%, 7.50% and 9.13%, respectively, and management officials as a group 38.9%.

LITHO-TONE FILES FINANCING PLAN. Litho-Tone, Inc., 333 Hudson Street, New York, filed a registration statement (File 2-19312) with the SEC on November 17th seeking registration of \$247,500 of convertible subordinated 7% debentures due 1971 (with attached 3-year warrants, series A) and 55,000 shares of common stock, to be offered for public sale in units consisting of one \$4.50 debenture (with one warrant) and one common share. The offering will be made at \$6 per unit on a best efforts, 60% or none basis by Continental Bond & Share Corporation, which will receive a 90 cents per unit selling commission and \$16,500 for expenses, (at the rate of 30 cents per share). A \$5,000 finder's fee is payable to Marvin Hayutin and \$5,000 to Calvin Kohler as financial consultant. The statement also includes (1) 12,500 shares issued to the underwriter and 6,250 shares each to Hayutin and Kohler, (2) 12,500 series A warrants sold to the underwriter and 6,250 warrants each to Hayutin and Kohler at 1 cent per warrant (exercisable at \$3 per share), and (3) 50,000 3-year series B warrants issued to the principal stockholders of the company, exercisable at \$1 per share.

The company is engaged in the lithography business, specializing in color separations and the manufacture of lithographic (offset) printing plates. It owns all of the outstanding stock of Dobar Lithographers, Inc., which specializes in offset color photography of multi-color brochures, booklets, advertising pamphlets, etc., and of Richard Stevens, Inc., which acts as sales agent and broker on behalf of the company and Dobar for the purpose of securing orders for plate making and lithography. As at September 30, 1961, the consolidated financial position of the company and its subsidiaries showed a net worth of \$28,768, the current assets being \$176,579 and current liabilities \$256,561. It suffered losses in 1959 and 1960 of \$21,363 and \$2,814, part of which loss is said to be attributable to moving costs incurred by a subsidiary and work stoppage incidental thereto. In the first six months of 1961 it lost \$29,263 and earned \$20,124 the

following three months. The \$232,700 estimated net proceeds from this financing will be added to working capital and used for corporate purposes, for moving expenses of the company into the space presently occupied by Dobar, for reduction of accounts payable, and as down payment on the purchase price (\$250,000) of a new large four-color press.

In addition to certain indebtedness, the company has outstanding 215,000 shares of common stock (as of September 1, 1961), of which Eli Tockar, board chairman and president, owns 45%, and George Seidner, secretary and treasurer, and Simon Seidner, vice president, own 27.5% each. Such 215,000 shares were issued pursuant to a recapitalization in August 1961 in exchange for the then outstanding shares and for their interests in the subsidiaries; and they also received 50,000 series B warrants, of which 22,500 were issued to Tockar and 13,750 each to the two Seidners. After this financing, present book value of 13 cents per share will be increased to 38 cents per share.

ELECTROMAGNETICS FILES FOR OFFERING AND SECONDARY. Electromagnetics Corporation, Sawyer Lane, Hudson, Mass., filed a registration statement (File 2-19313) with the SEC on November 17th seeking registration of 75,000 shares of common stock, to be offered for public sale at \$5 per share. The offering will be made on an all or none basis through underwriters headed by Gianis & Co., Inc. which will receive a \$.625 per share commission. The statement also includes (1) 17,500 shares underlying five-year warrants to be sold to the underwriters for \$175, exercisable at \$5 per share, and (2) 101,000 outstanding shares which may be offered to the public by the holders thereof, following the completion of the public offering by the company, at such prices as may prevail in the market at the time of sale. The names of such selling stockholders will be supplied by post-effective amendment.

The company was organized under Delaware law in April 1961 for the purpose of engaging in research, design, development, production and marketing with respect to precision nuclear magnetic instrumentation to be used as basic research tools in a wide range of scientific studies relating to the fundamental properties of matter and as accessories for cyclotron, linear and electrostatic accelerators, commonly referred to as "atom smashers." The company has substantially completed the construction of two prototype systems and the work required for developing such systems for production, but lacks the funds necessary to enter upon commercial production. Of the net proceeds from the company's sale of additional stock, \$60,000 will be used to purchase additional capital equipment required for commercial production, \$10,000 for leasehold improvements, \$50,000 for new product research and development, and the balance for working capital.

The company has outstanding 160,000 shares of common stock (60,000 shares were sold at 20 cents per share to founders and promoters and 100,000 shares at 90 cents per share to the principal underwriter and others), of which Robert L. Dennis, president, and Robert G. Vance and Bent B. Nielson, vice presidents, own 10.3%, 10.3% and 10%, respectively.

NORSE-AM. FINANCIAL SEEKS EXEMPTION. Norse-Am. Financial Corporation, Hicksville, N. Y., has applied to the SEC for exemption from the Investment Company Act; and the Commission has issued an order (Release IC-3362) giving interested persons until December 4, 1961, to request a hearing thereon. Organized August 4, 1961, applicant is a wholly-owned subsidiary organized under New York law by Bergens Privatbank, a Norwegian banking corporation. The said Bank has arranged to borrow, through applicant, from a life insurance company in the United States, the sum of \$1,500,000 to be re-loaned to one of the Bank's customers, a Norwegian municipality. The arrangement with the insurance company is that the borrower be a domestic corporation. Applicant will issue and deliver to the insurance company its notes, guaranteed by the Bank, in the amount of \$1,500,000 maturing serially at terms of from six to ten years. The proceeds of the sale of the notes, less a discount for expenses, will be loaned to the Norwegian municipality. Applicant intends to engage in similar long term debt financing to an aggregate of \$10,000,000 which is less than 6% of the Bank's total present volume of loans and discounts; and it will be merely a debt-financing entity for the Bank in obtaining long-term loans for the Bank's customers in Norway from institutional investors in the United States.

GENERAL ACCEPTANCE ORDER. The SEC has issued an order under the Trust Indenture Act (Release TI-164) granting an application of General Acceptance Corporation for a Commission finding that trusteeship of Manufacturers Hanover Trust Company under indentures securing an issue of \$10,000,000 of 4-3/4% senior debentures due 1971 and an issue of \$15,000,000 of 6% Senior Debentures due 1980 is not so likely to involve a material conflict of interest as to make it necessary to disqualify the said Trust Company from acting as trustee under both indentures.

SEC ADOPTS "EQUAL EMPLOYMENT" POLICY. The SEC today announced the adoption of a "Regulation Regarding Equal Employment Opportunity" (Release 34-6671). The purpose of this regulation is to implement Part II of Executive Order 10925 of March 6, 1961, establishing the President's Committee on Equal Employment Opportunity. Said order reaffirms the policy expressed in Executive Order No. 10590 of January 18, 1955, with respect to the exclusion and prohibition of discrimination against any employee or applicant for employment in the Federal Government because of race, color, religion, or national origin. The regulation applies to all positions in the SEC, whether or not in competitive service, and supersedes the "Regulations and Procedures under Executive Order 10590" adopted by the Commission on August 17, 1955.

SECURITIES ACT REGISTRATIONS. Effective November 20: Pennsylvania Power & Light Co. (File 2-19255); Wald Research, Inc. (File 2-18568); Gro-Rite Shoe Company, Inc. (File 2-18543).