

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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EASTERN UTILITIES PROPOSES TRANSFER OF SYSTEM GAS PROPERTIES

Eastern Utilities Associates, Boston holding company, has filed a plan with the SEC for disposition of the gas properties owned by its subsidiary, Blackstone Valley Gas and Electric Company; and the Commission has scheduled the plan for hearing on May 26, 1959 (Release 35-13983). The purpose of the plan is to comply with a 1950 order of the Commission directing the divestment of Blackstone's gas properties.

The properties are to be transferred to a new company, Valley Gas Company. The estimated net book value of the properties is \$9,800,000. In payment for the properties, Valley Gas will issue to Blackstone \$4,500,000 of bonds, \$1,300,000 of 15-year notes, and \$3,999,970 par value (399,997 shares, \$10 par) of common stock, or a total aggregate principal and par value of securities of \$9,799,970; and Blackstone will purchase for \$30 cash the three outstanding shares of Valley Gas stock.

Simultaneously, pursuant to a private sale to be negotiated (and for which an exemption from competitive bidding is requested), Blackstone will sell to institutional investors, for an estimated \$5,800,000, the said bonds and notes. Blackstone will borrow from banks an estimated \$1,880,000 which, with the proceeds of such sale of securities, will be required for deposit with the trustee under Blackstone's mortgage indenture to secure the release of the gas properties from the lien of the mortgage. The trustee will use such funds to retire by purchase, or redemption, outstanding Blackstone bonds.

Eastern seeks initial approval of this part, Step I, of the plan. Step II, for which subsequent approval will be sought, provides that within 90 days after the 1959 year-end figures for Blackstone and Valley Gas have been determined, Blackstone will initiate appropriate proceedings to effect the sale, subject to Commission approval, pursuant to a rights offering, of the 400,000 shares of Valley Gas common stock to the stockholders of Eastern and the public stockholders of Blackstone.

WEST PENN ELECTRIC ACQUISITION OF SUBSIDIARIES PROPOSED

The West Penn Electric Company and The Potomac Edison Company, its subsidiary, have joined with three subsidiaries of the latter in the filing of a proposal with the SEC whereby the three subsidiaries will issue additional stock to Potomac Edison to finance their construction programs; and the Commission has issued an order (Release 35-13984) giving interested persons until April 29, 1959, to request a hearing thereon.

The subsidiaries, and the amount of additional investment to be made in each, are as follows: Northern Virginia Power Company, 4,000 shares, \$400,000; Potomac Light and Power Company, 6,000 shares, \$600,000; and South Penn Power Company, 40,000 shares, \$200,000. Purchase of the additional shares by Potomac Edison is to be made from time to time during 1959 as the funds are required by the subsidiaries for property additions and improvements.

YANKEE ATOMIC STOCK SALE APPROVED

The SEC has issued an order (Release 35-13985) authorizing Yankee Atomic Electric Company to issue and sell to its stockholder companies an additional \$7,000,000 of common stock (70,000 shares) OVER

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to be applied to the financing of construction of its nuclear power project. Jurisdiction was reserved by the Commission with respect to the further proposal of Yankee Atomic to issue and sell \$20,000,000 of bonds to insurance companies and \$17,000,000 of notes to a bank. Purchaser of the largest block of additional stock, \$2,100,000, is New England Power Company, the balance to be acquired by the ten other stockholder companies.

COLONIAL FUND PROPOSES ACQUISITION OF BOND INVESTMENT TRUST

The Colonial Fund, Inc., and The Bond Investment Trust of America, both of Boston, have joined in the filing of an application with the SEC for an exemption order under the Investment Company Act permitting the Fund to acquire the assets of Investment Trust; and the Commission has issued an order (Release 40-2864) giving interested persons until April 28, 1959, at 2:00 P. M. to request a hearing thereon.

According to the application, all the assets of Investment Trust will be exchanged for stock of the Fund on the basis of the respective net asset values of the shares of the two companies on the effective date of the exchange, which is expected to be April 30, 1959. The Fund will assume all the liabilities of Investment Trust in accordance with the reorganization agreement, which will be submitted to and will be subject to the approval of a majority of the shares of Investment Trust.

PIONEER PLASTICS FILES FOR SECONDARY

Pioneer Plastics Corporation, Sanford, Maine, filed a registration statement (File 2-14983) with the SEC on April 15, 1959, seeking registration of 150,000 outstanding shares of its Common Stock. These shares are to be offered for public sale through an underwriting group headed by Reynolds & Co., Inc., except that 8,000 shares will first be offered to employees of Pioneer. The offering price and underwriting terms are to be supplied by amendment.

Pioneer and its subsidiaries are engaged principally in the business of manufacturing and selling decorative plastic laminates. All of the 150,000 common shares, constituting all of the outstanding shares of that class, are owned and are to be offered for sale by Arnold Aron, president, individually and as trustee of three trusts; John Rimer, treasurer, individually and as trustee of three trusts; Louis W. Gordon, vice president, individually and doing business as Leather Reduction Company, Ethel Aron, Arita Rimer and Anne Gordon. After such sale of the common shares, they will continue to own all of the 600,000 outstanding shares of Class B common stock, representing 80% of the voting securities outstanding.

DUKE POWER FILES EMPLOYEE STOCK PLAN

Duke Power Company, 422 South Church St., Charlotte, N. Car., filed a registration statement (File 2-14984) with the SEC on April 15, 1959, seeking registration of 150,000 shares of common stock, to be offered pursuant to the company's Stock Purchase-Savings Program for Employees.

MOLYBDENUM CORP. FILES STOCK OPTION PLAN

Molybdenum Corporation of America, 375 Park Ave., New York, filed a registration statement (File 2-14985) with the SEC on April 15, 1959, seeking registration of 97,364 shares of common stock, reserved for issuance upon exercise of outstanding Restricted Stock Options which were issued to key personnel pursuant to an Executive Employees' Stock Option Plan.

FLORIDA POWER PROPOSES RIGHTS OFFERING

Florida Power Corporation, 101 Fifth Street South, St. Petersburg, Fla., today filed a registration statement (File 2-14987) with the SEC seeking registration of 703,485 shares of common stock. The company proposes to offer this stock for subscription by common stockholders of record May 14, 1959, at the rate of one new share for each twelve shares then held. The subscription price and underwriting terms are to be supplied by amendment. Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith are listed as the principal underwriters.

Net proceeds of the stock sale will be used to pay off \$7,000,000 of temporary bank loans incurred to meet construction expenditures and the balance will be applied to the 1959 construction program, which is estimated to involve expenditures of \$31,500,000.