

**NEWS DIGEST**

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



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**GOLD LEAF PHARMACAL CO. FILES FOR STOCK OFFERING.** Gold Leaf Pharmacal Co., Inc., 36 Lawton Street, New Rochelle, N. Y., filed a registration statement (File 2-19927) with the SEC on March 13th seeking registration of 80,000 shares of common stock, to be offered for public sale at \$4 per share. The offering will be made on a best efforts all or none basis by Droulia & Co., 25 Broad Street, New York, which will receive a 60¢ per share commission and \$3,000 for expenses. The statement also includes 8,000 shares underlying a four-year option to be granted to the underwriter, exercisable at \$3.40 per share, and 500 shares underlying a like option to be granted to Harry Brandon, finder. The prospectus states that the compensation to the underwriter, giving effect to the sale of all shares, its resale of the 8,000 shares (if sold at \$4 per share), and payment of expenses and other reimbursement, will aggregate \$55,800, or about 22.6% of the net proceeds to be received by the company.

The company is engaged in the business of manufacture, development and sale of pharmaceutical and veterinary products and drug specialties. The \$247,000 estimated net proceeds from the stock sale will be used for advertising, promotion and sales development of products now manufactured (\$125,000), for research and new product development, and to liquidate outstanding bank loans and for working capital. In addition to certain indebtedness, the company has outstanding 122,500 shares of common stock (after giving effect to a recent 1,150-for-1 stock split), of which Max Gold, president, and Irving Levine, board chairman, own 49% each.

**LORAL ELECTRONICS FILES STOCK PLANS.** Loral Electronics Corporation, 825 Bronx River Avenue, New York, filed a registration statement (File 2-19928) with the SEC on March 12th seeking registration of 5,329 shares of common stock, to be offered pursuant to the company's 1959 and 1960 Restricted Stock Option Plans and the Restricted Stock Option Plan of Arco Electronics, Inc., which will convey all of its assets and business to a wholly-owned subsidiary of the company in December 1962.

**TRANSCONTINENTAL GAS PIPE LINE PROPOSES BOND OFFERING.** Transcontinental Gas Pipe Line Corporation, 3100 Travis Street, Box 296, Houston, Texas, filed a registration statement (File 2-19930) with the SEC on March 13th seeking registration of \$40,000,000 of first mortgage pipe line bonds due 1982, to be offered for public sale through underwriters headed by White, Weld & Co., 20 Broad Street, and Stone & Webster Securities Corp., 90 Broad Street, both of New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company owns and operates an interstate pipeline system for the transportation and sale of natural gas. Its main pipeline system extends 1,842 miles from the Texas and Louisiana Gulf Coast to the New York-New Jersey-Philadelphia metropolitan area. The net proceeds from the bond sale will be applied to reduce notes (estimated at \$40,000,000) incurred (or to be incurred) for construction purposes. The company estimates that it will spend about \$107,000,000 after December 31, 1961 in completing construction work which was scheduled at that date. In addition to various indebtedness and preferred stock, the company has outstanding 12,777,602 shares of common stock, of which Stone & Webster, Incorporated (parent of one of the principal underwriters) owns about 11% and management officials as a group 2.6%. E. Clyde McGraw is president.

**CITIES SERVICE FILES THRIFT PLAN.** Cities Service Company, 60 Wall Street, New York, filed a registration statement (File 2-19931) with the SEC on March 12th seeking registration of \$14,125,000 of participations in its Employees Thrift Plan, and 250,000 shares of common stock which may be acquired pursuant thereto.

**ELECTRONIC SPECIALTY SHARES IN REGISTRATION.** Electronic Specialty Co., 5121 San Fernando Road, Los Angeles, filed a registration statement (File 2-19929) with the SEC on March 13th seeking registration of 480,000 shares of 50¢ par common stock and 480,000 shares of no par preferred stock. Such common shares (or the preferred in lieu thereof) may be offered by the company to the shareholders of Iron Fireman Manufacturing Company, an Oregon company, pursuant to the company's proposed acquisition by merger of Iron Fireman. The shareholders of Iron Fireman will have the option to select, on a share for share basis for his holdings of Iron Fireman stock, either common or preferred stock of the company. The number of common shares being registered, therefore, represent the largest number of common shares which may be issued, including shares which may be issued directly in the merger and shares which may be issued subsequent to the merger upon conversion of any preferred shares which Iron Fireman stockholders may elect to receive. The statement also includes (1) 42,626 common shares underlying a 6% convertible promissory note held by the Prudential Insurance Company of America, and (2) 54,280 common shares underlying stock purchase warrants originally issued by D. S. Kennedy & Co., which warrants were assumed by the company upon the merger of D. S. Kennedy into the company in March 1961. All such shares, and shares issued pursuant to the said acquisition of Iron Fireman, may be sold from time to time by the holders thereof on the New York or Pacific Coast Stock Exchanges, or otherwise, at prices current at the time of sale.

The business of the company consists of (1) the design, development, manufacture and sale of a wide variety of electronic systems and components, most of which are used in aircraft, missiles or satellites or in related ground support or control equipment, (2) research, development and consultation relating to the

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preliminary design and analysis of weapons, countermeasures and related systems, (3) the design and manufacture of tracking antennas and related equipment, and (4) the engineering and fabrication of transmission towers and switchyard structures for the electric utility industry. Iron Fireman produces sensitive relays and displacement type gyroscopes; aircraft, missile and other miscellaneous machined parts requiring the use of metal-working equipment; and heating equipment for residential, commercial and industrial applications. In addition to certain indebtedness, the company has outstanding 885,768 shares of common stock. The list of principal stockholders is to be supplied by amendment. William H. Burgess is president; and Lewis J. Cox, president of Iron Fireman, will become a vice president of the company after the merger.

**JACKSON'S/BYRONS ENTERPRISES FILES FINANCING PLAN.** Jackson's/Byrons Enterprises, Inc., 29 N.W. 10th Street, Miami, Fla., filed a registration statement (File 2-19932) with the SEC on March 13th seeking registration of (1) \$750,000 of convertible subordinated debentures due 1977, and (2) 120,000 shares of Class A common stock, of which 66,666 shares are to be offered for public sale by the company and 53,334 shares, being outstanding stock, by the holders thereof. Such securities are to be offered through underwriters headed by Clayton Securities Corp., 147 Milk Street, Boston. The interest rate on the debentures, public offering price of both issues (maximum \$12.50 per Class A share\*) and underwriting terms are to be supplied by amendment. The statement also includes 6,000 outstanding Class A shares to be sold to the principal underwriter by the selling stockholders and 4,000 shares to Floyd D. Cerf, Jr. Company, all at \$1 per share. The company and selling stockholders have also agreed to pay the Cerf firm an aggregate of \$45,000 for financial advice and services.

The company and its subsidiaries are engaged in the operation of a chain of retail department stores offering a wide variety of popular to medium-priced clothing and other department store merchandise. The net proceeds from the sale of the debentures and additional common stock by the company will be used to retire loans (\$438,626 at December 1961) payable to Leonard Barr, president, and Samuel Lipton, vice president, and companies they control, and the balance will be added to working capital. In addition to certain indebtedness, the company has outstanding 120,000 Class A and 120,000 Class B common shares (after giving effect to a recent recapitalization whereby such shares were issued in exchange for the 2,935 common shares then outstanding). Barr and Lipton own 34% and 36%, respectively, of the Class A and 37%, and 40%, respectively, of the Class B stock. They propose to sell 19,971 and 22,213 Class A shares, respectively, and three members of their immediate families propose to sell an aggregate of 11,150 of 22,544 Class A shares owned. Said three persons also own an aggregate of 21% of the outstanding Class B stock.

**SCHAEVITZ ENGINEERING FILES FOR OFFERING AND SECONDARY.** Schaevitz Engineering, U. S. Route 130, Pennsauken, N. J., filed a registration statement (File 2-19933) with the SEC on March 13th seeking registration of 150,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 50,000 shares, being outstanding stock, by Herman Schaevitz, president and principal stockholder. Bear, Stearns & Co., One Wall Street, New York, heads the list of underwriters. The public offering price (maximum \$10 per share\*) and underwriting terms are to be supplied by amendment.

The company designs and manufactures measuring, indicating, recording, testing and controlling devices which are incorporated in electronic, mechanical and hydraulic systems used as integral components of control systems for aircraft and missiles and in the fields of electronic gauging for the purpose of measuring various physical phenomena. It also designs, manufactures and sells rotary accelerators (centrifuges) which are used in testing the performance of products under extreme environmental stresses. The company has recently organized two new divisions. The Electronic Service Division will perform maintenance and modernization of sophisticated electronic systems for the Armed Forces, and will furnish certain field engineering services; and the Electronic Systems Division will seek Department of Defense programs for the design, prototyping and production of electronic systems, such as communications receivers and transmitters and data recording and analysis equipment. Of the net proceeds from the company's sale of additional stock, \$250,000 will be used in establishing a subsidiary in California to sell and service existing products and for complementing the two new divisions, \$150,000 to acquire electronic testing and related equipment and to expand the facilities of the new Service Division, \$150,000 for use by the Systems Division for purchase of equipment and employment of personnel, and the balance for expansion of Schaevitz Testing Laboratories, a subsidiary, and for general corporate purposes. In addition to certain indebtedness, the company has outstanding 945,220 shares of common stock, of which Schaevitz owns 88.4% (and proposes to sell the 50,000 shares).

**DIRECTORY OF REPORTING COMPANIES.** The SEC today announced the publication of a directory of companies required to file annual reports with the Commission. The list of companies is presented alphabetically and classified by industry groups. The directory covers 3,999 issuers which file annual reports with the Commission (but does not include investment companies). Copies of the directory will be available on or about March 15, 1962, from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. Price \$1.25 per copy. In addition, copies of the directory are available for public inspection at the Central Office and the Regional and Branch Offices of the Commission.

**SECURITIES ACT REGISTRATIONS.** Effective March 14: A. J. Armstrong Co., Inc. (File 2-19773); Berkshire Frocks, Inc. (File 2-19683); Data-Control Systems, Inc. (File 2-19576); Pepsi-Cola General Bottlers, Inc. (File 2-19795); Rockower Brothers, Inc. (File 2-19651); Star Market Co. (File 2-19270); Volume Distributors, Inc. (File 2-19340). Withdrawn March 12: Professional Life & Casualty Co. (File 2-16068). Withdrawn March 14: P-G Products Manufacturing Co., Inc. (File 2-19115).

\*As estimated for purposes of computing the registration fee.