

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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AMENDED RECORD KEEPING PROPOSED FOR INVESTMENT COMPANIES. The SEC today announced a proposal for additional record-keeping by registered investment companies and their subsidiaries (Release IC-3368); and it invited the submission of views and comments thereon not later than January 12, 1961. Among the matters with which the Commission is concerned under the Act, and in respect of which the Commission deems it necessary and appropriate that adequate records shall be maintained, are affiliations of directors of a registered investment company (Section 10); prohibitions against deviating from the registered investment company's investment policy as recited in its registration statement filed with the Commission pursuant to Section 8, except pursuant to specified procedures (Section 13(a)); and compliance with the requirements governing advisory and underwriting contracts and renewals thereof (Section 15). Section 31(a) of the Act provides that every registered investment company, and every underwriter, broker, dealer, or investment adviser which is a majority-owned subsidiary of such a company, shall maintain and preserve for such period or periods as the Commission may prescribe by rules and regulations such accounts, books, and other documents as constitute the record forming the basis for financial statements required to be filed pursuant to Section 30 of the Act and of the auditor's certificates relating thereto. It also provides that every investment adviser not a majority-owned subsidiary of, and every depositor of, any registered investment company, and every principal underwriter for any registered investment company other than a closed-end investment company, shall maintain and preserve for such period or periods as the Commission shall prescribe by rules and regulations, such accounts, books, and other documents as are necessary or appropriate to record such person's transactions with such registered company.

Rule 31a-1 as now in effect prescribes in general terms the accounts, books, and other documents required of every registered investment company and certain of the persons enumerated in Section 31(a) of the Act, as well as the required periods of time the various records shall be kept by them. Rule 31a-2 as now in effect prescribes, also in general terms, the record-keeping requirements of other persons enumerated in Section 31(a), together with the minimum periods of retention thereof.

The Commission deems it to be in the public interest and in the interest of investors to amend the existing Rules 31a-1 and 31a-2 by prescribing, with greater specificity and detail, the records required to be kept of securities transactions and by prescribing the keeping of certain memoranda and documents not previously required. The Commission also deems it to be in the public interest and in the interest of investors to adopt a new Rule 31a-3 setting forth certain requirements in circumstances where the records which are required to be maintained and preserved pursuant to the provisions of Rules 31a-1 and 31a-2 are prepared or maintained by an agent on behalf of the persons required to maintain and preserve such records.

CEMEX (ARIZ) STOCK OFFERING SUSPENDED. In a decision announced today (Release 33-4430) the SEC ordered the permanent suspension of a Regulation A exemption from Securities Act registration with respect to a public offering of stock by Cemex of Arizona, Inc., of Yuma, Ariz. The Commission's action was based upon the use of an offering circular in the sale of Cemex stock which was "materially misleading" by reason of the omission of information with respect to certain pending litigation.

In its notification filed with the Commission in November 1958, Cemex proposed the public offering of 300,000 shares of stock at \$1 per share pursuant to a Regulation A exemption from registration. The exemption was temporarily suspended by Commission order of February 16, 1960 and a hearing was held on the question whether the suspension should be vacated or made permanent. Cemex was formed in October 1958 to acquire the assets of a predecessor owned and controlled by S. H. MacKinnon and engaged in the manufacture of a building material called "Cemex" under a formula developed by MacKinnon. As part of such purchase, Cemex transferred 217,500 common shares to the predecessor and agreed to pay it \$25,000 and to pay MacKinnon a royalty until he had received \$50,000 (the \$25,000 obligation being represented by a note due October 3, 1959 without interest prior to that date). Of the 217,500 shares received by the predecessor, 100,000 shares were distributed to MacKinnon and 100,000 transferred without consideration to T. R. Gillenwaters, Cemex president.

These transactions were described in a February 5, 1959, offering circular of Cemex used in its offer and sale of about half of the 300,000 shares. Thereafter, in June 1959, MacKinnon, who had been retained as vice-president in charge of Cemex's operations, was discharged by Cemex following disagreement between him and other management officials. Four days after the October 3d maturity date of the \$25,000 note held, MacKinnon filed a suit seeking amounts allegedly owing to him under the note and royalty agreement. The company immediately sued the predecessor and MacKinnon for rescission of the note and royalty obligations, contending that MacKinnon had falsely represented the Cemex formula and other related facts. An answer and counterclaim were filed by MacKinnon on November 18, 1959 denying the several allegations in the Cemex suit and seeking recovery of the amounts due on the \$25,000 note and the royalty agreement. In a subsequent settlement agreement, Cemex admitted indebtedness to the predecessor of \$26,000, gave a note in that amount secured by a chattel mortgage on its equipment, and acknowledged the obligation to pay MacKinnon a total of \$50,000 for his secret formula (with a minimum payment of \$4,000 twice yearly), which formula MacKinnon deposited in escrow for delivery upon payment of the full amount.

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In the meantime, October 19, 1959, Cemex filed a revised offering circular which was used in the offer and sale of the balance of its stock offering. It repeated the statements in the original circular with respect to the transactions with the predecessor and MacKinnon but made no mention of the pending litigation.

In its decision, written by Commissioner Frear, the Commission rejected the arguments of Cemex that the litigation involved essentially an internal disagreement having no adverse impact on the company's affairs and that it could only gain, not lose, by the outcome. A determination of the litigation in favor of the predecessor and MacKinnon would have been enforceable by execution against the issuer's assets, could have resulted in deprivation of the rights to Cemex and might have "materially affected" the value of the stock being offered for public sale, the Commission concluded, and investors were entitled to be informed of the litigation and its salient aspects "so that they could decide for themselves whether it should affect their investment judgment."

COLUMBIA GAS PROPERTY TRANSFER APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14540) authorizing The Manufacturers Light and Heat Company, Pittsburgh subsidiary of The Columbia Gas System, Inc., to sell to a newly-organized subsidiary, Columbia Gas of Pennsylvania, Inc., all of Manufacturers' assets and properties in Pennsylvania which it uses in the distribution at retail of natural gas, together with cash and other net current assets related to such distributions. The proposal is part of Columbia's program for realignment of its natural gas properties in such a manner that all natural gas production, storage and transmission properties will, to the extent possible, be owned and operated by one corporation subject to the jurisdiction of the Federal Power Commission, and the retail gas distribution facilities owned and operated in each State will be owned by a single company subject to the jurisdiction of the appropriate State commission.

SUTRO-SCHWEICKART HEARING SCHEDULED. The SEC has scheduled a hearing for January 9, 1962, in its New York Regional Office in the proceedings under the Securities Exchange Act of 1934 to determine whether Sutro Bros. & Co., Schweickart & Co., and certain individuals violated provisions of that Act and rules thereunder governing the extension of credit (granting of "margin") in the purchase of securities and, if so, whether the broker-dealer registrations of the two New York firms should be revoked and whether they should be suspended or expelled from membership in the National Association of Securities Dealers, Inc. and the Exchanges of which they are members.

BILTMORE SECURITIES REGISTRATION REVOKED. The SEC today announced the issuance of an order under the Securities Exchange Act of 1934 (Release 34-6673) revoking the broker-dealer registration of Biltmore Securities Corp., 160 Broadway, New York, for violations of the anti-fraud provisions of the Federal securities laws in the offer and sale of shares of stock of Shelton Warren Oil Co., Inc., Lutah Uranium & Oil, Inc. and Universal Fuel and Chemical Corporation to numerous public investors in various parts of the United States. The misrepresentations made in connection with the 1959-60 sales of such stock related, among other things, to the present and future value and prices of the securities, the listing of the securities on a national securities exchange, the limited supply of shares available, mergers with or acquisition of other companies, the issuers' earnings, operations and prospects, and the past history of Biltmore Securities as an old and established firm. Wilbur Buff, president and majority stockholder of Biltmore Securities, and Samuel Goldberg, general sales manager, were each found to be a cause of the revocation order. Biltmore Securities, Buff and Goldberg were previously enjoined by Federal court order, in an action filed by the SEC, from further sales of Shelton stock in violation of the said anti-fraud provisions; and another Federal court order, extended indefinitely, restrains them from such violations in the sale of Universal stock.

INDICTMENT NAMES TWO. The SEC Denver Regional Office announced November 17th (Lit-2145) the return of a Federal court indictment (USDC, Denver) charging Robert A. Howard and James A. Wooten with violating the Securities Act registration requirement and the Securities Exchange Act anti-fraud provisions in the sale of Montana Chemical and Milling Corporation.

SEC COMPLAINT NAMES FINANCIAL EQUITY CORP. The SEC San Francisco Regional Office announced November 22d (Lit-2146) the filing of a Federal court action (USDC, Los Angeles) seeking to enjoin Financial Equity Corporation of Los Angeles and Jack J. Mahakian from further violations of the SEC net capital rule.

SEC COMPLAINT NAMES WOODS & CO. AND CAPITAL SECURITIES OF SAN ANTONIO. The SEC Fort Worth Regional Office announced November 22d (Lit-2147) the filing of a Federal court action (USDC, San Antonio, Tex.) seeking to enjoin Woods & Company, Inc. and Capital Securities Company, both of San Antonio, from further violating the Securities Act registration and anti-fraud provisions in the sale of Dynamic Metals, Inc. stock, and to prevent Woods & Company from further violations of the Commission's net capital and bookkeeping rules.

PUERTO RICO LAND AND DEVELOPMENT FILES FINANCING PLAN. Puerto Rico Land and Development Corporation, San Juan, Puerto Rico, filed a registration statement (File 2-19343) with the SEC on November 24th seeking registration of \$4,000,000 of 5% convertible subordinated debentures due 1976 and 200,000 shares of Class A stock, to be offered for public sale in 25,000 units, each consisting of \$160 of debentures and 8 Class A shares. The offering will be made at \$200 per unit on a "best efforts all-or-none" basis by Lieberbaum & Co., Morris Cohon & Company and two other firms, which will receive a \$20 per unit commission and \$30,000 for expenses. The statement also includes 75,000 shares underlying five-year warrants to be sold to the underwriters at 5¢ per warrant, exercisable at \$5 per share. The underwriters will sell at their cost 7,500 of such warrants as a finder's fee to Irwin R. Karassik and Herrick, Feinstein, Rossman & Mendelson, company counsel.

The company (formerly Dorado-Riviera Corporation) was organized under Puerto Rico law in March 1961 for the purpose of engaging in certain real estate ventures. It is presently constructing and, upon completion, intends to operate a luxury hotel to be known as The Riviera Hotel and related facilities, being built on 156 acres owned by the company fronting on the Atlantic Ocean in Dorado, Puerto Rico. The company also holds contractual rights to acquire a 99-year leasehold of about 1-1/2 acres of land in the Condado section of San Juan on which the Flamboyant night club and gambling casino are presently operating, and proposes to construct and operate a hotel on such property (The Riviera-Condado Hotel). Through a wholly owned subsidiary, Riviera Land Corporation, the company is holding for future development or resale about 75 acres of land (subject to certain mortgages) with waterfront adjacent to the Riviera Hotel and golf course. The consideration for the transfer to the company of the 156-acre property, the contractual rights relating to the Riviera-Condado property, and the stock of Riviera Land Corporation was 208,000 Class B shares of the company issued to George Geiger, president, George Silas, a vice president, and their associates, as well as reimbursement of certain advancements to the company by them of \$261,543. The \$4,370,000 estimated net proceeds from this financing, together with \$100,000 proceeds of prior stock sales and a \$2,000,000 mortgage loan, will be applied as follows: \$965,000 for property including prepayment of existing mortgages; \$95,000 for cancellation of a lease affecting part of the property; \$2,500,000 for the construction of the Riviera Hotel; \$400,000 for furnishings and equipment; \$650,000 for the construction of the golf course, club house and related facilities; \$240,000 for architectural and engineering fees; \$100,000 for landscaping; \$200,000 for waterfront improvements; \$50,000 for water and power lines; \$45,000 for advance ground rent and miscellaneous advances relating to the Riviera-Condado project; \$20,000 for interest on a mortgage until pre-payment; \$50,000 expenses in connection with placing and closing the \$2,000,000 mortgage loan; \$75,000 for miscellaneous expenses including financial, legal, accounting, tax consultant fees and travel and other expenses; \$400,000 for payment of installments on debentures during the first year and dividends of Class A stock prior to opening of the Riviera Hotel; and the balance for working capital purposes.

In addition to certain indebtedness, the company has outstanding 70,000 Class A and 208,000 Class B shares, of which Geiger and Silas own 40.36% and 28.65%, respectively, of the Class A, and 47.9% and 30.5%, respectively, of the Class B shares. Management officials as a group own 98.29% of the Class A and 97% of the Class B shares. As a result of this offering, the book value per share of the Class A stock owned by the present stockholders will be increased from \$1.43 to \$3.61, and the book value of their equity will increase from \$100,000 to \$252,700, while the public will have a diluted equity interest of \$722,000 for its investment of \$1,000,000 attributable to the Class A stock. The company has issued to the present stockholders for no cash consideration 208,000 shares of Class B stock which may at certain times and under certain conditions be converted into Class A stock. Such conversion privileges, if and when exercised, would result in further dilution of the Class A stock at that time.

PRIMEX EQUITIES FILES FINANCING PLAN. Primex Equities Corporation, 66 Hawley Street, Binghamton, N. Y., filed a registration statement (File 2-19346) with the SEC on November 27th seeking registration of 400,000 shares of 60¢ cumulative convertible preferred stock, \$1 par, and 400,000 shares of Class A common stock, to be offered for public sale in units of one share each. The offering will be made by management officials; and the company may employ securities dealers who will receive a 50¢ to \$1 per unit selling commission. The statement also includes (1) 40,000 Class A shares underlying 4-year warrants which may be given to said dealers, exercisable initially at \$1 per share, and (2) 150,000 outstanding Class B shares previously issued by the company in exchange for certain assets.

The company was organized under Delaware law in October 1961 and proposes to engage primarily in various real estate investment, development and construction operations. It has title to or interests in 16 properties which are said to be under long-term leases in whole or in large part to a number of companies. They are located in 9 states and the District of Columbia. Through its wholly-owned subsidiary, Bersani Construction Corporation, it is presently engaged in constructing and developing properties in the area of Syracuse, N. Y. for its own account and acting as general contractor for others. The company acquired all of the stock of Bersani Construction from Bersani Realty and Construction Co., Inc. (wholly owned by Anthony R. Bersani, company president) in exchange for 50,000 Class B shares; and Bersani and Bruno E. Low, board chairman, acquired, respectively, 75,000 and 25,000 Class B shares from the company in return for properties which they sold to the company or interests in other properties which they assigned to the company at their costs in acquiring these properties or interests. Of the net proceeds from the sale of the units, \$3,227,554 will be applied to the acquisition and development of the following properties: Margold Building, Washington, D. C.; New York Telephone Building, Syracuse, N. Y.; certain J. C. Penney-Woolworth Stores; Syracuse Garage, Syracuse, N. Y.; General Telephone Building, Johnstown, N.Y.; and the Waterville Shopping Center, Waterville, N. Y. The balance will be used for working capital.

In addition to certain indebtedness, the company has outstanding the 150,000 Class B shares, of which Low and Bersani own 50% each. Each share of Class B stock is convertible into 10 Class A shares; and both these Class A & B shares are included in the registration statement.

OXFORD TRUST FUND PROPOSES OFFERING. Oxford Trust Fund, Atlanta, Ga., filed a registration statement (File 2-19345) with the SEC on November 24th seeking registration of 5,000,000 Trust Units, to be offered for public sale at \$1 per unit. The Sponsor of the Fund is Oxford Distributor Corporation of Atlanta, which will receive a sales commission of 8% on the sale of trust units. Research Corporation of America will serve as investment adviser. Dr. James Edward Gates, president of the Board of Governors of the Fund, is president of the adviser, and two other governors also are officers of the adviser.

UNISON ELECTRONICS FILES FOR STOCK OFFERING. Unison Electronics Corporation, Grand Haven, Mich., filed a registration statement (File 2-19347) with the SEC on November 27th seeking registration of 250,000 shares of common stock, to be offered for public sale at \$2.50 per share. The offering will be made on a best efforts all or none basis by Strathmore Securities, Inc., which will receive a \$.3125 per share commission and \$7,500 for expenses. A finder's fee of \$5,000 is payable to Public Financing Advisory Service of Pittsburgh. The company has granted to the underwriter a 3-year option to purchase an additional 15,000 shares at 10¢ per share, and a like option to purchase 5,000 shares to the finder.

The company was organized under Delaware law in September 1961 and as a result of an October 1961 merger succeeded to the business of a Michigan company of the same name. It is engaged in the manufacture of high-precision instrument components for aircraft and missile guidance systems. Net proceeds from the stock sale will be used for the purchase of additional testing and production equipment, to reduce current liabilities, and for working capital to hire additional personnel and to increase inventories and receivables.

In addition to certain indebtedness, the company has outstanding 57,066 shares of common stock, of which Marinus Bakels, president, owns 67.5% and management officials as a group 75.6%. Sale of the new shares will increase the present book value of outstanding shares from 23¢ to \$1.32 per share.

BABS FILES FOR STOCK OFFERING. Babs Inc., 32550 Pulaski Drive, Hayward, Calif., filed a registration statement (File 2-19348) with the SEC on November 27th seeking registration of 150,000 shares of common stock, to be offered for public sale at \$4 per share. The offering will be made through underwriters headed by Pacific Coast Securities Company, which will receive a 40¢ per share commission. The statement also includes 25,000 outstanding shares underlying 18-month warrants to be sold to Edward R. Bunting, president of the underwriter, by Jack Ross, president and principal stockholder of the company, for 1¢ each, exercisable at \$1 per share.

The company (now known as Babs Distributing Co., Inc.) is the surviving company of the recent merger of a company of the same name into four other related companies. It is engaged in the business of merchandising, distributing, and selling dairy products through the establishment and operation of "dairy drive-ins" and of selling franchises in conjunction therewith. The \$475,000 estimated net proceeds from the stock sale will be used to repay outstanding short term bank loans, to reduce the amount of accounts payable, to pay outstanding long-term notes and loans payable, and for working capital.

In addition to certain indebtedness, the company will have outstanding 175,000 shares of common stock (after giving effect to a proposed recapitalization whereby such shares will be issued in exchange for the 245 shares now outstanding), of which Jack O. Ross, president, and Arthur O. Ross, vice president, will own 25% and 17%, respectively. The 175,000 outstanding shares have an August 31st book value of \$202,074 or about \$1.15 per share.

TWENTIETH CENTURY CAPITAL FILES FOR STOCK OFFERING. Twentieth Century Capital Corporation, 134 S. La Salle Street, Chicago, filed a registration statement (File 2-19349) with the SEC on November 24th seeking registration of 250,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Bacon, Whipple & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company (formerly First Chicago Small Business Investment Corporation) is licensed as a small business investment company under the Small Business Investment Act of 1958 and is also registered under the Investment Company Act of 1940 as a closed end, non-diversified management investment company. Net proceeds from the stock sale will be used to make long term loans and to provide equity capital to small business concerns and to finance the furnishing of advisory and management counsel and related services to such concerns. In addition, \$150,000 of such proceeds will be used to retire the subordinated debenture note issued by the company to the Small Business Administration in connection with raising the initial capital with which the company commenced operations.

In addition to certain indebtedness, the company has outstanding 92,250 shares of common stock, of which Ralph A. L. Bogan, board chairman, Ralph A. L. Bogan, Jr., and Ivan Bowan II, president, own 9.09%, 9.10% and 5.66%, respectively, and management officials as a group 54.48%.

AMERICAN MODULAR MFG. FILES FOR STOCK OFFERING. American Modular Manufacturing Corporation, 4950 71st Avenue North, Pinellas Park, Fla., filed a registration statement (File 2-19350) with the SEC on November 27th seeking registration of 200,000 shares of common stock, to be offered for public sale at \$2.50 per share. The offering will be made on a best efforts basis through underwriters headed by Equity Securities Company, which will receive a \$.375 per share selling commission and \$25,000 for expenses. The statement also includes 25,000 shares underlying 3-year warrants sold to the underwriters for \$.001 each, exercisable at 15¢ per share.

The company's principal business, as a result of acquisition in December 1960 of two affiliates, will be the manufacture and sale of a type of component constructed home, the "Modular-Struct Home," which is a ready-to-live-in dwelling. The two affiliates have been in the subdivision home construction business for more than seven years, and are in the process of changing their business to produce and sell only Modular-Struct Homes. These companies have not built any homes since the spring of 1961 and have not had any operating income this year. Prior to acquiring its subsidiaries, the company did not operate any business but held certain speculative investments of undeterminable value; the company itself sustained what was principally a non-operating loss of \$11,039.23 for the six months ended August 31, 1961. During the same period the subsidiaries lost \$35,289.10 which loss has increased since that date at about \$5,000 per month. The \$375,000 net proceeds from the stock sale will be used to pay \$138,000 in accounts and notes currently due and payable, for an initial sales and advertising program, to purchase additional manufacturing equipment, and for working capital for manufacture and sale of the homes.

In addition to certain indebtedness, the company has outstanding 333,333 shares of common stock (after giving effect to a recent 1 for 15 reverse stock split), of which E. B. Garrington, president, William N. Garrington, Jr., a vice president, and Hamilton Hoge, a director, own 38.2%, 12% and 11.9%, respectively. Joseph Walter, a vice president, is the beneficial owner of 14.8% of the outstanding stock held of record by E. B. Garrington, which shares underly an option to purchase such shares at 1¢ each by Walter.

DAVIS TOY FILES FOR OFFERING. H. Davis Toy Corp., 794 Union Street, Brooklyn, N. Y., filed a registration statement (File 2-19351) with the SEC on November 27th seeking registration of 100,000 shares of capital stock (with attached 5-year warrants to purchase an additional 100,000 shares at from \$3.50 to \$5.50 per share), to be offered for public sale in units of one share and one warrant and at \$3.25 per unit. The offering will be made on an all or none basis by Hampstead Investing Corp., Aetna Securities Corp. and Atlas Securities Corp., which will receive a 39¢ per share commission and \$12,500 for expenses. The statement also includes 40,000 shares underlying like warrants to be sold to the underwriters for \$10,000, and 6,000 shares underlying like warrants to be sold to Harold McGuire and Charles Weiss, the finders, for \$1,500.

The company creates, designs, assembles, manufactures and sells throughout the United States, Canada and to foreign customers a wide variety of educational toys and games for girls and boys of pre-school age to early teenage levels. Of the \$253,500 estimated net proceeds from the sale of the units, \$200,000 will be used to reduce indebtedness due Fidelis Factors Corporation of New York, and the balance will be added to general working capital.

In addition to certain indebtedness, the company has outstanding 77,000 shares of capital stock (after giving effect to a recent recapitalization), of which Harry Davis, president, and Edna B. Davis (his wife) own 15.29% and 9.56%, respectively, and management officials as a group 43.45%. In the recapitalization, one warrant was issued with each new share issued.

WYNLIT PHARMACEUTICALS FILES EXCHANGE OFFER. Wynlit Pharmaceuticals, Inc., 91 Main Street, Madison, N. J., filed a registration statement (File 2-19352) with the SEC on November 27th seeking registration of 544,744 shares of common stock, of which (1) 344,500 shares are to be offered on a share for share basis in exchange for the outstanding shares of United Medical Products Company, Inc., a Minnesota company, and (2) 200,244 shares are to be offered on a 44-for-1 basis for the outstanding Class A and B shares of Spencer Laboratories, Inc., a New Jersey company. The statement also includes (1) 150,000 shares which, after said acquisitions, may be offered for public sale by the company through Andresen & Co. (2) the 147,500 outstanding shares, all or part of which may be offered for sale by the holders thereof, and (3) 25,000 shares underlying 3-year warrants to be sold to the underwriter for \$500, exercisable at \$4.50 per share.

The company was organized under Delaware law in May 1961 under the name of Warfield Pharmaceuticals and shortly thereafter acquired the business and substantially all of the assets of Wynlit Pharmaceuticals, Inc., a New Jersey company. It is engaged in the manufacture and distribution of ethical drugs and pharmaceutical preparations. United Medicals was organized under Minnesota law in March 1961 and (through acquisition of two predecessors) is engaged in the business of inventing, developing, manufacturing and distributing products and devices for use by hospitals, physicians and dentists, and it offers certain services in connection with such products. Spencer is engaged in the development, testing and distribution of ethical drugs and pharmaceutical preparations. Net proceeds from the company's sale of the 150,000 shares will be used as follows: \$40,000 for the purchase of land and construction of a new plant to which the facilities presently operated by the company and the offices of Spencer will be moved; \$860,000 for the introduction and marketing of existing products of the company which are not yet marketed commercially; \$230,000 for research and development of new products; and the balance for working capital.

In addition to certain indebtedness, the company has outstanding the 147,500 shares of common stock, of which Boris Litwin (principal stockholder of the predecessor company), owns 15% and management officials as a group 15.8%. Myron A. Snable is president. After consummation of the acquisitions, it is expected that Spencer M. Fossil will become president of the company and Snable will become secretary and treasurer.

WARNER & SWASEY FILES STOCK PLAN. The Warner & Swasey Company, 5701 Carnegie Avenue, Cleveland, filed a registration statement (File 2-19353) with the SEC on November 27th seeking registration of 10,000 shares of common stock, to be offered pursuant to its Employees' Stock Purchase Plan.

TRANS-PACIFIC RESEARCH & CAPITAL FILES FOR STOCK OFFERING. Trans-Pacific Research & Capital, Inc., Pacific National Bank Bldg., Bellevue, Wash., filed a registration statement (File 2-19354) with the SEC on November 27th seeking registration of 47,000 shares of common stock, to be offered for public sale by Hill, Darlington & Grimm. The public offering price and underwriting terms are to be supplied by amendment. A. Gordon Bennett, president, and John G. Bennett, vice president, have agreed to purchase from the underwriter 85.10% of shares which the underwriter does not sell to the public, but not to exceed 40,000 shares, at a price to be supplied by amendment.

The company was organized under Washington law in June 1961. It is presently engaged in the manufacture of high pressure valves and accessories and in the leasing business through its subsidiaries, World Research & Engineering, Inc., a California company (76.97% owned), and Trans-Pacific Leasing, Inc., a Washington company (100% owned). The company intends to furnish technical and management services to its present subsidiaries and, when and if possible, to acquire majority control of other companies. It may, for its own account, engage in research and production activities. Of the net proceeds from the stock sale, \$200,000 will be loaned to World Research for new equipment for increased production, for a sales promotion program, for increased finished product inventory, and for increased working capital; \$300,000 will be loaned to Trans-Pacific Leasing to increase working capital and provide additional credit base for leasing contracts; and the balance will be used by the company for the general purpose of pursuing any situation or products that it or its subsidiaries may develop and to acquire other enterprises.

In addition to certain indebtedness, the company has outstanding 44,371 shares of common stock, of which Gordon Development Corporation (of which A. Gordon Bennett is president and owner of substantially all of its stock), and Meridian Holdings, Ltd. (of which John G. Bennett is owner of substantially all of its stock) own 19.04% each, and management officials as a group 65.43%. Sale of the additional stock will increase the book equity of present shareholders by some \$3.33 per share and the investment of the public will be reduced (on a book value basis) by some \$4.68 per share.

PYRAMID PUBLICATIONS FILES FOR STOCK OFFERING. Pyramid Publications, Inc., 444 Madison Avenue, New York, filed a registration statement (File 2-19355) with the SEC on November 24th seeking registration of 115,000 shares of common stock, to be offered for public sale through underwriters headed by Milton D. Blauner & Co. Inc. The public offering price and underwriting terms are to be supplied by amendment. The statement also includes 12,000 outstanding shares sold to Milton D. Blauner by the principal stockholders at \$1.05 per share, part of which will be delivered to Maurice Benjamin as a finder's fee.

The company is the successor by consolidation under New York law in 1961 of two New York companies. Almat Publishing Corporation and Pyramid Books, Inc. As successor to the business of these two companies, it is engaged in the publication and sale of pocket-size paperback books, and it also publishes and sells a monthly magazine in the man's adventure field. The net proceeds from the stock sale will be used for expansion of sales program and field staff; for the development of a proposed new science book line "Worlds of Science," including acquisition of properties, cost of initial inventory and promotional costs; for expansion of the Royal Books line for women, payment of indebtedness to officers, retirement of outstanding bank loans; and for working capital, principally to finance purchase of reprint rights to mass-market literary properties, and to conduct special market research particularly in the foreign field.

In addition to certain indebtedness, the company has outstanding 280,000 shares of common stock, having an August 31 book value of \$1.05 per share, of which Alfred R. Plaine, board chairman, and Matthew Huttner, president, own 48% each. Upon said consolidation they each received 110,000 shares, and, pursuant to a subsequent stock dividend, their holdings were increased to 140,000 shares each.

SECURITIES ACT REGISTRATIONS. Effective November 28: Barton Distilling Co. (File 2-19102); The Bin-Dicator Co. (File 2-18753); Knape & Vogt Manufacturing Co. (File 2-18868); March Dynamics, Inc. (File 2-18798); Permanente Cement Co. (File 2-19194); Tropical Gas Company, Inc. (File 2-18858); True Taste Corp. (File 2-18710).

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