

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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FOR RELEASE May 16, 1962

PAULINE ZIPPERMAN REGISTRATION REVOKED. The SEC has issued an order under the Securities Exchange Act (Release 34-6804) revoking the broker-dealer registration of Pauline Zipperman, doing business as German American Trading Company, of 205 E. 85th St., New York. The revocation order was based on Commission findings that Zipperman together with or aided and abetted by her general manager, Albert R. Kevet, violated the Securities Act registration requirement in the sale of 2500 shares of American States Oil Co. at about \$6 per share to some 70 public investors. Such sales were made in behalf of Robert Pratt and Harry Orner as nominees for J. Tom Grinnett; and, as Zipperman and Kevet knew, Grinnett and his agents had been enjoined by Federal court order from sales of American States Oil stock in violation of said registration requirement. Zipperman also was found by the Commission to have violated the SEC record-keeping requirements. The Commission also found Kevet to be a cause of the revocation order. Both consented to the issuance of the Commission's order.

BRYLE LERNER EMPLOYMENT CLEARED. The SEC has issued an order under the Securities Exchange Act (Release 34-6805) granting a NASD application for continuance of California Investors in membership with Bryle Lerner in its employ. In May 1955 Lerner was convicted in California of violating the California Corporation Securities Act in connection with the sale of stock of a company of which Lerner was an officer for which no State permit had been issued. Subsequently, in 1958, the California Commissioner of Corporations granted Lerner a license to act as a securities salesman in California; and the State court set aside Lerner's guilty plea, terminated the probationary period imposed upon and dismissed the case against him. Because of these and other extenuating circumstances, the Commission concluded that it was appropriate to grant the NASD application.

GEMCONN ASSOCIATES FILES FOR OFFERING. Gemconn Associates, 565 Fifth Avenue, New York, filed a registration statement (File 2-20371) with the SEC on May 14th seeking registration of \$713,568 of limited partnership interests, to be offered for public sale at \$5,000 per interest.

Gemconn, a partnership, was organized under New York law in April 1962 with John D. Bussel, Elliot S. Gross, Simeon F. Gross and George Zuckerman as general partners and Mildred Jarcho as the limited partner. The partnership proposes to acquire the ownership of the property consisting of about 15 acres in Newington, Conn. on which is situated a G.E.M. International Inc. retail discount department store, a service station and dry cleaning plant. The premises will be subject to a net lease with a subsidiary of G.E.M. International. The general partners in February contracted to purchase the premises for a total price of \$1,568,568, consisting of \$718,568 in cash above an institutional first mortgage of about \$850,000. The general partners paid \$50,000 upon the signing of the contract and deposited an additional \$50,000 on April 30th. The \$618,568 balance is to be paid at closing. The net proceeds from the sale of the interests will be applied to the purchase price (including refund of the \$100,000 deposit to the general partners). The general partners have assigned the contract to the partnership and have received \$168,000 in subordinated general partnership interest. The original limited partner has contributed \$5,000 to the partnership.

PROSPERITY CLEANERS FILES FOR SECONDARY. Prosperity Cleaners & Launderers, Inc., 48-12 25th Street, Astoria, Queens, N. Y., filed a registration statement (File 2-20373) with the SEC on May 15th seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Edwards & Hanly, 100 North Franklin Street, Hempstead, N. Y. The public offering price (maximum \$5.50 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 15,000 shares underlying 5-year warrants sold to the underwriter by the company for \$150, exercisable at \$5.50 per share, and 5,000 shares underlying like warrants sold to Delegor, Inc., as a finder's fee, for \$50.

The company operates a chain of 104 retail stores in Queens and Brooklyn in New York City and in Nassau County, offering dry-cleaning, laundering and related services. It has outstanding 300,000 shares of common stock, after giving effect to a recent recapitalization whereby such shares were issued in exchange for the 2,333 preferred shares (\$100 par) and 70 common shares then outstanding (excluding about 666 preferred and 20 common shares then outstanding which were acquired by the company for \$300,000 from a brother of the company's president). Of such outstanding stock, John Pardi, president, owns 252,000 shares and proposes to sell the 100,000 shares. Violet Pardi, as trustee for the sons of John Pardi, owns 48,000 shares.

INDEPENDENT TELEPHONE FILES STOCK PLAN. Independent Telephone Corporation, 1725 K Street, N. W., Washington, D. C., filed a registration statement (File 2-20374) with the SEC on May 15th seeking registration of 50,000 shares of common stock, to be offered pursuant to its Employees' Stock Purchase Plan.

OVER

COMMERCIAL TRUST FILES FOR STOCK OFFERING. The Commercial Trust Company, 66 Pryor Street, N.E., Atlanta, Ga., today filed a registration statement (File 2-20375) with the SEC seeking registration of 150,000 shares of common stock, to be offered for public sale through underwriters headed by F. S. Moseley & Co., 135 South LaSalle Street, Chicago, and Courts & Co., 11 Marietta St., N. W., Atlanta, Ga. The public offering price (maximum \$13 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 47,619 common shares issuable upon conversion of the company's outstanding \$500,000 of 6-3/4% convertible junior subordinated notes due 1972, presently held by The First Electronics Fund and The First Electronics Fund-2.

The operations of the company consist primarily of (1) administration (servicing) of mortgage loans for institutional investors, (2) originating and acquiring mortgage loans for sale to institutional investors, (3) the consumer loan (small loan) business and the sale, as agent or broker, of insurance incidental to the consumer loan business, and (4) servicing and financing activities involving mortgage loans secured by "shell housing." The company also serves as custodian and escrow agent and exercises trust powers. The net proceeds from the stock sale, together with the proceeds from the sale of \$2,300,000 of senior and subordinated notes and certain bank borrowings, will be used as follows: \$6,508,223 to pay certain secured current indebtedness to banks and financial institutions; \$1,027,070 (plus interest) to pay long-term secured notes payable to insurance companies; and \$204,000 (plus interest) to pay subordinated indebtedness.

In addition to various indebtedness, the company has outstanding 199,239 shares of common stock, of which Etheridge & Vanneman, Inc. owns 64% and management officials as a group 23%. Donald K. Vanneman, board chairman and president of the company, and Hilda D. Vanneman, his wife, are the principal stockholders of Etheridge & Vanneman.

SECURITIES ACT REGISTRATIONS. Effective May 16: Amecana Properties Trust (File 2-19871); Barton Instrument Corp. (File 2-19891); Champion Parts Rebuilders, Inc. (File 2-19743); Federal Kemper Life Assurance Co. (File 2-19682); First Charter Financial Corp. (File 2-20252); New England Electric System (File 2-20237); Texas Gas Transmission Corp. (File 2-20215); Transogram Company, Inc. (File 2-19946). Withdrawn May 16: Glass-Tite Industries, Inc. (File 2-19009); North Atlantic Industries, Inc. (File 2-18968).

*As estimated for purposes of computing the registration fee.

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