

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.

FOR RELEASE

August 2, 1957

Securities Act Release No. 3821

The Securities and Exchange Commission today announced that the registration statement filed by The Sans Souci Hotel, Inc., Las Vegas, Nevada, had been amended in accordance with the Commission's stop order of May 2, 1956 and that the stop order had been lifted.

The registration statement relates to a proposed public offering of 1,107,686 shares of common stock (\$1 par value) at \$1 a share. Also included registered are 28,471 shares of common stock for issuance to creditors in satisfaction of debts owed to them. The company presently operates a 64-room hotel in Las Vegas and proposes to add restaurant, bar and gambling facilities. George E. Mitzel is listed as one of the company's promoters, its president, owner of 67.6% of its outstanding stock and lessee of the proposed restaurant, bar and gambling facilities.

Shares of the company are to be offered on a "best efforts" basis through Mitzel and two other promoters and officers of the company, as well as salesmen specially employed for such purpose. The specially employed salesmen will receive selling commissions up to 20¢ a share. Mitzel and another promoter have each been given an option to buy at 1¢ a share one share for every four shares of stock sold to the public. The prospectus states that, if all shares registered are sold and the options are exercised, the promoters will own 48% of the outstanding stock for which they will have paid \$74,334.47 and the public will own 52% for which it will have paid \$1,481,151.

The stop order was issued following the commencement of the hearing and the subsequent consent by the company to the entry of a stop order in accordance with the allegations contained in the notice of hearing and in the statement of matters to be considered at the hearing.

The registration statement has been revised to eliminate the previously proposed offering of 300,000 shares by Mitzel and to disclose the lease to him of the restaurant, bar and gambling facilities. There is also now disclosed that Mitzel has applied to the state authorities for a gambling license, the financial conditions to be met by him in obtaining such license, the means by which he proposes to meet these financial conditions (and the expense of furnishing gambling equipment), as well as the proposed repayment from proceeds of the offering of loans made by him to the company. The intense competition to which the company will be subjected by reason, among other things, of the accommodations, entertainment and gambling facilities offered by its much larger competitors, and the past financial difficulties of certain of the hotels in the area, have now been described.

For further details, call ST. 3-7600, ext. 5526

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In addition, the terms of an escrow arrangement with respect to the distribution of assets and payment of dividends on stock issued on exercise of options have been modified to agree with the terms of an existing escrow arrangement relating to promotional stock issued in 1955 to Mitzel which gives preference on such payments to public stockholders while shares are in escrow. It is also now provided that during the escrow period dividends will be paid only from retained earnings (under the laws of the state in which the company is incorporated dividends may be paid, according to the prospectus, from the surplus of the company's assets over its liabilities, including capital). The financial statements have been revised to eliminate write-ups of assets which were made upon transfer of properties from Mitzel to the company.

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Public Service Electric and Gas Company, Newark, N. J., filed a registration statement (File 2-13509) with the SEC on August 1, 1957, seeking registration of \$60,000,000 of First and Refunding Mortgage Bonds, Series due 1987, to be offered for public sale at competitive bidding.

Net proceeds of the sale of the bonds will be added to the general funds of the company and will be used for payment of \$60,000,000 of short-term bank loans made in June, 1957. The proceeds of the bank loans were added to the general funds of the company, and were, or will be, used by it for its general corporate purposes, including payment of a portion of the cost of its current construction program. As of June 30, 1957, the current construction program amounted to approximately \$271,000,000, of which some \$70,000,000 has been or will be expended in the last six months of 1957 and the remainder in subsequent years. It is anticipated that in order to finance this program the company will sell \$25,000,000 of preferred stock in the fall of 1957 or in 1958. It is also anticipated that the company will be required to sell additional securities in 1958 and in subsequent years to finance its current construction program, the amount and type of which have not been determined.

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DILBERT'S Quality Supermarkets Inc., Glendale, N. Y., filed a registration statement (File 2-13510) with the SEC on August 1, 1957, seeking registration of 180,000 shares of 7% Cumulative First Preferred Stock, \$10 par, and 180,000 shares of Common Stock, 10¢ par. The company proposes to offer these securities for public sale through an underwriting group headed by S. D. Fuller & Co., of New York. The offering is to be made in units, each consisting of one preferred and one common share; and the offering price is to be \$10.10 per unit, with a \$1.51 per share commission to the underwriters. Fuller & Co. is also entitled to purchase common stock warrants at 1¢ per warrant entitling the holder thereof to purchase an aggregate of 45,000 common shares at prices ranging from \$3 to \$5 per share; and it will receive \$25,000 for expenses.

Net proceeds of the financing will be used (1) to pay approximately \$970,000 in connection with the acquisition of the Big Ben Supermarkets; (2) to repay a note of \$80,000 to Bildner Big Ben Corporation; (3) an amount estimated at \$300,000 for equipment and merchandise for five new supermarkets which have already been leased and which will be opened in the fall of 1957 and during 1958, and the balance will be added to the company's general funds to be available as

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Additional working capital. The five new supermarkets will be located in Brooklyn, Queens and Nassau County, Long Island.

The company on July 11, 1957, entered into an agreement to acquire 17 supermarkets operating under the name of Big Ben in Queens and Nassau and Suffolk Counties, Long Island, and certain assets of three companies engaged in the operation of the supermarkets. The acquisition, which will not be consummated unless all the securities the subject of this offering are sold, will be accomplished by the purchase, through subsidiaries, of all of the capital stock of sixteen corporations which own the furniture, fixtures, equipment and leases of sixteen Big Ben supermarkets. The assets of an additional supermarket which consists of furniture, fixtures, equipment and lease will also be acquired by a subsidiary. The company also will acquire the assets of three Big Ben corporations which operate the seventeen supermarkets and own the inventory and supplies. The aggregate purchase price of the capital stock of the sixteen corporations will be \$1,268,000, payable 25% in cash at the closing and the balance over an 8½ year period. The purchase price of the additional supermarket is \$150,000, of which 25% is payable at the closing and the balance over a four year period. The price of the inventories and supplies is estimated at \$600,000 payable in cash at the closing.

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Northwestern Public Service Company, Huron, South Dakota, today filed a registration statement (File 2-13511) with the SEC seeking registration of \$1,500,000 of First Mortgage Bonds, Series due 1987, to be offered for public sale at competitive bidding.

Net proceeds of this financing are to be used to repay a bank loan of \$1,500,000 due October 21, 1957, the proceeds of which were used for construction expenditures. The company's construction program for the last six months of 1957 is estimated at \$1,500,000; and it is expected that the necessary funds will be provided by short-term bank loans.

Securities Exchange Act Release No. 5557

The Securities and Exchange Commission today announced the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934, suspending trading on the American Stock Exchange in the \$1 par Capital Stock of Bellanca Corporation, New Castle, Delaware, for a further ten-day period, August 3 to August 12, 1957, inclusive.

The action was taken on the basis of Bellanca's failure to comply with the reporting requirements of Section 13 of the Act and the disclosure requirements of the Commission's proxy rules under Section 14.

Upon the basis of a finding by the Commission that such suspension is necessary to prevent fraudulent, deceptive, or manipulative acts or practices in connection with trading in Bellanca stock, trading by brokers and dealers in such stock in the over-the-counter markets also is prohibited during the period of the suspension.

The Commission previously ordered a hearing pursuant to Section 19(a)(2) of the Act on the question whether the Bellanca stock should be suspended for a period not exceeding 12 months, or withdrawn, from listing and registration on the Exchange. These proceedings are in progress (see Release Nos. 5500 and 5544).

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Tampa Electric Company, Tampa, Fla., today filed registration statements (File 2-13512 and 2-13513) seeking registration of \$18,000,000 of First Mortgage Bonds, Series due 1987, and 217,286 shares of \$7 par Common Stock. The company proposes to offer the bonds for public sale at competitive bidding. Tampa proposes to offer the common stock for subscription by common stockholders of record on September 4, 1957, on the basis of one additional share for each ten shares then held. The subscription price and underwriting terms are to be supplied by amendment. Stone & Webster Securities Corporation is listed as the principal underwriter for the common stock offering.

Net proceeds of the sale of the bonds and common stock will be used by the company to pay its outstanding bank loans (incurred to finance construction requirements), which it is estimated will aggregate \$22,000,000 at the time of such sales. The balance of the net proceeds, together with the cash generated from operations will, it is anticipated, provide sufficient funds to complete the company's 1957 construction program. 1957 construction expenditures are estimated at \$23,776,000.

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The Cincinnati and Suburban Bell Telephone Company, Cincinnati, today filed a registration statement (File 2-13515) with the SEC seeking registration of 124,991 shares of its Common Capital Stock. The company proposes to offer this stock for subscription at \$50 per share by stockholders of record on August 27, 1957 at the ratio of one share for each ten shares then held. No underwriting is involved.

Net proceeds, estimated at \$6,215,000 if all the subscription rights are exercised, will be used to reimburse the company's treasury for expenditures for proposed additions and improvements. Its treasury having been so reimbursed, the company will reduce its borrowings from various banks, which are expected to amount to \$21,000,000 on August 31, 1957, to the extent that such proceeds are sufficient therefor.

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