

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D.C. 20549

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 66-10)

FOR RELEASE January 14, 1966

**NEES RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15380) authorizing Massachusetts Electric Company to sell to its parent company, New England Electric System, an additional 142,857 of its common shares at \$70 per share or for an aggregate price of \$9,999,990. According to the application, Mass. Electric will apply the proceeds of its stock sale to the repayment of \$11,500,000 of indebtedness to NEES incurred for construction purposes.

**ARKANSAS POWER PROPOSES BOND OFFERING.** Arkansas Power & Light Company, Ninth and Louisiana Sts., Little Rock, Ark., filed a registration statement (File 2-24414) with the SEC on January 13 seeking registration of \$25,000,000 of first mortgage bonds (due 1996), to be offered for public sale at competitive bidding. A subsidiary of Middle South Utilities, Inc., the company will use the net proceeds of its bond sale (together with funds derived from operations) to repay some \$7,000,000 of bank loans incurred for its 1966 construction program, and the balance will be applied to such construction program (estimated to cost \$62,600,000) and used for other corporate purposes.

**ANTHONY GRAVINO INDICTED.** The SEC New York Regional Office announced January 12 (LR-3402) the return of an indictment (USDC SDNY) charging Anthony Gravino of Brooklyn, N. Y. with perjury in a Commission investigation of trading in stock of Allied Entertainment Corporation of America, Inc.

**VTR SUSPENSION CONTINUED.** The SEC has issued an order suspending exchange and over-the-counter trading in the common stock of VTR, Inc., for a further ten-day period, January 17-26, 1966, inclusive.

**AMERICAN NATURAL GAS PROPOSES ACQUISITION.** American Natural Gas Company, New York holding company, has applied to the SEC for an order under the Holding Company Act authorizing its investment and participation in a Canada-to-United States natural gas pipe line venture; and the Commission has issued an order (Release 35-15383) giving interested persons until February 10 to request a hearing thereon. According to the application, American Natural has entered into an agreement with Trans-Canada Pipe Lines Limited, a nonassociate Canadian corporation, under which the two companies are to participate in the construction and operation of a proposed new 36-inch natural gas pipe line to transport Canadian natural gas from Emerson, Manitoba, to the markets of the American Natural system in the United States and the markets of Trans-Canada in eastern Canada. It is anticipated that the cost of construction of the pipe line will approximate \$212,000,000. It will be built and operated by Great Lakes Gas Transmission Company, a newly-formed Delaware corporation, all of whose common stock will be owned in equal amounts by American Natural and Trans-Canada. When completed in 1967, the pipe line will extend some 989 miles from the area of Emerson, through Minnesota, Wisconsin, the Upper Peninsula of Michigan, across the Straits of Mackinac to the Austin storage area (in Central Michigan) of Michigan Wisconsin Pipe Line Co. (a subsidiary of American Natural), and then to a point near St. Clair, Mich., where it will connect with Trans-Canada's eastern Canadian facilities. The latter is expected to be completed during 1966. A 44-mile, 10-inch branch line will extend natural gas service northward to the cities of Sault Ste. Marie, Mich. (in order to permit conversion of Michigan Consolidated Gas Company's distribution system in that area to natural gas service), and to Sault Ste. Marie, Ontario.

Through its purchase of 100 shares of Great Lakes Transmission's common stock at \$100 per share, American Natural will own one-half of its initial outstanding stock; and Trans-Canada will own the other half through its subsidiary, Alberta Inter-Field Gas Lines Ltd. Upon completion of the construction, Great Lakes' capitalization is expected to include \$34,000,000 of common stock, to be owned in equal proportions by the two parent companies. Definitive proposals for financing the total construction requirements will be the subject of separate filings with the Commission at a later date.

**AVON OVERSEAS PROPOSES BOND OFFERING.** Avon Overseas Capital Corporation, 30 Rockefeller Plaza, New York 10020, today filed a registration statement (File 2-24416) with the SEC seeking registration of \$15,000,000 of 6% guaranteed bonds (due 1981). The bonds are to be unconditionally guaranteed as to payment of principal, premium, if any, interest and sinking fund by Avon Products, Inc. (Avon). They are to be offered for public sale abroad through underwriters headed by Morgan Stanley & Co., 2 Wall St., and Hornblower & Weeks-Hamphill, Noyes, 8 Hanover St., both of New York. The public offering price and underwriting terms are to be supplied by amendment.

Organized under New York law in January 1966, the company contemplates conducting its business so that more than 80% of its gross income will be derived from sources outside the United States in order that payments on the bonds to holders who are foreign corporations or individuals will not be subject to United States income taxes. Net proceeds of its bond sale will be made available to certain of Avon's foreign subsidiaries (all of which are manufacturers or wholesalers of cosmetics and toiletries) to assist them in financing their working capital requirements and capital expenditure programs. The company has outstanding 1,000 capital shares, all of which are owned by Avon. John A. Ewald and Wayne Hicklin are board chairman and president respectively, of the company and Avon.

OVER

**FAMILY AND INDUSTRY MANAGEMENT FILES FINANCING PROPOSAL.** Family and Industry Management Corporation, 1208 James St., Syracuse, N. Y., filed a registration statement (File 2-24415) with the SEC on January 13 seeking registration of \$150,000 of 6% subordinated debentures (due 1985) and 31,500 shares of Class A non-voting common stock. The securities are to be offered for public sale at \$1,000 per unit, each unit to consist of a \$500 debenture and 105 shares. The offering is to be made on a best-efforts basis through Family, Industry & College Planning Co., Inc. ("FICP"), of the Syracuse address, which will receive a \$100-per-unit selling commission. The prospectus also relates to 38,232 Class A shares issuable upon exercise (at \$5 per share) of 6-year warrants.

Organized under New York law in October 1965, the company intends to become a holding company and acquire subsidiaries engaged in various businesses. Net proceeds of this financing will be used as working capital to acquire stock of additional subsidiaries, and to finance the expansion of the business of FICP, its wholly-owned subsidiary. FICP, a broker-dealer in the securities business, was acquired in December 1965 in exchange for 38,232 of the company's Class B voting common shares and warrants to purchase the 38,232 Class A shares. Management officials own 63.2% of the company's outstanding 38,232 Class B shares (including 18,888 shares owned by William Margeson, president).

**RECENT FORM 8-K FILINGS.** The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items on the form was included in the January 3 News Digest.

The Stern Metals Corp Dec. 1965 ( 4,13)	1-5147-2	Pueblo Supermarkets, Inc Dec. 1965 ( 2,7,12,13)	1-5160-2
Reserve Insurance Co Dec. 1965 ( 7,9,11)	2-16082-2	Savin Business Machines Corp ( 7,8)	0-1666-2
Stephan Chemical Co Dec. 1965 ( 7)	1-4462-2	H. K. Porter Co Inc Dec. 1965 ( 3,13)	1-4157-2
United American Life Insurance Co April 1962 ( 7)	2-16237-2	The Sherwin Williams Co Dec. 1965 ( 11,13)	1-4851-2
Powr-Pak Ind, Inc Oct. 1965 ( 2,3,7,9,11,13)	2-18089-2	Overnite Transportation Co Dec. 1965 ( 12,13)	1-4747-2
Super Valu Stores Inc Dec. 1965 ( 7,8,13)	0-390-2	West Penn Power Co Dec. 1965 ( 12,13)	1-255-2
United Aerotest Lab., Inc Dec. 1965 ( 2)	2-17799-2	Square D Company Dec. 1965 ( 3)	1-2188-2
National City Lines, Inc April 1964 ( 11)	1-2844-2	Calif. Jockey Club Dec. 1965 ( 12,13)	0-1288-2
R.E.D.M. Corp Aug. 1965 ( 7)	1-4747-2	Utah Construction & Mining Co Nov. 1965 ( 12,13)	0-623-2
Regal, Inc Dec. 1965 ( 8)	2-20003-2	Dec. 1965 ( 12,13)	0-623-2
North Central Airlines Inc Dec. 1965 ( 12)	0-831-2	Wolverine Aluminum Corp Amend #1 to 8K for Nov. 1965 ( 13)	1-5074-2
West Virginia Pulp & Paper Co Dec. 1965 ( 13)	1-3013-2		
Reading & Bates Offshore Drilling Co Dec. 1965 ( 7)	0-503-2		

**SECURITIES ACT REGISTRATIONS. Effective January 13:** Spacerays, Inc., 2-24173 (90 days).  
**Withdrawn January 13:** Colortran Corp., 2-22876; Gateway Life Insurance Co., 2-23396.

**NOTE TO DEALERS.** The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

**ORAL ARGUMENT - COMING WEEK.** January 18 - 2:30 P.M. - First National City Bank (Commingled Investment Account)