

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

Washington 25, D.C.

March 12, 1957

FOR RELEASE

Holding Company Act Release No. 13413

Appalachian Electric Power Company (Roanoke, Va.) has received SEC authorization to issue and sell, at competitive bidding, \$29,000,000 of First Mortgage Bonds, due March 1, 1987.

In addition, its parent, American Gas and Electric Company, has been authorized (1) to make a capital contribution to Appalachian of all of the 500 authorized and outstanding common shares of Kanawha Valley Power Company; and (2) to make a cash capital contribution of \$5,000,000 to Appalachian. Prior to such contribution, American will make a capital contribution to Kanawha of its open account advances to that company. The common stock equity of Kanawha thus to be contributed to Appalachian will amount to \$3,179,398, plus net income earned by Kanawha since January 1, 1957.

Appalachian proposes to use the additional funds for the repayment of outstanding bank notes, amounting to approximately \$26,000,000 to be outstanding when the proceeds of the bond sale are received. Any remaining proceeds will be added to Appalachian's treasury funds and will be applied to carry forward its construction program, the cost of which is estimated at \$56,370,000 for 1957.

* * * *

I-T-E Circuit Breaker Company, Philadelphia, filed a registration statement (File 2-13149) with the SEC on March 11, 1957, seeking registration of \$10,000,000 of Convertible Subordinated Debentures, to be offered for public sale through an underwriting group headed by Smith, Barney & Co. and C. C. Collings & Co., Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of this financing will be added to the company's general funds and will be available for general corporate purposes. The company contemplates using the major portion of the proceeds to reduce its short-term bank loans which currently aggregate \$13,000,000. Bank loans of its subsidiaries amount to \$1,100,000. Proceeds of these loans were used principally to finance inventories, accounts receivable, and, to a lesser extent, recent additions to plant and equipment.

* * * *

Chrysler Corporation and Chrysler Thrift-Stock Ownership Program, Detroit, filed a registration statement (File 2-13150) with the SEC on March 11, 1957, seek-

(Over)

ing registration of \$10,000,000 of interests or participations in the program and 150,000 shares of Chrysler common stock which may be acquired pursuant thereto.

* * * *

Florida-Southern Land Corp., Tom's Harbor, Monroe County, Fla., filed a registration statement (File 2-13151) with the SEC on March 11, 1957, seeking registration of 600,000 shares of its 10¢ par Common Stock, to be offered for public sale at \$5 per share. The offering is to be made on a "best efforts" basis by Keystone Securities Company, Inc., of Philadelphia, for which a 75¢ per share selling commission is to be paid. In addition, for each 100,000 of the first 300,000 shares sold, the underwriter will be entitled to purchase 8,000 common shares from the company at 10¢ per share. Thereafter, the underwriter will be entitled to receive from Bryan W. Newkirk, of Toronto, the company's founder and president, 8,000 shares of Mr. Newkirk's personally-owned stock for each remaining 100,000 shares which it sells to the public. Thus, if all the 600,000 shares are sold, the underwriter will receive a total of 48,000 shares for a cash payment of \$2,400. The company also has agreed to reimburse the underwriter for its actual expenses in an amount not to exceed \$30,000, at the rate of 5¢ per share sold.

Florida-Southern was organized under Florida law on July 31, 1956, to engage in the business of buying, selling, developing and operating real properties. Its present business consists of the ownership and development of a tract of over 300 acres of property, known as Duck Key, which is located on the Atlantic Ocean in the Florida Keys. Duck Key, according to the prospectus, is being developed as a luxury-type, island resort community. Duck Key and the structures, furnishings and equipment thereon were acquired from two companies controlled by Newkirk, for which 2,750,000 shares of stock were issued by Florida-Southern. Newkirk has agreed to deliver 24,000 shares to the underwriter; and he has sold 80,000 shares to officers and directors at \$2 per share. The company has sold 46,500 shares to three other persons for \$186,000. The prospectus further indicates that, assuming the public sale of the 600,000 shares, the purchasers thereof will have acquired approximately 17½% of the then outstanding stock for an investment of \$3,000,000 while Newkirk and his associates will own 2,726,000 shares or slightly over 79½% of the stock issued for property with respect to which aggregate cash of \$1,731,362 had been spent prior to the transfer. The three purchasers of the 46,500 shares, Thomas J. Day, A. B. Whitelaw and J. W. Metelnick, all of Toronto, will own approximately 1½% of the stock for a cash investment of \$186,000; and the underwriter will hold about 1½% of the stock received by it for services and the payment of \$2,400 cash.

Net proceeds of the public offering, assuming all shares are sold, are estimated at \$2,490,000. Of these funds, \$793,000 are to be used for the construction of a 50-unit hotel-motel (at a cost of \$405,000) and various other and related buildings and improvements; \$161,000 for furniture and equipment; and the balance of \$1,136,000 to be added to general funds, to be used for either the construction of lease accommodations on Duck Key or the acquisition of additional land sites in other areas.

* * * *

(Continued)

Bluefield Supply Company, Bluefield, W. Va., today filed a registration statement (File 2-13152) with the SEC seeking registration of 149,925 shares of its \$4 par Common Stock. The company proposes to offer these shares for subscription at \$17 per share by holders of its outstanding stock at the rate of three-tenths of one new share for each share then held. No underwriting is involved. Net proceeds of the sale will be added to the general funds of the company to be used for general corporate purposes, including advances to wholly owned subsidiaries. Additional working capital is said to be required to handle the expanding volume of business done by the company and its subsidiaries. Bluefield is a distributor of mine, industrial, electrical and contractors' supplies and equipment, as well as hardware, heating and plumbing equipment and supplies, builders' supplies and numerous home appliances.

---0000000---