

# 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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**SPEAR & STAFF CITED.** Upon the basis of allegations by its staff, the SEC has ordered proceedings under the Investment Advisers Act of 1940 to determine whether Spear & Staff, Inc., an investment adviser with offices at 8 Babson Park Ave., Babson Park, Wellesley Hills, Mass., and its president, Roger E. Spear, who also is registered individually as an investment adviser with offices at the same Babson Park address, engaged in activities violative of provisions of the Advisers Act and, if so, whether any remedial action is necessary or appropriate in the public interest. The allegations relate to advertisements by the respondents which the staff asserts to be false and misleading and of a "flamboyant and lurid" nature.

A hearing for the purpose of taking evidence on the staff charges will be held at a time and place later to be announced.

**CHARVOZ-CARSEN FILES FOR OFFERING.** Charvoz-Carsen Corporation, 50 Colfax Ave., Clifton, N. J., filed a registration statement (File 2-21836) with the SEC on October 29 seeking registration of 100,000 shares of common stock to be offered for public sale at \$5.50 per share. The offering is to be made on a "best efforts" basis by Arnold, Wilkens & Co., Inc., of New York City, which will receive a selling commission of \$.6875 per share. The statement also includes 12,750 five-year warrants to purchase a like number of common shares, which warrants are to be sold to the underwriter at 1¢ per warrant and will be exercisable at \$5.50 per share.

The company was organized in August 1963 to acquire all the outstanding stock of Charvoz-Roos Corporation (NJ), Fennel Instrument Corporation (NY) and Unitech Corporation (NJ), which are engaged in the distribution of engineering, surveying and drafting instruments and supplies in the United States. A Canadian subsidiary of Charvos-Roos, W. Carsen Co. Limited, is engaged in the distribution in Canada of photographic equipment and supplies and optical instruments, and has recently commenced Canadian distribution of drafting instruments. Net proceeds of the proposed stock sale will be used in part (\$325,000) to repay a bank loan obtained in connection with the acquisition of Carsen and affiliates; and the balance will be applied in reduction of the amount due on account of the purchase price of said shares. The company now has outstanding 155,000 common shares, which were issued to Emile N. Bernard, president, and Walter Feldman, vice president, in exchange for the stock of the three acquired companies. These shares had a book value of \$2.05 on July 31, 1963.

**IMPERIAL '400' NATIONAL FILES FOR OFFERING.** Imperial '400' National, Inc., 460 Sylvan Ave., Englewood Cliffs, N. J., filed a registration statement (File 2-21837) with the SEC on October 29 seeking registration of \$1,150,000 of 6½% Convertible Subordinated Debentures due 1978 and 69,000 outstanding shares of common stock. It is proposed to offer these securities for public sale in units, each consisting of \$100 of debentures to be offered by the company and 6 common shares to be offered by the holders thereof. The public offering price and underwriting terms are to be supplied by amendment. P. W. Brooks & Co., Inc., 120 Broadway, New York, is listed as the principal underwriter. The company has agreed to sell to Brooks & Co. for \$550, warrants to purchase 55,000 common shares (the exercise price of the warrants which expire in 1968, is to be supplied by amendment).

The company is engaged in the business of developing and operating, on a co-ownership basis, a chain of motels under the name "Imperial '400' Motels." After the company has completed a motel so that it is ready for guest occupancy, the company generally enters into a partnership with a co-owner who has purchased from the company up to a 50% interest in the motel and who will reside at the motel and conduct its day-to-day operation under the company's supervision. A few motels in the chain are wholly-owned by the company and are operated by it directly or by others under a combined lease-license arrangement. By September 30, 1963 a total of 68 motels had been opened, principally in the western half of the country, an additional 19 motels were in various stages of construction, 8 additional sites for motels had been acquired upon which construction was expected to commence in the near future and 16 additional sites were under contract to lease or purchase. Net proceeds from the sale of debentures by the company will be used initially for working capital to reduce the company's requirements for temporary borrowings in connection with the development and construction of new motels but the company anticipates that these proceeds will be eventually invested in additional motels. None of the proceeds of the sale of the 69,000 common shares will be received by the company.

In addition to indebtedness and preferred stock, the company now has outstanding 1,086,122 shares of common stock, of which management officials own 35.2%. Of the outstanding stock, Bernard Whitney, president, and Robert B. Boyd, administrative vice-president, own 266,900 shares and 115,600 shares, respectively; and an additional block of 266,900 shares is owned by Leslie N. Aikman, of Beverly Hills, Calif. The respective amounts to be sold by them in this offering are to be supplied by amendment.

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**INSURANCE CITY LIFE PROPOSES RIGHTS OFFERING.** Insurance City Life Company, 919 No. Michigan Ave., Chicago, filed a registration statement (File 2-21838) with the SEC on October 29 seeking registration of 494,100 shares of capital stock. It is proposed to offer these shares for subscription at \$3.25 per share by stockholders of record on February 26, 1963, on a one-for-one basis. This offering was contemplated by a March 1963 agreement pursuant to which the company and United Equity Life Insurance Co. were merged (in June 1963), and it is being made only to record owners on February 26, 1963 pursuant to said merger agreement.

The company engages in a general insurance business. Net proceeds of this financing will enable the company to expand its business by opening general agencies in all states in which it is licensed to do business. The company now has outstanding 1,192,415 shares of stock, of which 80.9% is owned by United Equity Corporation. Charles E. St. Louis, president and board chairman of the company, and four other company directors, are principal stockholders of United Equity.

**MUSICARO BROS. PROPOSES OFFERING.** Musicaro Bros., Inc., 40 Brooklyn Ave., Massapequa, N. Y., filed a registration statement (File 2-21839) with the SEC on October 29 seeking registration of 50,000 shares of common stock to be offered for public sale at \$6.00 per share. The offering is to be made on a best efforts basis by Fleetwood Securities Corporation of America, 44 Wall St., New York, for which a 60¢ per share selling commission is payable (plus 16¢ per share for expenses). The company also has agreed to sell 7,500 5-year warrants to the underwriter (at 1¢ per warrant) for the purchase of a like amount of common shares, exercisable at \$3 per share. Of these warrants, 2,500 are to be sold to Arthur J. Frumkes for his service in arranging the financing.

The company is engaged in the manufacture and sale of frozen foods specializing in Italian style cooking. Net proceeds will be applied as payments become due in connection with the N.Y. World's Fair contracts, for purchase of equipment, and as working capital. The company now has outstanding 100,000 common shares, held in equal amounts by John Musicaro, president and Solly A., Dominick and Vincent T. Musicaro, company officers.

**KINEMOTIVE CORP. PROPOSES OFFERING.** Kinemotive Corporation, 2 Engineers Lane, Farmingdale, L.I., N.Y., filed a registration statement (File 2-21840) with the SEC on October 29 seeking registration of 50,000 shares of common stock. The stock is to be offered for public sale at \$6.50 per share by Andresen & Co., 30 Broad St., New York, which will receive a 40¢ per share commission.

The company is engaged in the design, manufacture and sale of deposited metal bellows and basic assemblies therefor. Net proceeds of its sale of additional stock will be used for additional equipment, sales development and working capital. The company now has outstanding 145,500 common shares, of which 50.52% is owned by management officials (including 30,000 shares each by Louis Bucalo and Charles D. Cole, vice presidents). William A. Woodcock is president.

**AMERICAN REALTY TRUST PROPOSES RIGHTS OFFERING.** American Realty Trust, 608 13th St., N. W., Washington, D. C., 20005, filed a registration statement (File 2-21841) with the SEC on October 29 seeking registration of 132,300 shares of beneficial interest in the Trust. The Trust proposes to offer these shares for subscription by holders of outstanding shares, at the rate of one new share for each four shares held of record on November 27, 1963. The subscription price (maximum \$11 per share\*) and underwriting terms are to be supplied by amendment. Stifel, Nicolaus and Co. Inc., 314 North Broadway, St. Louis, is listed as the principal underwriter.

The Trust was organized in July 1961 and has elected to qualify as a "real estate investment trust" under the Internal Revenue Code of 1954, as amended. It is managed by eleven Trustees as a group, but in accordance with the requirements of the said Code the Trust has all of its real property interests managed by independent contractors. Of the net proceeds of this financing, \$800,000 will be used to repay the obligation to the American Security and Trust Company (D.C.) (due March 1, 1964, and may be paid prior thereto); and the balance will be invested by the Trustees in qualified assets. The funds borrowed from American Security were used in connection with the acquisition of the Jefferson Hotel and adjacent property (in D.C.) and also the Hammarlund Manufacturing Company property (Mars Hill, N. Car.). The prospectus lists Thomas J. Broyhill as president and board chairman of the Trust. The Trustees and officers as a group own 2.8% of the outstanding Trust shares.

**SECURITIES ACT REGISTRATIONS. Effective October 29:** Commonwealth Edison Co. (File 2-21794).  
**Effective October 30:** C. Brewer and Co., Ltd. (File 2-21759); General Motors Acceptance Corp. (File 2-21800); Southern Industries Corp. (File 2-21576); Subscription Television, Inc. (File 2-21653); Thor Power Tool Co. (File 2-21694).

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

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