

## 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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**PENN GARDENS FILES FOR OFFERING.** Penn Gardens Limited Partnership, 1411 K St., N. W., Washington, D.C., filed a registration statement (File 2-21016) with the SEC on January 15 seeking registration of \$1,210,000 of limited partnership interests, to be offered for public sale at \$1,000 per unit. The offering will be made by Hodgdon and Co., Inc., of the K Street address, which will receive a \$100 per unit commission. The offering will terminate if a minimum of 1,089 units are not sold and, in such event, all proceeds will be returned to investors.

The partnership was organized under Maryland law in January 1963 with A. Dana Hodgdon, a principal shareholder of the underwriter, and his wife, Barbara Hodgdon, as general partners, and the underwriter as initial limited partner. The partnership's business will consist of the acquisition, ownership and operation of an undivided one-half interest as tenant in common in a garden apartment project, known as the Penn Garden Apartments, located in Prince Georges County, Maryland. Dana Hodgdon entered into a contract to purchase the one-half interest in the project from Jerry Wolman and Nick Basiliko (and their wives) for \$1,070,000 (over and above one-half of the amount of any construction and/or permanent loans which may be on record at the closing date). Hodgdon has paid a \$100,000 deposit toward the purchase price and has assigned the purchase contract to the partnership. The \$1,069,000 estimated net proceeds from sale of partnership interests (after deductions of a \$20,000 expense allowance to the general partners), together with \$1,000 contributed by the original limited partner, will be used to pay the \$1,070,000 purchase price of the one-half equity interest in the project. The general and original limited partners have received 40 units at a cost of \$1,000. United Investors Management Corporation will manage the project and will receive a fee equal to 3% of the gross income collected from the apartments.

**HOME ENTERTAINMENT FILES FINANCING PLAN.** Home Entertainment Company of America, Inc. ("HE America"), Time and Life Bldg., New York, and its wholly-owned subsidiary, Home Entertainment Company, Inc., of Los Angeles ("HE Los Angeles"), 19th and Broadway, Santa Monica, Calif., filed a registration statement (File 2-21017) with the SEC on January 16 seeking registration of 230,000 shares of common stock of the subsidiary, and 23,000 5-year common stock purchase warrants of the parent (exercisable at \$10 per share), to be offered for public sale in units consisting of 10 shares and one warrant. The offering will be made at \$100 per unit on a best efforts all or none basis by Bernard M. Kahn & Co., Inc., Time and Life Bldg., New York, which will receive a \$10 per unit commission and \$47,500 for expenses. The statement also includes (1) 16,000 common shares of the subsidiary underlying 4-year warrants to be sold to the underwriter for \$1,600, exercisable initially at \$11 per share, and (2) 39,888 outstanding common shares of the parent recently acquired by Bernard M. Kahn, president of the underwriter (38,400 of such shares were acquired for \$45,200). The subsidiary will pay a \$12,500 finder's fee to Herbert T. Steinmann, treasurer of the parent.

HE America was organized in September 1962 and is engaged in the development and promotion of a pay television system; and HE Los Angeles was organized in March 1961 and proposes to install the system in Santa Monica. According to the prospectus, the system has not been installed or commercially tested "and there is no assurance that it is prospectually feasible." Application for patents relating to the system are pending, but the company can give no "assurance that such patents will be issued or that HE America will be able to prevent others from appropriating the results of its developmental work with impunity." In addition, none of the special equipment to be used in the system has as yet been produced in other than preliminary prototype models and no production agreements have been made. The efforts of HE America to promote the system will depend in large measure upon the success of the installation to be made by HE Los Angeles in Santa Monica, which is not expected to be in operation prior to April 1964. The prospectus further states that the success of HE Los Angeles will be largely dependent upon the quality of the program material which it exhibits, and as yet no arrangements for program material have been made by or on behalf of HE Los Angeles and "there is no assurance that satisfactory programming can be obtained." The subsidiary estimates that the \$1,900,000 net proceeds from this financing will permit it to install and equip a system for up to 20,000 subscribers in Santa Monica, to carry its pre-operating expenses until April 1964 and to provide working capital. It is presently contemplated that a \$10 deposit will be required from each subscriber (refundable after two years of continuous service); a monthly service fee of \$1 will be charged; and program charges will vary, according to the nature of the programs, from a few cents to several dollars per program for residential viewers (with a different fee schedule applicable for commercial subscribers). According to the prospectus, HE America has entered into an agreement with General Electric Company under which GE has undertaken to design and deliver production prototypes of the meter and control unit in accordance with HE America specifications; and it has also entered into an agreement with American Electronics Laboratories, Inc. under which AEL will design and develop, in accordance with company specifications, certain other equipment.

The parent company has outstanding 211,200 shares of common stock, of which Oliver A. Unger, president, and Bernard M. Kahn, a director, own 25.4% and 18.9%, respectively, and management officials as a group 61%. Unger is also board chairman of HE Los Angeles and Wendell Corey is president. Following sale of the new securities, HE America will own 23.3% of the outstanding stock of HE Los Angeles, in respect of which an aggregate of \$75,915 (\$1.08 per share) was originally received by HE Los Angeles; and the public will own the balance of 76.7% for which it will have paid \$2,300,000 (\$10 per share). The net book value of each common share of HE Los Angeles to be outstanding will be about \$6.50 or \$3.41 less than the \$10 per share being paid by the public. The outstanding shares of the parent have a present book value of 96¢ per share.

**WALLACE & TIERNAN FILES FOR SECONDARY.** Wallace & Tiernan Inc., 25 Main St., Belleville, N. J., filed a registration statement (File 2-21018) with the SEC on January 16 seeking registration of 256,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by White, Weld & Co., Inc., 20 Broad St., and Cyrus J. Lawrence & Sons, 115 Broadway, both of New York. The public offering price (maximum \$30 per share\*) and underwriting terms are to be supplied by amendment.

The company manufactures and sells organic peroxides and other chemicals, chlorination equipment for water purification, industrial flow metering equipment, precision pressure-sensitive instruments, aids to navigation, a continuous dough-making process for the baking industry, equipment and materials used by the fresh fruit, produce and citrus industries, and ethical prescription drugs and consumer drugs. In addition to certain indebtedness, the company has outstanding 3,789,459 shares of common stock, of which Ellery & Co. of Newark, holds of record 30.4%, Martin F. Tiernan, a director (and his family), 21.9%, and Charles F. Wallace, a director (and his family), 24.4%. In addition members of the Strassenburgh family (R. J. Strassenburgh is a vice president) own an aggregate of 17.5%. According to the prospectus, Ellery & Co. is a bank nominee believed to hold most of its shares for the benefit of the members of the families of Tiernan and Wallace. Robert M. Jackson is board chairman and Robert T. Browning is president. The prospectus lists 10 selling stockholders, including the trustees of The Florence Murray Wallace Fund (a charitable trust) and Edwin G. Strassenburgh, Sr., who propose to sell 50,000 (of 123,004 shares held) and 38,000 (of 191,133 shares owned), respectively. Others propose to sell amounts ranging from 6,000 to 37,000 shares. After the stock sale, members of the Tiernan, Wallace and Strassenburgh families together will own 57.1% of the outstanding stock.

**SOUTHWESTERN PUBLIC SERVICE PROPOSES BOND OFFERING.** Southwestern Public Service Company, 720 Mercantile Dallas Bldg., Dallas, filed a registration statement (File 2-21020) seeking registration of \$14,000,000 of first mortgage bonds due 1993, to be offered for public sale through underwriters headed by Dillon, Read & Co., Inc., 45 William St., New York. The public offering price and underwriting terms are to be supplied by amendment. The net proceeds from the bond sale will be used to pay bank loans obtained for construction purposes and the balance will be added to general funds for payment of further such costs. The company's construction program contemplates the expenditure of \$24,630,000 for the 1963 fiscal year (of which \$8,478,000 had been expended at December 31, 1962), and \$27,399,000 for the 1964 fiscal year. (1/Filed Jan. 16)

**VARIAN ASSOCIATES FILES STOCK PLAN.** Varian Associates, 611 Hansen Way, Palo Alto, Calif., filed a registration statement (File 2-21021) with the SEC on January 16 seeking registration of \$2,606,250 of interests in its Employee Stock Purchase Plan, together with 100,000 shares of capital stock which may be acquired pursuant thereto.

**METOIL HEARING SCHEDULED.** Upon request of Metoil, Incorporated, 161 South First West, Salt Lake City, Utah, the SEC has scheduled a hearing for February 19, 1963, in its Denver Regional Office, to take evidence on the question whether an order of the Commission dated December 21, 1962, temporarily suspending a Regulation A exemption from registration with respect to a public offering of 238,500 shares of Metoil common at \$1 per share should be vacated or made permanent. The Commission's suspension order was based upon alleged false and misleading representations in the company's offering circular.

**AMERICAN RADIOTELEPHONE HEARING RE-SCHEDULED.** The Commission has re-scheduled for March 4, in its Boston Regional Office, the hearing to take evidence on the question whether to vacate or make permanent an order of the Commission dated September 5, 1962, temporarily suspending a Regulation A exemption from registration with respect to a proposed public offering of \$250,000 of 8% convertible debentures due 1966 by American Radiotelephone Corporation, 215 Oak Street, Natick, Mass.

**EMERSON ELECTRIC MFG. FILES FOR SECONDARY.** Emerson Electric Manufacturing Company, 811 Florissant Ave., St. Louis, Mo., today filed a registration statement (File 2-21022) with the SEC seeking registration of 162,045 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York. The public offering price (maximum \$35 per share\*) and underwriting terms are to be supplied by amendment.

The business of the company includes the manufacture and sale of a broad line of electric motors, automatic controls, electronic devices and builder products. In addition to certain indebtedness, the company has outstanding 7,120,281 shares of common stock, of which management officials as a group own 8.6%. W. S. Snead is board chairman and W. R. Persons is president. The prospectus lists nine selling stockholders owning an aggregate of 1,310,467 shares, including Grace C. Steele and George T. Pflieger, a vice president, who propose to sell, respectively, 80,000 (of 503,810 shares owned) and 25,000 (of 350,830 shares owned). Others propose to sell amounts ranging from 5,000 to 10,000 shares. Such shares are part of an aggregate of 1,884,496 shares issued by the company in July 1962 for substantially all of the assets of U. S. Electrical Motors, Inc.

**SECURITIES ACT REGISTRATIONS.** Effective January 16: The Chesapeake and Potomac Telephone Co. of Md. (File 2-20981). Effective January 17: Servotronics, Inc. (File 2-20161).

\*As estimated for purposes of computing the registration fee.

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