

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington, D.C. 20549

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

(Issue No. 65-10-12)

FOR RELEASE October 18, 1965

AMERICAN NATURAL GAS SEEKS ORDER. American Natural Gas Co., New York, a registered holding company, and its two wholly-owned natural gas pipe line subsidiaries, Michigan Wisconsin Pipe Line Co. and American Louisiana Pipe Line Co., have applied to the SEC for an order under the Holding Company Act authorizing the merger of American Louisiana into Michigan Wisconsin and related transactions. The Commission has issued an order (Release 35-15328) giving interested persons until November 12 to request a hearing thereon. According to the application, the American Natural holding-company system consists, primarily, of two gas utility companies, Michigan Consolidated Gas Co. and Milwaukee Gas Light Co., and the said two pipe line companies, whose primary business is supplying the utility companies with natural gas. It is proposed that the merger of American Louisiana into Michigan Wisconsin will be consummated shortly after (but as of the opening of business on) January 1, 1966, under the applicable provisions of Delaware law. The merger agreement provides, among other things, that Michigan Wisconsin will acquire all of American Louisiana's properties and assets and will assume all of its liabilities, and that each outstanding share of American Louisiana's common stock, \$100 par (an aggregate of 205,000 shares), will be converted into one common share, \$100 par, of Michigan Wisconsin.

MONSANTO FINANCE RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4376) granting an application of Monsanto International Finance Company, St. Louis, Mo., for exemption from all provisions of the Act, subject to certain conditions. The applicant was recently organized under Delaware law by Monsanto Company (of St. Louis), which acquired all of its 10,000 outstanding common shares for \$10,000,000. It was organized to finance the expansion and development of the parent's foreign operations in a manner which is designed to assist in improving the balance of payments position of the United States, in compliance with the voluntary cooperation program instituted by the President in February 1965. Applicant intends to issue and sell an aggregate of \$25,000,000 principal amount of guaranteed sinking fund debentures due 1985. The debentures are to be sold to underwriters for offering outside the United States. The parent will guarantee the principal and the sinking fund and interest payments on such debentures, and the debentures will be convertible on or after May 1, 1966, into common stock of the parent. Any additional debt securities of the applicant which may be issued to or held by the public will be guaranteed by Monsanto Co. in the same manner as said debentures. It is intended that at least 90% of the applicant's assets will be invested in or loaned to foreign companies whose outstanding voting securities are at least 50% owned by Monsanto Co. and which are primarily engaged in businesses other than that of an investment company.

VTR TRADING SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of VTR, Inc., for a further ten-day period, October 19-28, 1965, inclusive.

INDEPENDENCE FUND PROPOSES OFFERING. Independence Fund, Inc., 50 State St., Boston, Mass., filed a registration statement (File 2-24121) with the SEC on October 13 seeking registration of 2,000,000 shares of common stock. The stock is to be offered for public sale at net asset value (\$10.93 per share maximum*), plus a maximum distribution charge of 8.5%. Massachusetts Life Fund Distributors, Inc., a wholly-owned subsidiary of Massachusetts Hospital Life Insurance Co., is the principal underwriter.

Organized under Massachusetts law in October 1965, the fund is a diversified open-end management type investment company which "seeks to contribute to its shareholders financial independence by investing for capital growth and income in high-grade common stocks." Independence Corporation (also a subsidiary of Massachusetts Hospital Life Insurance) serves as the fund's investment adviser. Lawrence A. Sykes is president of the fund and is also president of the principal underwriter and of Massachusetts Hospital Life Insurance.

KUSAN FILES EXCHANGE PROPOSAL. Kusan, Incorporated, 3206 Belmont Blvd., Nashville, Tenn., filed a registration statement (File 2-24124) with the SEC on October 15 seeking registration of 51,840 shares of common stock. The shares are to be offered in exchange for stock and certain notes of Nichols Industries, Inc., at the following rate: .2415 company share for each common share of Nichols; 10 shares for each Class A preferred share of Nichols; 1 share for each Class AA preferred share of Nichols; and 1 share for each \$11 in principal amount of notes. The company has entered into an agreement with the holders of an aggregate of 72,391 common shares, 50 Class A preferred shares, 210 Class AA preferred shares, and \$33,357 in principal amount of notes of Nichols, under which such security holders have agreed to accept the exchange proposal. The agreement is subject to the delivery of not less than 85% of the outstanding common stock of Nichols by the parties to such agreement.

The company is engaged in the production of plastic component parts for industrial consumers and of plastic toys, primarily by injection molding of thermoplastic resins. Nichols (located in Jacksonville, Tex.) manufactures plastic and metal toys, as well as plastic and metal components for other industries by die casting and injection molding. In addition to indebtedness, the company has outstanding 349,940 common shares, of which management officials own 32.3%. Nichols has outstanding 2,450 Class A preferred; 5,227 Class A preferred; and 82,193 common shares. William R. McLain is president of the company.

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KENTUCKY POWER PROPOSES BOND OFFERING. Kentucky Power Company, Fifteenth St. and Carter Ave., Ashland, Ky., filed a registration statement (File 2-24125) with the SEC on October 15 seeking registration of \$32,000,000 of first mortgage bonds (due 1996), to be offered for public sale at competitive bidding. The company will use the net proceeds from its bond sale (together with an \$8,000,000 cash capital contribution from its parent, American Electric Power Co., Inc.) to pay \$40,000,000 of notes, which were issued during 1961 and 1962 to finance construction. Any remaining proceeds will be added to the company's general funds and will be available for its construction program, estimated at \$8,137,000 for 1966.

PARKER-HANNIFIN FILES FOR SECONDARY. Parker-Hannifin Corporation, 17325 Euclid Ave., Cleveland, Ohio 44112, filed a registration statement (File 2-24126) with the SEC on October 15 seeking registration of 340,000 outstanding shares of common stock, to be offered for public sale by the present holder thereof. Kidder, Peabody & Co. Inc., 20 Exchange Pl., New York, is listed as the principal underwriter. The public offering price (\$32 per share maximum*) and underwriting terms are to be supplied by amendment.

The company produces components for hydraulic and pneumatic power systems, aerospace fuel systems, and other fluid systems. In addition to indebtedness, it has outstanding 2,748,537 common shares. The selling stockholder is the estate of Helen M. Parker, deceased, of which James A. Weeks (director) is the executor. After the proposed sale, the seller will own 208,761 shares and have the right to receive an additional 164,640 common shares upon termination of certain trusts. S. B. Taylor is board chairman and R. W. Cornell is president.

C. I. T. PROPOSES OFFERING. C. I. T. Financial Corporation, 650 Madison Ave., New York 10022, filed a registration statement (File 2-24127) with the SEC on October 15 seeking registration of 500,000 shares of cumulative preference stock, Series of 1965. The stock is to be offered for public sale through underwriters headed by Dillon, Read & Co. Inc., 46 William St., New York, and Kuhn, Loeb & Co. Inc., 30 Wall St., New York. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in various types of financing. Net proceeds from its stock sale will be added to working funds to be applied initially toward the reduction of short-term borrowings. In addition to indebtedness, the company has outstanding 19,054,279 common shares, of which management officials own 2.9%. Henry Ittleson, Jr., is board chairman and L. Walter Lundell is president.

QUAKER OATS FILES STOCK PLAN. The Quaker Oats Company, Merchandise Mart Plaza, Chicago, Ill. 60654, filed a registration statement (File 2-24128) with the SEC on October 15 seeking registration of 350,000 shares of common stock, to be offered pursuant to its 1964 Qualified Stock Option Plan.

GM SHARES SEEKS ORDER. GM Shares, Inc., Detroit, Mich., registered open-end, non-diversified management investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to provisions of Sections 17(a) through 17(e) of the Act relating to transactions of certain affiliated persons and underwriters, to the extent that such sections may be applicable to the redemption of the company's Class A and Class B stock pursuant to its charter and to its purchase of its outstanding common stock pursuant to existing resolutions, or any renewals thereof, of its Board of Directors. The Commission has issued an order (Release IC-4375) giving interested persons until November 10 to request a hearing thereon.

ALLAN GLEZERMAN FINED. The SEC Chicago Regional Office announced October 7 (LR-3345) that Allan H. Glezerman of Cleveland, Ohio, was fined \$1,000 (USDC, ND Ohio) following his plea of guilty to securities fraud.

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended October 14, 1965, 18 registration statements were filed, 17 became effective, 2 were withdrawn, and 296 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective October 18: Performing Arts Development Corp., 2-23882 (90 days); Productol Chemical Co., Inc., 2-23974 (90 days).

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.

*As estimated for purposes of computing the registration fee.

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