SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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

(In ordering full text of Releases from Publications Unit, cite number)

Washington 25, D.C.

FOR RELEASE October 3, 1960

Statistical Release No. 1708. The SEC Index of Stock Prices, based on the closing price of 265 common stocks for the week ended September 30, 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	1960	
	9/30/60	9/23/60	Change	High	Low
Composite	380.8*	383.3	-0.7	432.5	380.8
Manufacturing	447.8	447.8	0.0	538.9	447.8
Durable Goods	417.4*	417.9	-0.1	521.6	417.4
Non-Durable Goods	466.6	466.3	+0.1	544.4	466.3
Transportation	268.2*	272.4	-1.5	329.3	268.2
Utility	237.1	242.0	-2.0	252.6	216.1
Trade, Finance & Service	422.1	435.5	-3.1	471.8	414.7
Mining	257.8	250.4	+3.0	299.7	240.7

*New Low

SECURITIES ACT REGISTRATION STATEMENTS. During the six working days ended September 30th, 63 registration statements were filed, 30 became effective, 3 were withdrawn, and 366 were pending at the week end.

EDSCO MFG. OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Edsco Manufacturing Co., Inc., 801 West 8th St., Vancouver, Wash.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding $300,000 in amount. In a notification filed March 18, 1960, Edsco proposed the public offering of 24,500 shares at $10 per share. The Commission's suspension order asserts that the aggregate offering price of the securities exceeded the $300,000 limitation; that the terms and conditions of Regulation A were not complied with in certain other respects, including the fact that the offering circular fails to furnish a reasonably itemized statement of the purposes for which the net cash proceeds are to be used, that certain written offers were made without the use of an offering circular containing the information prescribed by the Regulation and certain sales literature was used which had not previously been filed with the Commission; that the company's offering circular is false and misleading in respect of certain material facts; and that the offering would violate Section 17 (the anti-fraud provision) of the Securities Act. The order provides an opportunity for hearing, upon request, upon the question whether the suspension should be vacated or made permanent.

The alleged misrepresentations related to the necessity of acting at once in order to acquire Edsco stock; the statement that Edsco is rapidly becoming a standard name in the electrical industry; the failure to disclose that under the terms of the agreement by which he sold his interest in Swan Manufacturing Co., a partnership, E. W. Swan agreed for a period of time not to make a certain type of electrical baseboard heater; the failure to disclose that the predecessors of Edsco Manufacturing Co., Inc. suffered a net loss in excess of $30,000 between January 1, 1959 and April 30, 1960; the failure to disclose that there is no public market for the issuer's shares; and the failure to disclose that Edgar W. Swan held a controlling interest in Edsco Manufacturing Co., Inc. and would hold such controlling interest if all the shares being offered are sold.

McCRORY TO ACQUIRE OKLAHOMA TIRE. McCrory Corporation, 711 Fifth Ave., New York, filed a registration statement (File 2-17140) with the SEC on September 30, 1960, seeking registration of $23,000,000 of 5.235% Subordinated Notes, due serially 1961 to 1971. According to the prospectus, McCrory entered into an agreement on September 29, 1960, with members of the Sanditen family, for the purchase of their 80% interest in the 619,226 issued and outstanding shares of capital stock of Oklahoma Tire & Supply Company, of Tulsa. Under the agreement, McCrory will pay cash and notes in exchange for Oklahoma stock, as follows: For each share of Oklahoma stock, $8.0745 in cash; $8.0745 of notes due February 1, 1961; and $29.0682 of notes due serially in equal annual instalments from February 15, 1962, through February 15, 1971 - or an aggregate of $45.2172 principal

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amount of notes and cash per share. McCrory now proposes to extend the same purchase offer to all other holders of Oklahoma stock. As an alternative offer, McCrory will purchase all shares of Oklahoma stock owned in blocks of 100 shares or less for a cash consideration of $40 per share at the seller's option. An unspecified amount of the said notes are or will be outstanding when this registration statement becomes effective; and the prospectus indicates that such notes may be sold by the holders thereof in the open market or otherwise from time to time at prices current at the time of sale.

McClellan Stores Corporation was merged into McCrory Stores Corporation in 1959. On July 16, 1960, United Stores Corporation, which owned 39% of the outstanding common stock of the surviving corporation, and B.T.L. Corporation, owner of 77% of the common stock and 44% of the second preferred stock of United Stores, were merged into McCrory Corporation. Rapid-American Corporation, prior to such merger the owner of 57% of the outstanding common stock of B.T.L. Corporation, now as a result of such merger owns about 31% of the McCrory stock. The prospectus lists Meshulam Riklis as board chairman and president.

DELTA DESIGN PROPOSES OFFERING. Delta Design, Inc., 3163 Adams Ave., San Diego, Calif., filed a registration statement (File 2-17141) with the SEC on September 28, 1960, seeking registration of 100,000 shares of capital stock, to be offered for public sale at $4.50 per share. The offering will be made through company officials and employees.

Organized in October 1959, the company is engaged in the business of the design and development of portable control chambers for use in the evaluation of solid state electronic circuitry, controlled atmosphere processing chambers and pre-engineered high vacuum system components. It now has outstanding 400,000 shares of common stock. Net proceeds of the sale of additional stock by the company, estimated at $430,000, will be used as follows: $210,000 for the acquisition of land and the construction thereon of a factory to include office space and laboratory facilities; $110,000 for the purchase of new machinery and tooling and of research equipment; and the balance for financing additional inventory and for working capital.

The prospectus lists Trigg Stewart as president and David P. Comey as vice president. Each owns 50% of the outstanding stock. The prospectus further states that upon organization of the company in 1959 Stewart and Comey transferred to the company a predecessor business with a net worth of $28,635.28, for which each received his stock interest and a promissory note from the company in the amount of $9,182.

FLORIDA SUNCOAST LAND AND MINING PROPOSES OFFERING. Florida Suncoast Land and Mining Company, Tarpon Springs, Fla., filed a registration statement (File 2-17142) with the SEC on September 30, 1960, seeking registration of 1,050,000 shares of common stock. Of this stock, 330,000 shares are to be offered in exchange for certain lands and other assets and the balance offered for public sale, through company officials and agents and at a price to be supplied by amendment, to provide funds for the development of such properties.

According to the prospectus, a group of persons acting through a trustee (Lyle W. Bartelt, company president) and as joint venturers, has acquired or has options to acquire about 4500 acres of land on the west coast of Florida about 35 miles north of Tampa. The joint ventures began assembling the land in December 1959 and have contributed towards the purchase and development of the land, and the other assets to be acquired, the sum of $417,381. The land is said to contain limerock immediately under the surface; and the joint venturers have commenced mining operations of the limerock. The company expects to develop about 70% of the land into canal-front and Gulf-front lots; and sand and limerock obtained in excavation of canals will be used to build up the waterfront property. For all their interests in these products, including the mining operations, the joint venturers will receive 330,000 common shares.

Of the net proceeds of the cash sale of the stock, the company expects to expend $1,539,490 for land acquisition and mortgage and interest payments over the next two years; $900,000 for land development; $500,000 for sewer and water facilities; $300,000 for the construction of homes on lots as the land is subdivided; $320,000 in the promotion and advertising of subdivided lots; $125,000 for additional mining equipment and the conduct of mining operations; and the balance for working capital.

The company now has outstanding 400 common shares held in equal amounts by Bartelt, George M. Graves, vice president, and Lee Burgess, secretary-treasurer.

COVE VITAMIN & PHARMACEUTICAL PROPOSES OFFERING. Cove Vitamin & Pharmaceutical Inc., 26 The Place, Glen Cove, L. I., N. Y., filed a registration statement (File 2-17143) with the SEC on September 30, 1960, seeking registration of 108,000 shares of common stock and five-year warrants for the purchase of an additional 54,000 shares, to be offered for public sale in units of 2 shares and a warrant for one share (the offering price is to be supplied by amendment). The offering is to be made on a best efforts basis by Hill, Thompson & Co., Inc. In addition to its selling commission (also to be supplied by amendment) plus $12,500 for expenses, if all the units are sold the underwriter will be entitled to purchase 25,000 stock purchase warrants for $3,125. (The estimated maximum offering price of the units is $7 per unit; and the warrants will be exercisable at from $3.50 to $5 per share.)

The company was organized in September 1959 under the name Cove Pharmaceutical Laboratories, Inc., to engage in the mail order marketing of vitamins through department stores. According to the prospectus, it is engaged in the promotion and sale by mail order through department stores of RX-TAB-30, a one-a-day high potency capsule designed mainly for consumption by men and women over the age of 30. The product is sold on a "monthly vitamin plan" in which the customer agrees upon joining to accept a monthly thirty-day supply of RX-TAB-30 with the privilege of cancelling at any time or accepting monthly shipments on a charge account basis. Other

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products are said to be ready for testing and limited distribution. Net proceeds of the stock sale will be used in part to implement the company's merchandising plan, including printing and mailing expenses and the cost of assembling and packaging free vials of RX-TAB-30. The balance of the proceeds will be used as working capital.

The company was formed by Harry W. and Edward Bobley, board chairman and president, respectively. For a cash investment of $75,000 and their organizational efforts they received all the outstanding 132,000 common shares and the right to purchase 108,000 warrants at 12½¢ per warrant.

DEVALL LAND & MARINE CONSTRUCTION CO. OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Devall Land & Marine Construction Company, Inc., of Lake Charles, Louisiana.

Regulation A provides a conditional exemption from registration for public offerings of securities not exceeding $300,000 in amount. In a notification filed in May 1956, Devall Land proposed the public offering of 150,000 common shares at $2 per share. The Commission's suspension order asserts that the company failed to comply with one of the terms and conditions of Regulation A by reason of its failure to file semi-annual reports of stock sales pursuant to the exemption and the use to which the proceeds were applied. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

COURT ENJOINS INSURANCE STOCK ADVISORY SERVICE. The SEC Boston Regional Office announced September 27th (LR 1796) the entry of a Federal court order (USDC, Colo.) permanently enjoining Insurance Stock Advisory Service, Inc., from further violation of the anti-fraud provisions of the Securities Act and Investment Advisers Act. The defendant company, without admitting the allegations of the SEC complaint, consented to the decree.

JONKER BUSINESS MACHINES FILES FOR RIGHTS OFFERING. Jonker Business Machines, Inc., 404 North Frederick Avenue, Gaithersburg, Md., filed a registration statement (File 2-17144) with the SEC on September 30, 1960, seeking registration of 50,000 Common Stock Units. The company proposes to offer such units, each consisting of one share of Class A common (voting) and three shares of Class B common (limited voting), for subscription by holders of its common stock. The underwriter is listed as Hodgdon & Co., Inc. who holds warrants to purchase 20,000 shares of Class A common stock at $.75 per share. The record date, and basis of rights offering, subscription price and underwriting terms are to be supplied by amendment.

The company has been actively engaged since August 1958 in developing and marketing the "Matrex" Systems for information retrieval, a system for organizing collections of various items. It is the task of the system to find such information items which are required for solving a particular problem or which answer a particular question. According to the prospectus, the company, which is operating at a loss, is entering into the active production and marketing phase of its operation. It is expected that losses will continue for the immediate future. Of the net proceeds from the stock sale, $250,000 will be used to establish sales and information service centers, $75,000 to establish specialized distributorships, $125,000 to expand manufacturing and development facilities, production tooling, and further development work on equipment, and the balance for operating capital.

The company has outstanding 300,000 shares each of Class A and Class B stock, of which Frederick Jonker, president, owns 170,000 shares of Class A stock and is sole voting trustee under a voting trust which controls an additional 30,000 shares of Class A stock.

SOUTHWESTERN CAPITAL FILES FOR OFFERING. Southwestern Capital Corporation, 1326 Garnet Ave., San Diego, Calif., filed a registration statement (File 2-17145) with the SEC on September 30, 1960, seeking registration of 1,000,000 shares of common stock, to be offered for public sale through the company at $3 per share. Should a portion of the stock be sold by dealers, a concession of not to exceed 18¢ per share will be allowed. The statement also includes an additional 200,039 shares under five-year option to directors at an initial exercise price of $3 per share.

The company was organized on September 14, 1960 as a closed-end, non-diversified investment company of the management type. Its primary objective will be investment for capital appreciation in a wide range of venture capital enterprises; and it intends to concentrate its business activities in the Southwestern portion of the United States and particularly the states of California, Arizona, New Mexico and Texas. Net proceeds of the stock sale will be available for investment in accordance with such investment policy. The prospectus lists T. Franklin Schneider as board chairman and B. F. Coggan as president. The directors have subscribed to a total of 206,010 shares at the public offering price (in addition to the shares under option), which will reduce the shares available to the general public.

HARRY G. AMES FILES GUILTY PLEA. The SEC Chicago Regional Office announced September 30th (LR-1797) that Harry G. Ames had withdrawn his plea of not guilty and entered a plea of guilty to one count of an indictment (USDC ED Ill.) charging him with fraudulent misrepresentations in the offering and sale of oil interests.

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STOP ORDER SUSPENDS SKIATRON REGISTRATION. The SEC today announced the issuance of a stop order decision suspending a registration statement filed by Skiatron Electronics and Television Corporation ("Skiatron"), 180 Varick Street, New York, for failure to comply with the Securities Act disclosure requirements.

Skiatron was organized in 1948 and proposes to undertake the development and operation of a pay television system. Lacking the resources for the development and operation of such a system, Skiatron in 1954 entered into agreements with Matthew M. Fox whereby Fox or his assignee, Skiatron of America, Inc. (the "assignee"), controlled by Fox, became the exclusive licensee of Skiatron's system. Fox assumed responsibility for the commercial development and exploitation of a subscription television system and all related aspects, including arrangements for programming; and Skiatron was to receive a royalty of 5% of the gross revenues paid by public subscribers. More recently, Fox turned his efforts toward development of an over-the-wire system believed to be exempt from FCC jurisdiction if the wire network were confined to a single state, the programs to be transmitted over coaxial cables to each subscriber's television set. A monthly charge of $4.33 would be made to each subscriber in addition to a specific charge for each program viewed. Because it was believed the cost of such a system would exceed the installation of an over-the-air system, the agreement was renegotiated to reduce Skiatron's royalty to 2½% of gross revenues (not including the monthly charge). Skiatron's principal asset is the right to receive royalties under the licensing agreement, and the value of the right depends entirely on the possible commercial exploitation by the licensee of the proposed subscription television system.

According to the Commission's decision, there was no basis in fact for statements in the Skiatron prospectus that its licensee was planning for the immediate use of its subscription television system by means of wire or closed-circuit operations and that, if existing negotiations with owners of outstanding entertainment and with municipalities and public utilities whose facilities might be required for such operations progressed favorably, the licensee anticipated that it would commence commercial operations during the early part of 1960. Such representation was materially misleading in failing adequately to disclose the financial and other difficulties encountered and to be met before such a pay television system can be placed in operation as well as the financial status of Fox and the assignee, the Commission stated.

The most "striking" omission, the Commission observed, was the failure to show the large amounts of capital needed to establish such system and to point out that neither Skiatron nor its licensee possessed the resources required and neither had access to sources able and willing to supply the funds required (estimated at $13,000,000 minimum for the installation of a wire system first proposed for a densely populated area, not including any allowances for programming costs). While discussions were had with potential program sources, there were no commitments or arrangements for program material. In this connection, the Commission noted that publicity prior to August 1959 indicated the licensee had arrangements with owners of the San Francisco and Los Angeles baseball teams and with Sol Hurok, a theatrical producer, for program material, and Fox had paid in excess of $1,200,000 to those persons. But when the statement was filed there were no arrangements in effect with the Los Angeles owners, Hurok had only agreed to serve as a consultant and to endeavor to negotiate agreements with artists affiliated with him, and a contract with the San Francisco owners was in default by reason of Fox' failure to make additional payments of about $4,250,000.

Moreover, Skiatron had no source of income or credit sufficient to finance the establishment and construction of the pay television system; and neither Fox nor his company, on whom Skiatron completely relied to finance and promote the system, had the equipment, facilities or financial ability to undertake commercial operation of such a system. According to the decision, Fox and his company are both deeply in debt and had at least $1,000,000 in outstanding debts which had been reduced to judgments; and Fox is further indebted by about $3 million to various lending agencies and individuals, a substantial portion of which indebtedness is in default. Other difficulties confront Skiatron and its licensee, including the negotiation of agreements with the telephone company for installation of coaxial cable facilities as part of the telephone company's existing facilities and the solicitation of subscribers for the pay television system. The Commission also noted that representations in the Skiatron prospectus with respect to its patents are misleading since the patents are not essential to the operations of either its over-the-air or its wire system and Skiatron is not in a position to represent whether patents ever will be issued on its pending applications or, if issued would give it a position of dominance in the subscription television field.

The registration statement, filed in August 1959, had covered a proposed offering of 172,242 shares of Skiatron common stock, consisting of 125,000 shares covered by warrants owned by Fox, of which 75,000 shares had already been issued to him; 30,000 shares owned by Arthur Levey, company president; and 17,242 shares issued to certain other persons. There was a failure to disclose that Fox no longer held any of the 75,000 shares, that he had pledged 70,000 of such shares, and that many of these shares had been sold to the public before the statement was filed. Previously, warrants for 195,000 shares were either sold by Fox or pledged as collateral for various loans to him, and by December 1958 all 195,000 warrants had been exercised and the underlying shares sold to the public. He also had disposed of 206,000 shares loaned to him by Levey, of which 156,000 shares were loaned to Fox to secure his loans during the period June 1957 to September 1958. None of these shares was registered with the Commission. The Commission ruled that the sale of the 75,000 shares by Skiatron to Fox, his immediate disposition thereof by way of sale and pledge, and the resale of such shares by the pledgees, violated the Securities Act registration requirement, and that such sales and the contingent liability arising by reason thereof should have been disclosed. The Commission also held that the registration statement should have disclosed that during the years 1956-59 Levey sold in excess of 200,000 shares for more than $1,000,000 without compliance with the Securities Act registration and disclosure requirements.

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As a result of Commission orders issued pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934, trading in Skiatron common stock on the American Stock Exchange and in the over-the-counter market has been suspended since these proceedings were instituted on December 18, 1959. Such suspension was deemed necessary to prevent fraudulent, deceptive and manipulative acts or practices in the Skiatron stock by reason of the general unreliability of information contained in the company's registration statement and other reports filed with the Commission. The current suspension order expires at the close of business on October 12, 1960. During the intervening period, the further factual information concerning the company and its operations, as set forth in the Commission's decision, will be publicly disseminated and should assist investors in making an informed evaluation of Skiatron stock. Accordingly, the Commission has no present intention of continuing the suspension of trading in such stock beyond October 12, 1960.

KAVANAU FILES FOR OFFERING AND EXCHANGE. Kavanau Corporation, 415 Lexington Avenue, New York, filed a registration statement (File 2-17146) with the SEC on September 30, 1960, seeking registration of 250,000 shares of common stock, to be offered for public sale at $10.00 per share through Ira Investors Corp. on a best efforts basis. The underwriter will receive no commission but an expense allowance of $75,000. The company is also registering 557,995 shares of common stock to be offered in exchange for the outstanding capital stock of eight certain corporations. The underwriter is controlled by Ira Kavanau, president and organizer of Kavanau Corp.

The company was organized under Delaware law in June 1960 to provide a single corporate organization to acquire the capital stock of the eight corporations, which were organized by Ira Kavanau, Michael M. Skodnick, vice president, and Solomon Gilbert, secretary-treasurer. Five of the corporations are successors to limited partnerships set up by the three promotors as a means of investing in real estate. The new company was conceived in order to take advantage of the "opportunities which are afforded a real estate corporation diversified in its investment". The real properties of the company presently consist of: One office building located in New York City, and a combination office building and printing plant in New York City; five supermarkets in New Jersey, New York and Kentucky; one manufacturing building in Brooklyn, New York; garden apartment houses in Short Hills, New Jersey; a shopping center in Detroit, Michigan; and three department stores located in Detroit, Michigan, and Oakland, California. The net proceeds from the stock sale, estimated at $2,400,000, will be used as working capital in connection with the acquisition of properties and to meet any commitments that may fall due with respect to the properties owned by the company's subsidiaries.

In addition to various indebtedness of its subsidiaries, the company has outstanding 2,000 shares of common stock. After the said exchange of shares, Kavanau and his family, Gilbert, and Skodnick and his associates, will own 67,767 shares (8.36%), 17,823 shares (2.2%), and 7,888 shares, respectively. The three promotors also have 32,000 warrants to purchase a like amount of common shares at $10.00 per share. They have a cost basis of 1¢ per warrant. Management officials as a group will own 243,806 shares (43.54%) of the outstanding stock after the exchange offer and 30.09% if the entire public issue is sold.

TEXAS RESEARCH & ELECTRONIC FILES FOR OFFERING. Texas Research & Electronic Corporation, Meadows Building, Dallas, Texas, today filed a registration statement (File 2-17147) with the SEC, seeking registration of 600,000 shares of common stock, to be offered for public sale at $1.15 per share through Naftalin & Co., Inc. The underwriter undertakes to sell the 600,000 shares and, in any event, to purchase from the company a minimum of 250,000 shares. The underwriting commission is to be 15¢ per share.

Organized under Minnesota law in September 1960, the company proposes to engage in various phases of the electronics business through the acquisition of one or more existing businesses. According to the prospectus, the company has not as yet made any commitments to acquire any business, and there is no assurance as to when it will be able to commence business operations. The net proceeds from the stock sale, together with $400,000 cash on hand, will be used in the negotiation for and acquisition of one or more small businesses. It estimates that $10,000 will be used in connection with setting up the company's office and other initial expenses.

The company has outstanding 550,000 shares of common stock, of which 400,000 shares were sold to 15 incorporators at $1.00 per share, and 62,500, 62,500, and 25,000 shares, respectively, were issued to William I. Fine, Michael L. Robbins, and Ronald L. Simon, directors, as compensation for services performed in the company's organization. K. A. Fifson is listed as president.

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