

# 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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**Statistical Release No. 1695.** The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended July 29, 1960, for the composite and by major industry groups compared with the preceding week and with the high and lows for 1960, is as follows:

	1939 - 100		Percent Change	1960	
	7/29/60	7/22/60		High	Low
Composite	394.1	389.4	+1.2	432.5	388.8
Manufacturing	466.7	458.2	+1.9	538.9	458.2
Durable Goods	447.9	438.8	+2.1	521.6	438.8
Non-Durable Goods	474.8	467.1	+1.6	544.4	467.1
Transportation	284.4	282.5	+0.7	329.3	282.5
Utility	238.5	239.4	-0.4	242.3	216.1
Trade, Finance & Service	448.6	451.2	-0.6	471.8	414.7
Mining	245.6	240.7	+2.0	299.7	240.7

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended July 29, 1960, 50 registration statements were filed, 36 became effective, 3 were withdrawn, and 318 were pending at the week end.

**SMALL BUSINESS INVESTMENT REPORTING FORM ADOPTED.** The SEC has adopted a new Form N-5R under the Investment Company Act of 1940 and the Securities Exchange Act of 1934 (Release 40-3085 and 34-6329), prescribed as the SEC annual report form for small business investment companies licensed under the Small Business Investment Act of 1958. The new form is a combination form which will enable a small business investment company to file a single annual report meeting the annual reporting requirements of the Investment Company Act and the reporting requirement for companies whose securities are listed on exchanges or which have undertaken to file reports keeping current the information contained in their Securities Act registration statements proposing the public offering of securities. It permits such companies to meet the Commission's requirements as to financial statements by filing copies of their annual financial report to the Small Business Administration.

**E. A. BURKA FILES GUILTY PLEA.** Edward A. Burka, president of E. A. Burka, Inc., District of Columbia investment firm, filed a plea of guilty on July 29, 1960, to an Information charging violations of the anti-fraud provisions of the Securities Act and grand larceny, according to announcement by the SEC Washington Regional Office that day (LR 1738).

**COLUMBIA GAS PROPOSES SURETY BOND.** The Columbia Gas System, Inc., New York holding company, has applied to the SEC under the Holding Company Act for an order authorizing it to act as surety on a \$150,000 bond which may be required of its subsidiary, Cumberland and Allegheny Gas Company, in connection with the subsidiary's application to the Public Service Commission of West Virginia for an increase in gas rates; and the Commission has issued an order (Release 35-14263) giving interested persons until August 15, 1960, to request a hearing thereon.

**TECHNICAL MEASUREMENT PROPOSES OFFERING.** Technical Measurement Corporation, 441 Washington Ave., North Haven, Conn., filed a registration statement (File 2-16864) with the SEC on July 29, 1960, seeking registration of 120,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on an all or none basis by Pistell, Crow, Inc., which will receive a commission of 50¢ per share. As additional compensation, the company has granted the underwriter a three-year option to purchase an additional 30,000 shares at \$5 per share.

The company was organized pursuant to Delaware law on June 28, 1960, and on June 30th acquired all the outstanding stock of a Connecticut corporation of the same name from Robert M. Ghen, president, and

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Donald S. Davidson, Lincoln Henthorn, and Charles F. Hewitt, officers, which officials received all the outstanding 480,000 common and 1,876 preferred shares of the new company in exchange for their holdings of the predecessor's common and preferred shares. The company's business involves the manufacture and sale of electronic equipment principally multi-channel, digital computers. Net proceeds of the sale of the additional stock will be used to repay outstanding bank loans, to purchase about \$75,000 of equipment and fixtures for its engineering laboratory, its printed circuit department and machine shop to expand the company's research and development program at an estimated cost of \$80,000, and to supplement working capital. The bank loans were used to purchase new equipment and fixtures and for working capital purposes. Of the outstanding common stock, Ghen, Davidson and Hewitt own 141,176 shares each and Henthorn 56,472. Hewitt owns directly or indirectly all the 1,076 shares of \$10 par preferred.

REPUBLIC STEEL FILES FOR DEBENTURE OFFERING. Republic Steel Corporation, Cleveland, O., today filed a registration statement (File 2-16870) with the SEC seeking registration of \$125,000 of Sinking Fund Debentures due 1985, to be offered for public sale through an underwriting group headed by First Boston Corporation and Merrill Lynch, Pierce, Fenner & Smith, Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment. According to the prospectus, Republic Steel "is engaged in a capital improvement program designed to provide greater efficiency and versatility in its operations. During the 10-year period 1950-59, the Corporation made capital expenditures of approximately \$694,000,000 principally to increase its ingot capacity . . . and to make other improvements in its properties. The purpose of the current program is to take full advantage of this expanded ingot capacity by replacing and supplementing certain rolling and finishing facilities, by modernizing and expanding coke-making and coal chemical facilities and by mechanizing coal-producing facilities. The program may also result in a small increase in ingot capacity. The Corporation estimates that expenditures from June 30, 1960, through 1964 for the current program will amount to approximately \$375,000,000 excluding normal capital expenditures averaging about \$18,000,000 per year." The net proceeds of this financing together with such bank borrowings as may be required, will be added to the company's general funds and used for this program.

NATIONAL CASH REGISTER FILES STOCK PLAN. The National Cash Register Company, Main and K Streets, Dayton, today filed a registration statement (File 2-16868) with the SEC seeking registration of 157,500 shares of common stock, to be issued to eligible employees under and pursuant to the company's Restricted Stock Option Plan.

INTERNATIONAL DIODE FILES FOR OFFERING. International Diode Corporation, 90 Forrest Street, Jersey City, N.J., filed a registration statement (File 2-16867) with the SEC on July 29, 1960, seeking registration of 42,000 shares of 6% non-cumulative convertible preferred stock, to be offered for public sale at \$8.00 per share through Ernst Wells, Inc. on a best efforts basis. In addition to 96¢ commission per share sold, the underwriter will receive expenses in an amount not to exceed \$15,000.

The company was organized under New Jersey law in August, 1959. It is engaged in the business of manufacturing and selling diodes. In October 1959 it acquired from its president, Peter Toong, the assets and business of Qutronic Semi-Conductor Corporation, by whom Toong had been employed in connection with the development and manufacture of diodes. Upon liquidation of Qutronic, Toong received the 100 shares of International stock issued for these assets. Toong also assigned to International all his interest in certain special processes for the manufacture of diodes and received an additional 100 shares therefor. Upon a subsequent recapitalization, these 200 shares were converted into 359,050 shares, held by Toong and members of his family. Thereafter, a group consisting of Marvin Hayutin and others, including the owner of the present underwriter, undertook to raise at least \$250,000 through a private and a public offering; and pursuant thereto 39,416 shares of stock were sold at \$3 per share to 16 persons for investment. In May 1960 Toong sold 56,471 shares to the group at 1/20¢ per share; and in June 1960 he sold an additional 56,475 shares on the same terms to the same group in anticipation of its undertaking to raise the balance of \$125,000 through a public offering. The net proceeds from the stock sale will be used to finance the establishment of a staff of production and sales engineers, to finance new product development, to purchase additional equipment and to add to working capital.

The company has outstanding 400,766 shares of common stock, of which Peter Toong, president, owns 164,507 shares and, as trustee for members of his family, holds 75,134 shares. Five members of the Hayutin family, promoters of the company, own an aggregate of 40,089 shares; and the company's officers and directors as a group own 239,641 shares.

VENDO PROPOSES DEBENTURE OFFERING. The Vendo Company, 7400 East 12th Street, Kansas City, Mo., filed a registration statement (File 2-16866) with the SEC on July 29, 1960, seeking registration of \$5,250,000 of convertible subordinated debentures due 1980. The company proposes to offer the debentures to holders of its outstanding common stock on the basis of \$100 principal amount of debentures for each 50 shares held. Kidder, Peabody & Co. is listed as the principal underwriter. The record date, interest rate, subscription price and underwriting terms are to be supplied by amendment.

The company produces and sells coin-operated vending machines, which are used for the sale of drinks, food and cigarettes. In addition, the company sells parts and does manufacturing and development work under contract for others. The net proceeds from the debenture sale will be used to provide additional working

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capital required to support the company's operations at present levels and at those anticipated for the near future. All or a portion of such proceeds, depending upon the financial position and needs of the company, will be applied to the reduction of short-term bank borrowings (amounting to \$8,500,000 on June 30, 1960), which were incurred to finance construction and equipping of new facilities and rearrangement of existing facilities.

In addition to indebtedness, the company has outstanding 7,930 shares of \$50 par preferred stock and 2,583,326 shares of common stock. E. F. Pierson, board chairman, owns 500,710 shares of common (and holds 132,378 shares in trust for members of the Pierson family); John T. Pierson, president, owns 331,684 common shares (and holds 57,130 shares in trust for members of the Pierson family); and the company's officers and directors as a group own, beneficially, 1,395,742 common shares.

KOLLMORGEN FILES FOR OFFERING AND SECONDARY. Kollmorgen Corporation, 347 King Street, Northampton, Mass., filed a registration statement (File 2-16865) with the SEC on July 29, 1960, seeking registration of 80,330 shares of common stock, of which 35,000 shares are to be offered for public sale for the account of the company and 45,330 shares, being outstanding stock, by the present holder thereof. The public offering price and underwriting terms are to be supplied by amendment. The underwriters, headed by Putnam & Co., will receive 5-year warrants to purchase 3,000 common shares at the public offering price.

The company's principal products include submarine periscopes and other optical equipment, torque motors and other electro-mechanical equipment, and electronic apparatus. The net proceeds from the stock sale, together with the proceeds from the private sale of \$750,000 in principal amount of long term notes, and general funds available primarily from retained earnings will be used (a) to redeem all of the company's outstanding shares of 7% cumulative preferred stock at an aggregate redemption price of \$41,580, plus accrued dividends, (b) to repay the presently outstanding first mortgage note in the unpaid principal amount of \$262,500 plus call premium and accrued interest, (c) to reduce the outstanding short term bank loans presently aggregating \$600,000, (d) to purchase approximately \$100,000 of new machinery and equipment for the production of torque motors, (e) to pay a promissory note of \$65,000, and (f) for working capital and other corporate purposes.

In addition to indebtedness, the company has outstanding 211,893 shares of common stock, of which E. Louise Caudet, the selling stockholder, owns 90,660 shares (and will sell 45,330 shares), Frederick L. G. Kollmorgen owns 78,840 shares, E. O. Kollmorgen, president, owns 22,620 shares, and the company's officers and directors as a group own 34,113 shares.

RE, RE & SAGARESE HEARING SCHEDULED. The SEC has scheduled for hearing on September 7, 1960, in its Washington Office, the proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Re, Re & Sagarese, 123 Greenwich St., New York, should be revoked and/or whether two members of the firm, Jerry Re and Gerard F. Re, should be suspended or expelled from membership in the American Stock Exchange. In its order of May 12, 1960, authorizing the proceedings (Release 34-6264), the Commission charged various violations of provisions of the Federal securities laws, including distributions on the Exchange of securities in which the Res were specialists in violation of the Securities Act registration requirement, as well as violations of the anti-fraud and anti-manipulative provisions of the laws and the Commission's short selling rule.

BILTMORE SECURITIES HEARING SCHEDULED. The Commission also has scheduled for hearing on August 22, 1960, in its New York Regional Office, the proceedings to determine whether the broker-dealer registration of Biltmore Securities Corp., 160 Broadway, New York, should be revoked and whether that company should be suspended or expelled from membership in the National Association of Securities Dealers, Inc. In its order of January 5, 1960, authorizing these proceedings (Release 34-6155), the Commission charged that it and its president and general manager offered and sold stock of Shelton Warren Oil Co., Inc., in violation of the anti-fraud provisions of the Securities Act of 1933.

MAGELLAN PETROLEUM PROPOSES OFFERING. Magellan Petroleum Corporation, Edificio Arcia, Avenidas Justo Arosemena y Ecuador, Panama City, Republic of Panama, and Voting Trustees for its shares, filed a registration statement (File 2-16869) with the SEC on July 29, 1960, seeking registration of 750,000 American Voting Trust Certificates for a like amount of underlying shares of capital stock. The certificates will be offered for sale at prices related to the current price of outstanding certificates on the American Stock Exchange at the time of offering. No underwriting is involved, but brokers and dealers through whom sales were made will receive a commission (the amount of which will be supplied by amendment.) According to the prospectus, "It is contemplated that the bulk of the offering will be made in Australia with a minor portion reserved for sales in the United States through the facilities of the American Stock Exchange".

The company holds directly or indirectly licenses or interests in licenses to explore for and produce oil and gas in Australia, Canada, Ecuador and Guatemala. It has interests solely in undeveloped properties acquired since its creation in 1957 principally in transactions with corporations in which the family of the late William F. Buckley have a significant interest. Of the net proceeds from the certificate sale, estimated at \$362,500, \$325,000 will be used for exploratory work and sustaining expenses of properties in Australia and \$37,500 for miscellaneous expenses in the U. S.

The company has outstanding 4,186,610 shares of capital stock. Benjamin W. Heath, president, owns 4,198 shares, Marion F. Brown, vice-president, owns certificates for 800 shares and William Shields, Jr., secretary, owns certificates for 2,060 shares.