

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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**RECREATION ASSOCIATES FILES FOR STOCK OFFERING.** Recreation Associates, Inc., 8905 Columbia Pike, Falls Church, Va., filed a registration statement (File 2-18682) with the SEC on August 14th seeking registration of 100,000 shares of Class A common stock, to be offered for public sale at \$3 per share through management officials.

The company was organized under Virginia law in November 1960 and is engaged in operating a modern bowling recreation center known as Princess Lanes, located in Norfolk. The company proposes, in general to operate centers in the greater Norfolk-Portsmouth-Newport News area and in any other areas where suitable locations are available. Net proceeds from the stock sale, estimated at \$293,000, will be added to working capital and used for opening of additional centers when appropriate sites become available or to discharge indebtedness incurred for bowling lanes at the Princess Lanes center.

In addition to certain indebtedness, the company has outstanding 200,170 shares of Class A common stock, of which Richard E. Cox, a vice president, and John J. Phelan, secretary, own 10.3% and 15%, respectively, and management officials as a group 67%. W. Harvey Jagoe is listed as president.

**DRESSEN-BARNES ELECTRONICS FILES FOR OFFERING AND SECONDARY.** Dressen-Barnes Electronics Corporation, 250 North Vinedo Street, Pasadena, Calif., filed a registration statement (File 2-18683) with the SEC on August 14th seeking registration of 100,000 shares of capital stock, of which 75,000 shares are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. The offering will be made by Lester, Ryons & Co. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 15,000 outstanding shares underlying four-year options which certain holders have agreed to sell to the underwriter for \$150, exercisable at \$5.50 per share.

The company is engaged in the design, development, manufacture and sale of power supplies and the manufacture and sale of automatic label dispensers. Net proceeds from the company's sale of additional stock will be applied to liquidate a short term bank loan (\$60,000) incurred for working capital purposes, and the balance to increase working capital. In addition to certain indebtedness, the company has outstanding 309,200 shares of capital stock, of which Louis M. Purcell, president and board chairman, Phil J. Purcell, vice president, and Nicholas J. Meagher, Jr., own 203,750, 59,750 and 20,000 shares, respectively, and propose to sell 15,200, 7,350 and 2,450 shares, respectively,

**TECHNIFOAM FILES FOR STOCK OFFERING.** Technifoam Corporation, 717 Fifth Avenue, New York City, filed a registration statement (File 2-18684) with the SEC on August 14th seeking registration of 110,000 shares of common stock, to be offered for public sale at \$8 per share. The offering will be made on an all or none basis through underwriters headed by Stearns & Co., which will receive 80¢ per share commission and \$12,500 for expenses. The registration statement also includes 9,000 shares sold to partners and associates of Stearns & Co. at 40¢ per share.

The company was organized under Delaware law in May 1961 in order to bring under common control the various rights to the methods and machinery which comprise the Technifoam process. At that time, the company issued to Howard P. Effron, president, Walter D. Voelker, vice president, and Joseph M. Gordon, treasurer, and their nominees 300,000 common shares in exchange for their common stock interests in Foam-Flex Corp. and Voma Corporation, now subsidiaries of the company. In July 1961 the company completed design refinements on its experimental machine for manufacturing polyurethane foam and simultaneously bonding it to other materials under the said process and is now ready, with the net proceeds of this offering, to begin commercial exploitation of the process. The estimated \$750,000 net proceeds from the stock sale will be used as follows: \$100,000 for the repayment of bank loans; \$50,000 for the repayment of officers' loans; \$100,000 for equipping the Carteret, New Jersey plant; \$120,000 for building machines; \$150,000 for investments in joint ventures in foreign countries; and the balance for working capital. Said loans were incurred to complete the pilot Technifoam machine and to supply working capital.

In addition to certain indebtedness, the company has outstanding 300,000 shares of common stock, of which Howard P. Effron, Carole Effron, Walter D. Voelker and Christine Voelker own 15.2% each. Joseph M. Gordon and Eva Gordon own 12.1% and 11.7%, respectively.

**FOURSQUARE FUND FILING CLARIFIED.** The August 4th News Digest included a discussion of a registration statement filed by Foursquare Fund, Inc., Boston investment company (File 2-18637); and it names Franklin Management Corporation as the company's investment adviser. The item incorrectly referred to B. Earle Appleton as president of Franklin Management, whose president is Henry E. Kingman.

**VIRGINIA CAPITAL SEEKS ORDER.** Virginia Capital Corporation, Richmond, has applied to the SEC for an exemption order under the Investment Company Act with respect to certain transactions; and the Commission has issued an order (Release IC-3310) giving interested persons until August 29th to request a hearing thereon. According to the application, Virginia Capital plans to purchase from Riverton Lime and Stone Co., Inc.,

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\$100,000 of a total of \$300,000 principal amount of that company's 7% Subordinated Sinking Fund Convertible Notes due May 31, 1969 at the price of 100% of principal amount. Riverton also is offering 30,000 common shares; and certain persons affiliated with Virginia Capital are participating in the purchase of notes as well as stock. Riverton was organized in May 1961 for the purpose of acquiring substantially all the assets of the Riverton Division of Chadbourn-Botham, Inc., and engaging in the manufacture of masonry mortar, quarrying and processing aplite and process and selling stone and related mineral products. The plan for financing such acquisition includes the sale of the notes and stock.

**BROADCAST INTERNATIONAL HEARING SCHEDULED.** At the request of Broadcast International, Inc., 3 West 57th Street, New York City, the Securities and Exchange Commission has scheduled a hearing for September 27, 1961, in its New York Regional Office to determine whether it should vacate, or make permanent, a prior order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of stock.

In a notification filed on June 2, 1961, Broadcast International proposed the public offering of 60,000 common shares at \$5 per share pursuant to a Regulation A exemption from registration. The Commission by order dated June 29th temporarily suspended the exemption. The order asserted that the company's offering circular contained false and misleading representations of material fact.

**SEC COMPLAINT NAMES ALDRED INVESTMENT.** The SEC New York Regional Office announced August 11th (Release LR-2081) the filing of Federal court action (USDC SDNY) seeking to enjoin Aldred Investment Trust, Richard L. Rosenthal and Birnbaum & Company from further violations of the anti-fraud provisions of the Securities Exchange Act in the purchase of Trust shares by Rosenthal through Birnbaum & Co.

**SEC COMPLAINT NAMES I. MICHAEL & CO.** The SEC New York Regional Office announced August 11th (Release LR-2082) the filing of Federal court action (USDC, NJ) seeking to enjoin I. Michael & Co., of Garfield, N.J., and Patrick McLaren, Michael Favata and Frederick P. House, company officials, from further violations of the Securities Act registration and anti-fraud provisions in the offer and sale of stock of National Telepix (Canada) Ltd.

**RAYMOND ENGINEERING FILES FOR OFFERING AND SECONDARY.** Raymond Engineering Laboratory, Inc., Smith Street, Middletown, Conn., today filed a registration statement (File 2-18685) with the SEC seeking registration of 100,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 50,000 shares, being outstanding stock, by the present holders thereof. The offering will be made on an all or none basis through underwriters headed by Lee Higginson Corporation. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the research, development, design, manufacture and sale of light, compact timing devices and accelerometers and integrating accelerometers with specialized characteristics to meet requirements of guided missiles, satellites, space vehicles and space probes; specialized tape recorders for instrumentation data storage and readout in satellites and space vehicles; miniature explosive "one shot" switches for missiles and space probes; extendable antennas for satellites, space vehicles and space probes; and magnetic particle clutches and other electromechanical devices for military and Government use. The net proceeds from the company's sale of additional stock will first be applied to discharge all short-term bank debt, aggregating \$200,000, incurred to finance inventory and receivables. Of the balance, \$100,000 will be employed to purchase (a) advanced instrumentation equipment for the company's electronic and test laboratories and (b) further machine tools and equipment enabling the company to produce more of the high precision parts in its own shops, rather than by procurement from others. The balance of the net proceeds not used for the above purposes will be added to the general funds of the company for working capital.

In addition to certain indebtedness, the company has outstanding 228,736 shares of common stock (after giving effect to an 8-for-1 stock split in July 1961), of which Grace L. Raymond, board chairman, Evert Blomgren, a vice president, and Riverside Trust Co. and Grace L. Raymond (as trustees under will of Horace H. Raymond, of which Grace L. Raymond is principal beneficiary) own 38,640, 33,504 and 92,424 shares, respectively, and propose to sell 15,000, 8,000 and 5,000 shares, respectively. The prospectus lists eight other selling stockholders who propose to sell amounts ranging from 1,140 to 5,760 shares. Lincoln Thompson is listed as president.