

# 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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**SEC RULES ON WEST PENN POWER MINORITY INTEREST.** In a decision announced today (Release 35-15145), the SEC approved a plan filed under the Holding Company Act and providing for the elimination of the publicly-held, minority common stock of West Penn Power Company, of Greensburg, Pennsylvania. A subsidiary of Allegheny Power System, Inc., a registered holding company, West Penn has outstanding 3,774,086 shares of no par value common stock, of which 3,593,160 shares (95.21%) are owned by Allegheny. The remaining 180,926 shares (4.79%) are held by some 3,000 public stockholders.

The plan provides that, after giving effect to a recent two-for-one split of Allegheny's \$5 par value common stock into shares of its presently outstanding \$2.50 par value common stock, Allegheny will issue 615,148 shares of its \$2.50 par value common stock in exchange for the minority holdings of West Penn shares, in the ratio of 3.4 shares of Allegheny's \$2.50 par value common for each share of West Penn common. The Commission found the plan to be necessary and appropriate to effectuate the provisions of Section 11(b) of the Act, and fair and equitable to all persons affected thereby.

As requested by Allegheny, the Commission will apply to an appropriate United States District Court for an order to enforce and carry out the provisions of the plan. The plan will become effective as soon as practicable after the entry of such order by the District Court, and the public holders of shares of West Penn common stock will thereafter, for a period of five years, have only the right to exchange their shares of West Penn common stock for shares of Allegheny's \$2.50 par value common stock, plus dividends paid by Allegheny on its common stock. Any shares of Allegheny common stock (and cash dividends thereon) remaining unclaimed at the expiration of such five-year period will revert to Allegheny free from any claims of the persons for whose account they were held.

Allegheny is solely a holding company whose assets consist chiefly of its holdings of common stock of its electric utility subsidiary companies. The Allegheny system, with consolidated assets of about \$650,000,000 and annual consolidated electric operating revenues of some \$176,000,000, furnishes electric services in the States of Maryland, Ohio, Pennsylvania, Virginia, and West Virginia. West Penn has consolidated assets of about \$350,000,000 and annual consolidated electric operating revenues of some \$93,000,000; it furnishes electric services in the western and north central portions of Pennsylvania.

**CETRON HEARING POSTPONED.** Pursuant to request of counsel for Cetron Electronic Corporation, of Geneva Ill., the hearing in "stop order" proceedings involving that company's Securities Act registration statement has been postponed from November 16 to December 21, 1964.

**MID-AMERICA INSURANCE PROPOSES OFFERING.** Mid-America Insurance Company, 6155 Oak St., Kansas City, Mo., filed a registration statement (File 2-22921) with the SEC on November 12 seeking registration of 90,000 shares of capital stock. The stock is to be offered for public sale through an underwriting group headed by Barret, Fitch, North & Co., Inc., 111 W. 10th St., Kansas City, Mo. The public offering price (\$6 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in writing hospitalization, accidental death, income-protection and life insurance policies. Net proceeds from its stock sale will be added to capital and surplus and used in the conduct of such business. In addition to indebtedness, the company has outstanding 50,000 capital shares, of which management officials and their immediate families own 68.4% (including 46.6% owned by Paul M. Klein, president).

**MEMOREX CORP. SHARES IN REGISTRATION.** Memorex Corporation, 1180 Shulman Ave., Santa Clara, Calif., filed a registration statement (File 2-22922) with the SEC on November 12 seeking registration of 7,465.8 outstanding shares of Series B common stock, to be offered for public sale by the present holders thereof. The public offering price (\$600 per share maximum\*), identity of the underwriters and underwriting terms are to be supplied by amendment. The registration statement also covers 14,193.6 outstanding Series B shares, which may be offered by the selling stockholders from time to time in the over-the-counter market at prices current at the time of sale. Of the 14,193.6 shares, 9,937.9 are to be received by the selling stockholders upon conversion of certain notes issued by the company.

Organized under California law in 1961, the company designs, develops, manufactures and sells precision magnetic tape, which is used in the operation of magnetic recorder memories of computers and other digital and analog data systems. In addition to indebtedness, the company has outstanding 19,525 Series B common shares, of which management officials as a group own 49.3%. Its outstanding stock will be increased to 32,280 upon conversion of said notes. At the inception of the company, Laurence L. Spitters (president), Donald F. Eldridge (vice president), W. L. Noon (vice president) and another promoter purchased 12,500 Series B shares for an aggregate of \$12,500. The prospectus lists 41 selling stockholders, including Alsta & Co. (offering 1,000 of 2,000 shares held); and Bakar, Fentress & Co. (1,000), Alger Chaney (1,027.3), Eldridge (3,125), Noon (2,725), Spitters (3,125) and J. H. Whitney & Co. (3,333.3), all of whom are offering their entire stockholdings. The remaining selling stockholders are offering stock ranging in amount from 20 to 900 shares.

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**SECOND EMPIRE FUND FILES EXCHANGE PROPOSAL.** Second Empire Fund, Inc., 44 School St., Boston, filed a registration statement (File 2-22923) with the SEC on November 12 seeking registration of 750,000 shares of capital stock. Fund shares are to be offered to investors holding substantial blocks of corporate securities, on the basis of one Fund share for each \$20 market value of securities received by the Fund. A. G. Becker & Co., Inc., 60 Broad St., New York, will act as dealer manager and will receive a 4% commission.

Organized under Maryland law in October 1964, the investment objective of the Fund "is to seek long-term growth of capital and of income." One share of stock is presently outstanding and is owned by Federated Research Corp., the Fund's investment adviser. John F. Donahue is president of the Fund and of the investment adviser.

**LITHIUM CORP. FILES STOCK PLAN.** Lithium Corporation of America, Inc., 500 Fifth Ave., New York, filed a registration statement (File 2-22924) with the SEC on November 12 seeking registration of 20,000 shares of common stock, to be offered pursuant to its Stock Purchase Plan.

**NATIONAL AERONAUTICAL FILES FOR OFFERING AND SECONDARY.** National Aeronautical Corporation, Fort Washington Industrial Park, Fort Washington, Pa., filed a registration statement (File 2-22925) with the SEC on November 12 seeking registration of 166,693 shares of common stock. Of this stock, 50,000 shares are to be offered for public sale by the company and 116,693 (being outstanding stock) by the present holders thereof. The offering is to be made through an underwriting group headed by White, Weld & Co., Inc., 20 Broad St., New York, and two other underwriters. The public offering price (\$30 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in developing, manufacturing and selling radio communication and navigation equipment for civilian airplanes. It also develops, makes, and sells medical equipment and marine navigation equipment. Of the net proceeds from the company's sale of additional stock, approximately \$250,000 will be used to pay bank debt and the balance will be added to the company's working capital. In addition to indebtedness, the company has outstanding 1,106,202 common shares, of which management officials as a group own 33.5%. The prospectus lists 12 selling stockholders, including Applegarth Foundation, A. Rufus & Mrs. Margaret Corson Applegarth, trustees under a charitable trust agreement (offering 10,000 of 12,241 shares held); A. Rufus Applegarth, Jr., vice president (10,000 of 126,374); Ernest Garfield, vice president (17,000 of 97,166); Griffin & Co. (27,592, its entire holdings); and James M. Riddle, Jr., board chairman and president (21,188 of 66,190). The remaining selling stockholders are offering stock ranging in amount from 1,412 to 7,500 shares.

**HEUBLEIN FILES FOR OFFERING AND SECONDARY.** Heublein, Inc., 330 New Park Ave., Hartford, Conn., filed a registration statement (File 2-22926) with the SEC on November 12 seeking registration of 331,000 shares of common stock. Of this stock, 100,000 shares are to be offered for public sale by the company and 231,000 shares (being outstanding stock) by the present holders thereof. The offering is to be made through underwriters headed by Gore, Forgan & Co., 45 Wall St., New York. The public offering price (\$26 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the production, bottling and distribution of vodka (principally under the brand name Smirnoff) and other alcoholic beverages. Net proceeds from its sale of additional stock will be added to general funds to replenish in part the company's cash position after the purchase of Arrow Liqueurs Corporation for \$5,699,211, and in anticipation of the 1965 capital expenditure program, which includes a new \$3 million facility in Detroit. In addition to indebtedness, the company has outstanding 4,809,631 common shares, of which management officials as a group own 17.9%. The prospectus lists six selling stockholders, including The Connecticut Bank & Trust Co., trustee under the will of Arthur C. Heublein, offering 100,000 of 890,210 shares held; John G. Martin (chairman), 50,000 of 501,930; Helen M. Martin, 50,000 of 299,797; and Frances H. O'Dell (director), 15,000 of 172,695. The remaining two selling stockholders are offering 1,000 and 15,000 shares. Ralph A. Hart is president.

**TENNESSEE GAS TRANSMISSION PROPOSES DEBENTURE OFFERING.** Tennessee Gas Transmission Company, Tennessee Bldg., Houston, today filed a registration statement (File 2-22929) with the SEC seeking registration of \$40,000,000 of debentures due 1984. The debentures are to be offered for public sale through underwriters headed by Stone & Webster Securities Corp., 90 Broad St., New York, and two other underwriters. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company owns and operates pipe line systems for the transmission of natural gas, and through subsidiaries is engaged in other activities including the production, refining and marketing of petroleum and petroleum products. Net proceeds from the debenture sale will be used for the expansion of the company's natural gas pipe line systems and for the domestic and foreign oil and gas development, exploratory drilling, acquisition, marketing, petrochemical and other activities of the company. In addition to indebtedness and preferred stock, the company has outstanding 44,119,350 common shares, of which management officials as a group own 265,880 shares. Gardiner Symonds is board chairman and Harold Burrow is president.

**ORAL ARGUMENTS, COMING WEEK.** Nov. 17, 2:30 P.M. - Arthur Shulman (NASD case).  
Nov. 18, 2:30 P.M. - Lile & Co., Inc.

**SECURITIES ACT REGISTRATIONS.** Withdrawn November 12: United States Leasing Corp. (File 2-22213)

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

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