

# 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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**AUTROPONICS 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 proposed public offering of stock by Autroponics, Inc., of Dallas, Tex. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification and offering circular filed in September 1966, the company proposed the public offering of 118,300 shares of its common stock for an aggregate price of \$211,812.50. The Commission asserts in its suspension order that the offering circular and notification contain untrue statements of or omit material facts concerning, among other things, the "highly speculative" nature of the company's proposed business of producing hydroponic grass, the number of shares issued to management for cash and for services, and the potential dilution in the equity of stock purchased by the public. It is also alleged that the aggregate offering price of the stock would exceed the \$300,000 limitation when computed in accordance with the provisions of Regulation A.

**HEARING SET ON E B & S, FOREIGN POWER PROPOSAL.** The SEC has issued an order under the Investment Company Act (Release IC-4826) scheduling for hearing on March 2d an application filed by Electric Bond and Share Company and American & Foreign Power Company, Inc., both of New York. The application relates to a proposal for the merger of Foreign Power into Bond and Share, with the latter to continue in existence as the surviving corporation; and it seeks an exemption from provisions of the Act with respect to certain transactions involved in the merger proposal. The Commission may grant the requested exemption if evidence adduced at the hearing establishes that the terms of the proposed transactions, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned; the proposed transactions are consistent with the policies of both applicants as recited in their registration statements and reports filed under the Act; and the proposed transactions are consistent with the general purposes of the Act.

The merger agreement provides that each share of Foreign Power common outstanding on the effective date of the merger will be converted into 6/10ths of a share of Bond and Share common. Consummation of the merger will require the affirmative vote of 66-2/3 percent of the outstanding common stock of Bond and Share and the affirmative vote of 75 percent of the outstanding common stock of Foreign Power, or of almost 44 percent of the outstanding shares of common stock of Foreign Power not owned by Bond and Share. The Boards of Directors of Bond and Share and Foreign Power have called Special Meetings of the Stockholders thereof to be held on February 27, 1967 and February 28, 1967, respectively, to take action upon the proposed merger.

**ALLEGHENY POWER SEEKS ORDER.** Allegheny Power System, Inc., New York, has applied to the SEC for an order under the Holding Company Act authorizing it to acquire 150,000 additional shares of common stock of its electric subsidiary, The Potomac Edison Company, for \$3,000,000. The Commission has issued an order (Release 35-15647) giving interested persons until February 17 to request a hearing thereon. The subsidiary will use the net proceeds of its stock sale to finance, in part, its construction program, estimated at \$29,200,000 for 1967.

**ARKANSAS P&L PROPOSES BOND OFFERING.** Arkansas Power & Light Company, Ninth and Louisiana Sts., Little Rock, Ark., filed a registration statement (File 2-25913) with the SEC on January 25 seeking registration of \$30,000,000 of first mortgage bonds, series 1997, to be offered for public sale at competitive bidding. A subsidiary of Middle South Utilities, Inc., the company will use the net proceeds of its bond sale, together with funds derived from its operations, in connection with its 1967 construction program (estimated at \$57,400,000) and for other corporate purposes.

**UNLISTED TRADING GRANTED.** The SEC has issued an order under the Securities Exchange Act (Release 34-8030) granting an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks of American Optical Co., Braniff Airways, Inc. (Nevada), United Utilities, Inc., and Sprague Electric Co.

**J. C. PENNEY CREDIT CORP. PROPOSES OFFERING.** J. C. Penney Credit Corporation, 3947 Kennett Pike, Wilmington, Del. 19807, today filed a registration statement (File 2-25916) with the SEC seeking registration of \$50,000,000 of debentures, due 1987. The debentures are to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York 10005. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

Organized under Delaware law in 1964, the company finances customer receivables arising out of the retail business of the Penney Company. Net proceeds of its debenture sale will be used in the conduct of such business and to reduce short-term indebtedness. In addition to indebtedness, the company has outstanding 500,000 common shares, all of which are owned by the Penney Company. Arthur Jacobsen is president of the company.

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**MARYLAND CUP PROPOSES DEBENTURE OFFERING.** Maryland Cup Corporation, Owings Mills, Md. 21117, filed a registration statement (File 2-25914) with the SEC on January 25 seeking registration of \$12,000,000 of sinking fund debentures, due 1992, and \$8,000,000 of convertible subordinated debentures, due 1992. The debentures are to be offered for public sale through underwriters headed by Lehman Brothers, One William St., New York 10004. The interest rates, public offering prices and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of paper cups and containers, ice cream cones, plastic cups and containers, drinking straws and paper book matches. Net proceeds of this financing, together with other available funds, will be applied principally to the company's plant expansion program. Its expansion program includes new plants in Baltimore, Dallas, the Boston area, and Chicago, and equipping new and existing plants with additional paper cup, plastic and bakery machinery. In addition to indebtedness and preferred stock, the company has outstanding 3,097,726 common shares. Joseph Shapiro is board chairman and Arthur H. Shapiro is president.

**LABORATORY FOR ELECTRONICS FILES STOCK PLANS.** Laboratory for Electronics, Inc., 1601 Trapelo Rd., Waltham, Mass. 02154, filed a registration statement with the SEC seeking registration of 90,500 shares of common stock, to be offered pursuant to its 1959 and 1966 Stock Option Plans for Salaried Officers and Employees.

**ELCO CORP. FILES FOR OFFERING AND SECONDARY.** Elco Corporation, Willow Grove, Pa. 19090, filed a registration statement (File 2-25915) with the SEC on January 25 seeking registration of \$5,000,000 of convertible subordinated debentures (due 1987) and 25,000 outstanding shares of common stock. The securities are to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York. The interest rate on the debentures, public offering price of the debentures and stock (\$26 per common share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the sale of connectors, contacts, and connector systems for manufacturers of computers and others in the electronic and electrical industries. It will use the net proceeds of its debenture sale to repay \$4,000,000 of bank loans and for general corporate purposes. In addition to indebtedness, the company has outstanding 1,335,780 common shares, of which management officials owns 22.37%. The selling stockholder is Benjamin Fox (board chairman and president), who is offering 25,000 of his holdings of 246,574 shares.

**SECURITIES ACT REGISTRATIONS. Effective January 25:** Condec Corporation, 2-25832 (Mar 7); Gerber Products Co., 2-25791 (40 days); Oklahoma Gas and Electric Co., 2-25809 (40 days); Virginia Electric and Power Co., 2-25814.

**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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