

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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AMERICAN ELECTRIC POWER AMENDED PROPOSAL SET FOR HEARING. The SEC has issued an order under the Holding Company Act (Release 35-15562) scheduling for hearing on October 5 the amended application filed by American Electric Power Company, Inc. (AEP), New York, and Michigan Gas Utilities Company (MGU), Monroe, Mich., with respect to their acquisition of common stock of Michigan Gas & Electric Co. (Michigan). The amended proposal reflects a settlement agreement with Michigan which heretofore opposed such acquisition. AEP's application, as heretofore amended, proposed that pursuant to an agreement with MGU dated July 1, 1966, AEP would purchase all of MGU's holdings of the \$10 per common stock of Michigan, at prices plus commissions paid by MGU (including 71,215 shares acquired at \$100 per share under an AEP tender offer the rights under which were later assigned by AEP to MGU; MGU holds an additional 8,082 shares otherwise acquired).

The amended application states that the settlement agreement between AEP, MGU and Michigan provides, among other things, that (1) AEP will make an additional payment of \$15 per share to the former holders of tendered shares and offer to purchase additional shares from present shareholders at \$115 per share, (2) upon such \$15 payment each party to the agreement will withdraw and discontinue all pending actions in the federal and state courts and before the Federal Power Commission against any other party thereto, (3) Michigan and its board chairman will support the current amendment, (4) Michigan's chairman will tender his Michigan common shares for purchase by AEP at \$115 per share, and (5) if AEP obtains control over Michigan and elects to discontinue the services of certain Michigan employees, such employees will receive certain retirement benefits under Michigan's pension plan.

Under the amended proposal, AEP contemplates that, if it should acquire a majority of the outstanding Michigan stock, it will take certain steps to cause the sale of Michigan's gas assets to MGU; and it requests Commission approval of such proposed transaction.

COLUMBIA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15564) authorizing The Columbia Gas System, Inc., New York, to sell at competitive bidding \$40,000,000 of debentures (due 1991). The company will add the net proceeds thereof to general funds which will be used in part to complete its 1966 construction program (estimated at \$115,000,000) and for other corporate purposes.

TARVESTAD, WYUM INDICTED. The SEC Denver Regional Office announced September 19 (LR-3585) the return of an indictment by a Federal Grand Jury at Fargo, N. D., charging Lee E. Tarvestad, Springfield, Mo., and George A. Wyum, West Fargo, N. D., with violations of and conspiracy to violate the Securities Act registration and anti-fraud provisions in the sale of securities issued by Dalco American Enterprises, Inc., and its mortgage division, known as Dalco American Mortgage, and Continental Mortgage Company.

WHEELABRATOR-BELL INTERCONTINENTAL SEEK ORDER. The Wheelabrator Corporation, of Mishawaka, Ind., together with Bell Intercontinental Corporation and Real Estate Equities, Inc., both of 26 Broadway, New York, has applied to the SEC for an exemption order under the Investment Company Act with respect to the purchase by Wheelabrator from Bell and Real Estate Equities, of certain land, buildings and equipment used by Wheelabrator in connection with its manufacturing operations and now leased by Wheelabrator from Bell and Real Estate. The Commission has issued an order (Release IC-4705) scheduling said application for hearing on October 17.

According to the application, The Equity Corporation, a registered investment company, owns 50.08% of the outstanding Bell common stock; Bell owns over 80% of the outstanding voting stock of Wheelabrator; and Real Estate is a wholly-owned subsidiary of Equity. It is proposed that Wheelabrator purchase from Bell the plants located in Mishawaka and South Bend, Ind., for \$1,020,000 and the plant located in Riverton, N. J., for \$367,200 (of which \$272,771 would be paid in cash and \$94,429 by the assumption of the existing mortgage on the premises). Wheelabrator also would purchase from Real Estate a plant located in Mishawaka for \$1,261,200 (of which \$377,070 would be paid in cash and \$884,130 by the assumption of the existing mortgage on the premises).

LIGGETT & MYERS PROPOSES DEBENTURE OFFERING. Liggett & Myers Tobacco Company, 630 Fifth Ave., New York 10020, today filed a registration statement (File 2-25527) with the SEC seeking registration of \$75,000,000 of sinking fund debentures (due 1992). The debentures are to be offered for public sale through underwriters headed by White, Weld & Co., 20 Broad St., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

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The company is engaged in the manufacture and sale of cigarettes and other tobacco products. Net proceeds of its debenture sale will be used to reduce short-term debt incurred in connection with the retirement of \$37,500,000 of the company's 2-5/8% sinking fund debentures, the diversification of its business, and the purchase of leaf tobacco and other operating expenses. In addition to indebtedness and preferred stock, the company has outstanding 3,963,263 common shares. Milton E. Harrington is president and Jonathan W. Old, Jr., is chairman of the executive committee.

SECURITIES ACT REGISTRATIONS. Effective September 21: American-Hawaiian Steamship Co., 2-24761 (90 days); AMP Incorporated, 2-25379 (40 days); Cenco Instruments Corp., 2-25413 (40 days); Consolidated Oil & Gas, Inc., 2-25419; Government of New Zealand, 2-25451; Imperial-American Resources Fund, Inc., 2-24146; MVF Co., 2-25363; Tektronix, Inc., 2-25402; United Bancshares of Florida, Inc., 2-25240 (90 days). Effective September 22: General Bronze Corp., 2-25200 (40 days); Superior Computer Corp., 2-25386 (90 days). Withdrawn September 21: Swiss Chalet, Inc., 2-25284.

NOTE TO DEALERS: The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

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