

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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FOR RELEASE January 31, 1964

G. P. U. RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15007) approving a proposal of General Public Utilities Corporation, New York holding company, for the utilization (in the filing of consolidated Federal income tax returns for GPU and subsidiaries) of a method of allocating the group's consolidated income tax liabilities, after giving effect to the investment credit allowed on Federal income tax returns, which will give to each of the companies included in the consolidated returns the full investment credit each company contributes to the total investment credit allowed on the consolidated returns.

STRONG PRODUCTIONS ENJOINED. The SEC San Francisco Regional Office announced January 27 (LR-2831) the entry of a Federal court order (USDC ND Cal.) permanently enjoining, on consent of defendants, further violations of the Securities Act registration requirements in the sale of securities of Strong Productions, Inc. and Lisa B. Strong by Strong Productions, Inc., Emily B. Waddell and Lisa B. Strong, aka Betty Lou Blount, Elizabeth Blount Barry and Elizabeth Raines.

SEC COMPLAINT NAMES FUND INVESTMENTS OF FLA. The SEC Atlanta Regional Office announced January 28 (LR-2832) the filing of a complaint (USDC, Tampa, Fla.) seeking to enjoin violations of its net capital rule by Fund Investments, Inc., of Tampa. Also named as defendants were Sister Perfection, president, and Marjorie G. Hugo, secretary of Fund Investments. A similar action was filed on January 24th against Fund Investments, Inc., et al in Charlotte, N. Car. (See LR-2828).

CONTINENTAL VENDING-TASTEE FREEZ TRADING BAN CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and over-the-counter market trading in securities of Continental Vending Machine Corporation and Tastee Freez Industries, Inc., for an additional ten-day period, February 1-10, 1964, inclusive.

ALASKA AIRLINES FILES OFFERING PROPOSAL. Alaska Airlines, Inc., Seattle-Tacoma International Airport, Seattle, Wash., filed a registration statement (File 2-22046) with the SEC on January 29 seeking registration of \$3,250,000 of 6½% Subordinated Debentures due 1979 and 812,500 warrants for the purchase of a like number of common shares. It is proposed to offer these securities in units, each consisting of a \$1,000 debenture and warrants to purchase 250 common shares. Auchincloss, Parker & Redpath, of 1705 H St., N. W., Washington, D. C. is listed as the principal underwriter; and the public offering price of the units (\$1,000 per unit maximum*) and underwriting terms are to be supplied by amendment.

The company has certificate authority for the transportation of persons, property and mail, by air, from the Pacific Northwest to Alaska, and also within the State of Alaska, covering an unduplicated 2,520 mile route system. Net proceeds of this financing, together with \$4,000,000 to be borrowed under a new Term Loan and \$500,000 to be borrowed under a revolving bank credit agreement, will be applied to the payment and complete discharge of some \$6,000,000 of indebtedness, including \$3,175,000 of term loans payable to banks and \$1,189,423 of term loans payable to insurance companies. Of the balance, \$750,000 will be used to pay past due open accounts and accrued interest and the remainder for general corporate purposes.

In addition to various indebtedness, the company has outstanding 667,421 common shares. Charles F. Willis, Jr., is president and general manager.

ACME STEEL FILES STOCK PLAN. Acme Steel Company, Riverdale, Ill., filed a registration statement (File 2-22047) with the SEC on January 30 seeking registration of \$4,000,000 of participations in its Salaried Employees Savings Plan, together with 200,000 common shares which may be acquired pursuant thereto.

CONTROL DATA FILES FOR OFFERING AND SECONDARY. Control Data Corporation, 8100 34th Avenue South, Minneapolis, filed a registration statement (File 2-22048) with the SEC on January 30 seeking registration of \$35,000,000 of Convertible Subordinated Debentures due 1989, to be offered for public sale through underwriters headed by Dean Witter & Co., 50 W. Adams St., Chicago. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Also included in the statement are 84,743 outstanding shares of Control Data common stock. According to the prospectus, these shares may be offered for sale from time to time by the holders thereof, on the New York Stock Exchange or otherwise, at prices current at the time of offering. The selling stockholders include The Bendix Corporation and Daystrom, Inc., who may sell all their holdings of 47,500 and 26,247 shares, respectively. The amounts which may be sold by the 14 other shareholders ranges from 34 to 2,958 shares.

The company and its subsidiaries are primarily engaged in the development, design, manufacture and marketing of advanced high-speed digital computing systems and related component and peripheral equipment. Other product lines include industrial and supervisory control systems, communications equipment and electro-mechanical devices. Net proceeds of its sale of debentures will be used to redeem, at \$26.375 per share plus accrued dividends, the 12,000 outstanding shares of 6% preferred stock of the company and to prepay a portion of some \$35,000,000 of outstanding bank loans incurred to temporarily finance inventories,

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receivables and equipment leased to customers. In addition to the 12,000 preferred shares, the company has outstanding 4,524,409 shares of common stock, of which management officials own 9.3%. William C. Norris is president and board chairman.

KINNEY SERVICE FILES FOR SECONDARY. Kinney Service Corporation, 10 Rockefeller Plaza, New York, filed a registration statement (File 2-22049) with the SEC on January 30 seeking registration of 400,000 outstanding shares of common stock, to be offered for public sale through an underwriting group headed by Hornblower & Weeks, 1 Chase Manhattan Plaza, and Bear Stearns & Co., One Wall Street, both of New York. The public offering price (\$21.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The statement also covers an additional 22,500 shares purchased by Bear, Stearns & Co. in March 1962 which may be sold at a later date.

The company is engaged, directly and through subsidiaries, in four principal service businesses: cleaning and maintaining commercial, industrial and institutional buildings; renting and leasing cars; conducting funerals; and operating garages and parking stations. It also is engaged to a minor extent in new and used car sales, commercial printing and lithography, and management consulting. In addition to certain indebtedness, the company has outstanding 1,762,658 common shares, of which 78.99% is owned by the selling shareholders. The prospectus lists 43 selling stockholders. The largest blocks are being sold by Samuel Berger, executive vice president (43,000 of 89,370 shares held); Caesar P. Kimmel, vice president (37,500 of 146,000 shares held); and Law Sarnoff (40,873 of 94,405 shares held). Several other management officials are included among the selling stockholders, including Edward Rosenthal (15,000 of 86,916 shares, plus additional blocks being offered as trustee of certain trusts), and Steven J. Ross, president (24,000 of 64,348 shares held). The selling stockholders will continue to own 56.29% of the outstanding stock after sale of the 400,000 shares.

SUNNYSIDE TELEPHONE PROPOSES OFFERING. Sunnyside Telephone Company, Clackamas, Ore., filed a registration statement (File 2-22050) with the SEC on January 29 seeking registration of 137,000 shares of capital stock, to be offered for public sale at \$3.75 per share. The offering will be underwritten by June S. Jones Co., U. S. National Bank Building, Portland, which will receive a \$.56 per share commission.

The company operates four exchanges in the Portland metropolitan area and, through a subsidiary, two exchanges near Grants Pass, Ore. Net proceeds of the stock sale will be used, along with other funds borrowed from an insurance company and generated through operations, for the modernization and expansion of system operations during the years 1964-66. In addition to indebtedness, the company now has outstanding 295,169 common shares, of which management officials own some 33%. Lambert D. Miller, president, owns 24% of the outstanding stock.

SAMSON FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-3911) declaring that Samson Convertible Securities and Capital Fund, 680 Fifth Ave., New York, has ceased to be an investment company under said Act.

UNITED FAMILY LIFE STOCK DELISTED. The SEC has issued an order under the Securities Exchange Act (Release 34-7230) granting an application of the Philadelphia-Baltimore-Washington Stock Exchange, filed on request of the issuer, to strike the common stock of United Family Life Insurance Company from listing and registration, effective at the opening of business on February 10th.

UNLISTED TRADING GRANTED. The SEC has issued orders under the Securities Exchange Act (Release 34-7230) granting an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Purex Corporation, Ltd., and an application of the Detroit Stock Exchange for such privileges in the common stock of Universal American Corporation.

NORTHERN NATURAL GAS PROPOSES OFFERING. Northern Natural Gas Company, 2223 Dodge St., Omaha, today filed a registration statement (File 2-22051) with the SEC seeking registration of \$50,000,000 of Sinking Fund Debentures, due 1984, to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged primarily in the production, transmission, distribution and sale of natural gas (and also the production and sale of natural gasoline, liquefied petroleum gas, helium and oil). Net proceeds of the debenture sale will be used to repay short-term bank loans (amounting to \$31,950,000 on December 31, 1963) incurred in connection with its 1963 construction program and to pay a portion of the costs which will be incurred in connection with the 1964 program. It is estimated that some \$17,000,000 of such loans will be outstanding at the date of the receipt of the proceeds of the debenture sale. The 1964 construction program of the company and its subsidiaries is estimated at \$60,000,000.

SECURITIES ACT REGISTRATIONS. Effective January 31: Kellwood Co. (File 2-22014); Malone & Hyde, Inc. (File 2-21881). Withdrawn January 30: Nordon Corporation Limited (File 2-21606).

ORAL ARGUMENT, COMING WEEK. February 4, 2:30 P.M. Elbridge S. Hyding (NASD case)

*As estimated for purposes of computing the registration fee.

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