

# 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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SEC

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FOR RELEASE February 16, 1967

**BONNIE GARDNER REGISTRATION REVOKED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-8035) revoking the broker-dealer registration of Bonnie Carol Gardner ("Registrant"), doing business as Gardner & Co., 74 Throckmorton, Mill Valley, Calif., and barring David B. Gardner, Registrant's husband, from association with a broker or dealer, with the proviso that after six months they may become associated with a registered broker-dealer upon an appropriate showing to the Commission that their activities will be adequately supervised.

On the basis of the order for proceedings and the offer of settlement in which the respondents neither admitted nor denied the allegations in the order, the Commission found that Registrant, aided and abetted by David Gardner, made "materially false and misleading statements" in her application for broker-dealer registration regarding cash on hand and the amount and nature of her liabilities as of November 8, 1965. It was also found that in 1965 and 1966 Registrant, aided and abetted by David Gardner, violated the net capital provisions of the Act, failed to maintain and keep current monthly trial balances and ledgers reflecting all assets and liabilities, income and expenses and capital accounts, and moneys borrowed and loaned, and overstated by \$5,000 (in her annual report of financial condition) the bank deposits "subject to immediate withdrawal."

**CENTRAL AND SOUTH WEST CORP. RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (35-15665) authorizing four electric-utility subsidiaries of Central and South West Corporation, Wilmington, Del., to sell some \$9,000,000 of promissory notes to the parent. The subsidiaries propose to use the proceeds of the note sales to finance their respective construction programs.

**WESTERN MASSACHUSETTS ELECTRIC SEEKS ORDER.** Western Massachusetts Electric Company, West Springfield, Mass., subsidiary of Northeast Utilities, has applied to the SEC for an order under the Holding Company Act authorizing it to sell \$15,000,000 of bonds at competitive bidding and a maximum of \$24,500,000 of notes to banks; and the Commission has issued an order (Release 35-15666) giving interested persons until March 6 to request a hearing thereon. As noted in the SEC News Digest of February 10, the subsidiary will use the net proceeds of its bond sale to repay \$14,600,000 of bank loans and to reimburse its treasury for construction expenditures. The proceeds of the note sale are to be used for its construction program (estimated at \$26,634,000 from January 1, 1967, to June 30, 1968) and for other corporate purposes.

**SOUTHWESTERN P.S. PROPOSES BOND OFFERING.** Southwestern Public Service Company, 720 Mercantile Dallas Bldg., Dallas, Tex. 75201, filed a registration statement (File 2-25983) with the SEC on February 15 seeking registration of \$15,000,000 of first mortgage bonds, due 1997. The bonds are to be offered for public sale through an underwriting group headed by Dillon, Read & Co., Inc., 46 William St., New York 10005. The interest rate, public offering price, and underwriting terms are to be supplied by amendment. An electric utility, the company will use the net proceeds of the bond sale in connection with its construction program, estimated at \$17,162,000 for 1967.

**PRESIDENTIAL INVESTMENT FUND PROPOSES OFFERING.** Presidential Investment Fund, Inc., 719 Liberty Ave., Pittsburgh, Pa. 15222, filed a registration statement (File 2-25984) with the SEC on February 15 seeking registration of 2,500,000 shares of capital stock. The stock is to be offered for public sale at \$10 per share through underwriters headed by Shearson, Hammill & Co. Inc., 14 Wall St., New York 10005, which will receive an \$.85-per-share commission.

Organized under Maryland law in November 1966, the Fund is a diversified management investment company whose objective is "to seek long term growth of capital and of income" by investing in securities of companies listed in its prospectus. Its investment adviser is Presidential Research Corporation, which is a wholly owned subsidiary of Federated Investors, Inc., the Fund's distributor. An affiliate of Federated Research Corp., the investment adviser has entered into an arrangement whereby Federated Research will furnish it with investment advice and other information. The Fund has one outstanding share, which is owned by its investment adviser. John F. Donahue is president of the Fund and its distributor; he is also chairman of Presidential Research and Federated Research.

**TRANSCONTINENTAL GAS PIPE LINE FILES FOR DEBENTURE OFFERING.** Transcontinental Gas Pipe Line Corporation, 3100 Travis St., Houston, Tex. 77001, filed a registration statement (File 2-25986) with the SEC on February 15 seeking registration of \$50,000,000 of debentures, due 1987. The debentures are to be offered for public sale through underwriters headed by White, Weld & Co., 20 Broad St., New York 10005, and Stone & Webster Securities Corp., 90 Broad St., New York 10004. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company owns and operates an interstate pipeline system for the purchase, sale and transportation of natural gas. Net proceeds of its stock sale will be used to prepay \$50,000,000 of indebtedness incurred in connection with its construction program. The company's scheduled construction program after January 1, 1967, is estimated to cost \$229,000,000. In addition to indebtedness and preferred stock, it has outstanding 18,472,826 common shares, of which management officials own 3.3%. E. Clyde McGraw is president.

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**KAISER ALUMINUM FILES FOR SECONDARY.** Kaiser Aluminum & Chemical Corporation, 300 Lakeside Dr., Oakland, Calif., 94604, filed a registration statement (File 2-25982) with the SEC on February 15 seeking registration of 750,000 outstanding shares of common stock. The present holder thereof, Kaiser Industries Corporation, proposes to offer the stock for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York 10005, and Dean Witter & Co., 45 Montgomery St., San Francisco, Calif. 94106. The public offering price (\$47.50 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company produces aluminum and fabricated aluminum products. In addition to indebtedness and preferred stock, it has outstanding 16,581,868 common shares, of which management officials own 20.52%. Edgar F. Kaiser is board chairman and T. J. Ready, Jr., is president. Kaiser Industries, the selling stockholder presently owns 6,412,579 shares of Kaiser Aluminum common.

**CENTRAL ILLINOIS LIGHT PROPOSES BOND OFFERING.** Central Illinois Light Company, 300 Liberty St., Peoria, Ill., 61602, today filed a registration statement (File 2-25988) with the SEC seeking registration of \$20,000,000 of first mortgage bonds, due 1997, to be offered for public sale at competitive bidding. The company intends to use the net proceeds of the bond sale in connection with its construction program, estimated at \$52,024,600 for 1967 and 1968.

**BORG-WARNER PROPOSES DEBENTURE OFFERING.** Borg-Warner Corporation, 200 S. Michigan Ave., Chicago, Ill. 60604, today filed a registration statement (File 2-25989) 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 Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York 10004, and Glore Forgan, Wm. R. Staats Inc., 135 S. LaSalle St., Chicago, Ill. 60603. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of products in the durable goods field, including automotive equipment, builder and consumer products, industrial equipment, and chemical and steel materials. Net proceeds of its debenture sale will be used in part to retire some \$40,000,000 of indebtedness and to finance proposed capital expenditures (estimated at \$84,000,000 for 1967). In addition to indebtedness and preferred stock, the company has outstanding 9,380,652 common shares.

**PACIFIC G&E FILES FOR BOND OFFERING.** Pacific Gas and Electric Company, 245 Market St., San Francisco, Calif. 94106, today filed a registration statement (File 2-25991) with the SEC seeking registration of \$80,000,000 of first and refunding mortgage bonds, Series 00, due 1999. The bonds are to be offered for public sale at competitive bidding. An operating utility, the company will apply the net proceeds of its bond sale toward the cost of additions to its utility plant. Gross expenditures for construction during 1967-1969 are estimated at \$887,000,000.

**CORRECTION RE PAUL REVERE.** The SEC News Digest of February 14 erroneously reported that Paul Revere Corp. had applied for an order declaring that it "has ceased to be" an investment company; the application seeks an order declaring that the said company "is not an investment company."

**SECURITIES ACT REGISTRATIONS.** Effective February 15: Atoka, Inc., 2-25920 (40 days); Carolina Caribbean Corp., 2-25833 (90 days); Farah Manufacturing Company, Inc., 2-25883 (90 days); Pacific Northwest Bell Telephone Co., 2-25921.  
Effective February 16: Virgin Island Properties, Inc., 2-25321 (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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