

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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EQUITY FUNDING OF AMERICA FILES RESCISSION OFFER. Equity Funding Corporation of America, 9601 Wilshire Blvd., Beverly Hills, Calif., filed a registration statement (File 2-22815) with the SEC on September 28 seeking registration of 2,113,425 shares of 10¢ par common stock and 25,000 shares of 15¢ par common. According to the prospectus, such shares were sold between March 1961 and September 1962 in violation of the California securities laws; and the company proposes to make a rescission offer to the holders of such stock. Holders of 1,212,678 shares of the 10¢ par stock are management officials and their immediate families, who have advised the company that they will not rescind. The rescission offer is required by the California Commissioner as a condition to his approval of a proposed reverse-split recapitalization under which new 30¢ par common will be issued for outstanding 10¢ and 15¢ par common; and it is considered a necessary preliminary to a financing proposal which contemplates the private placement of capital notes and the public sale of common stock.

The company is primarily engaged in the sale of mutual fund shares and life insurance, either separately or in coordinated acquisition plans. In addition to indebtedness, it has outstanding 750,344 common shares (adjusted to reflect the proposed issuance of 30¢ par common pursuant to the reverse-split recapitalization). Stanley Goldblum is president.

CHARTER OAK LIFE INS. PROPOSES OFFERING. Charter Oak Life Insurance Company, 411 N. Central Ave., Phoenix, Ariz., filed a registration statement (File 2-22817) with the SEC on Sept. 28 seeking registration of 400,000 shares of Class A common stock, to be offered for public sale at \$1 per share through company officials and licensed securities salesmen, who will receive a 15¢-per-share selling commission. The registration statement also includes 119,288 common shares which the company is making available pursuant to prior option agreements, at \$2 per share, to Foundation policyholders of Charter Oak Insurance Company (an affiliated benefit insurer) and to holders of certain insurance policies issued by Cosmopolitan Life Insurance Company. According to the prospectus, the company effected a plan of recapitalization on September 28, 1964 and is consequently encouraging the holders of such option agreements to purchase (in lieu of the common stock) two shares of Class A common at \$1 per share.

The company is an unlimited capital stock legal reserve insurer. The prospectus indicates that it showed a net gain of \$1,131 for the first half of 1964; however, during the three years ending December 31, 1963, it operated at a loss of \$197,760, due in part to payment of dividends to policyholders of \$99,653. Net proceeds from its stock sale will be added to capital and surplus and used in the conduct of its business. Pursuant to the recapitalization on September 28th, the company has outstanding 22,592 Class A common and 514,084 Class B common shares. Management officials own 17.52% of the outstanding Class B stock. Alfred S. Hanson is president.

CONTINENTAL INDEPENDENT TELEPHONE PROPOSES OFFERING. Continental Independent Telephone Corporation, 130 S. Bemiston, St. Louis, filed a registration statement (File 2-22819) with the SEC on September 29 seeking registration of 700,000 shares of common stock, to be offered for public sale through underwriters headed by E. F. Hutton & Co. Inc., One Chase Manhattan Plaza; Allen & Co., 30 Broad St.; and Burnham and Co., 60 Broad Street, all of New York. The public offering price (\$17 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was organized in 1960 to acquire controlling interests in telephone operating properties, and it now controls 110 of such properties. Net proceeds from its stock sale will be used to repay bank loans incurred in connection with its acquisitions and its investments in and advances to subsidiaries. In addition to indebtedness and preferred stock, the company has outstanding 3,438,585 common shares. Phillip J. Lucier is president.

JIFFY STEAK PROPOSES DEBENTURE OFFERING. Jiffy Steak Company, Saltsburg, Penn., filed a registration statement (File 2-22823) with the SEC on September 29 seeking registration of \$1,750,000 of 6% sinking fund debentures due 1979. The debentures are to be offered for public sale, at 100% of principal amount, through Arthurs, Lestrangle & Co., 2 Gateway Center, Pittsburgh, and The Ohio Company, 51 N. High St., Columbus, Ohio, which will receive a 5% commission.

The company processes and packs frozen meat and frozen meat products, which it sells to customers, and also processes and packs certain of its products for sale by wholly owned subsidiaries (Illinois Jiffy Steak Company, Flash-O-Freeze Meats, Inc., and Patti-Pak Steak Company), which market the products under their respective brand names. It is also developing retail marketing outlets for its products through subsidiaries operating drive-in restaurants under the trade name "Winkys". Of the net proceeds from its stock sale, \$150,000 will be used to pay a 5% note; approximately \$500,000 will be used to replenish working capital expended in the construction and equipping of eleven "Winkys" subsidiaries; about \$850,000 will be applied to the development of additional "Winkys" markets; and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 801,108 common shares, as adjusted to reflect a recapitalization effected on September 25, 1964 changing its \$1.25 par value common stock to \$.625 par value. Management officials as a group own 77.59% of the outstanding stock. Samuel J. Erenstein is president.

OVER

BERKEY PHOTO FILES FOR OFFERING AND SECONDARY. Berkey Photo, Inc., 842 Broadway, New York, filed a registration statement (File 2-22824) with the SEC on September 30 seeking registration of 375,000 shares of common stock. Of this stock, 250,000 shares are to be offered for public sale by the company and 125,000 shares (being outstanding stock) by the present holders thereof. The public offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment. Shearson, Hammill & Co. Inc., 14 Wall St., New York, is listed as the principal underwriter.

The company is engaged in the processing of photographic film, the importing and distributing of photographic equipment and supplies, the operation of retail camera stores, and the manufacture of photographic and graphic arts equipment. Net proceeds from its sale of additional stock will be applied as follows: \$1,800,000 to repay its short-term bank borrowings, \$500,000 to prepay the company's outstanding 5½% notes, \$700,000 to finance plant additions and improvements, and the balance for general corporate purposes including acquisition of other businesses. In addition to indebtedness, the company has outstanding 1,099,665 common shares, of which management officials as a group own 47% (including 34% owned by Benjamin Berkey, president). The selling stockholders are listed as Berkey, offering 100,000 of 371,933 shares held, and Paul Klingenstein, vice president, offering 25,000 of 97,232 shares.

TWO STOCKS DELISTED. The SEC has issued orders granting (1) an application of the New York Stock Exchange to delist the common stock of Holland Furnace Company, and (2) a similar application of the Midwest Stock Exchange to delist the common stock of Continental Steel Corporation, both effective at the opening of business on October 6, 1964. According to the former application, Holland Furnace has operated at losses in the last three fiscal years averaging \$3,212,092 per year. There has been no trading on Midwest in the securities of Continental Steel since 1961, and its shares remain listed on the New York Stock Exchange. (Release 34-7434).

UNLISTED TRADING GRANTED. The SEC has issued orders granting (1) applications of the Boston Stock Exchange for unlisted trading privileges in the common shares of American Natural Gas Corporation and Leeson Corporation and (2) an application of the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the common stock of American Potash & Chemical Corporation and U. S. Borax & Chemical Corporation (Release 34-7434).

COMPLAINT NAMES GEORGE E. HEDGES, SR. The SEC Fort Worth Regional Office announced (LR-3039) the filing of a complaint (USDC, Wichita, Kansas) on September 29 seeking to enjoin George E. Hedges, Sr., of Cherryvale, Ks., from further violations of the Securities Act registration provisions in the sale of oil and gas interests in Montgomery and LaBette Counties, Ks.

APL CORP. FILES FOR SECONDARY. APL Corporation, 557 Wortman Ave., Brooklyn, N. Y., filed a registration statement (File 2-22818) with the SEC on September 28 seeking registration of 29,500 outstanding shares of common stock, which may be offered for public sale from time to time by the present holders thereof on the American Stock Exchange at prices prevailing at the time of sale (\$6.50 per share maximum*).

The company's business consists of rack jobbing (the sale and servicing of non-food merchandise to supermarkets) and the design and production of plastic houseware products and advertising and promotional specialties. According to the prospectus, the company operated at a loss of \$479,311 during fiscal 1963, such losses being incurred in its rack jobbing operations. The company attributes the losses primarily to expenses incurred in connection with the integration of rack jobbing businesses acquired and with the move of the warehouse and central office operations of such businesses into a new warehouse in Linden, N. J. In addition to indebtedness, the company has outstanding 1,100,942 common shares, of which management officials as a group own 34.9%. The selling stockholders are listed as Bernard L. Schwartz (senior vice president), Raymond Zager (vice president), and Samuel Fishman (vice president), who are offering an aggregate of 23,000 shares sold to them in 1962 by another company official. In addition, Abraham Friedman and Zager are offering a total of 6,500 shares issued in the company's acquisition of Supermarc, Inc. Harold L. Schwartz, Jr., is board chairman and A. Harry Fishman is president.

MOEL, INC., OTHERS RESTRAINED. The SEC San Francisco Regional Office announced (LR-3040) the entry of an order (USDC Arizona) temporarily restraining Moel, Inc., Clarence Mitchell, Grace G. Mitchell and Elgin L. Kriewald from further violations of the Securities Act in the sale of Moel, Inc., stock.

SECURITIES ACT REGISTRATIONS. Effective October 1: Citizens Life Insurance Company of New York (File 2-22577); Columbia Broadcasting System, Inc. (File 2-22625); Quality National Corp. (File 2-21714).

*As estimated for purposes of computing the registration fee.