

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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CAPITAL SPENDING REPORTED. The SEC and the Department of Commerce report (for September 6 newspapers) that business investment in new plant and equipment is projected at \$62.0 billion for 1967, 2½ percent above 1966. Actual outlays in the second quarter were at a seasonally adjusted annual rate of \$61.5 billion, about the same rate as in the first quarter. Businessmen expect increases in the third and fourth quarters of this year to \$62.5 billion and \$62.7 billion, respectively. The rise of 1½ percent now anticipated from the first to the second half of this year follows a decline of less than one percent from the second half of 1966 to the first half of this year. Total capital outlays now projected by U.S. business for the full year 1967 are about one-half of one percent lower than reported in the May survey and reflect downward revisions in the second half of the year among most manufacturing industries. Actual outlays in the second quarter were unchanged from earlier anticipations. Among nonmanufacturing industries, railroads, public utilities, and airlines have revised programs upward from 2 to 5 percent compared with the earlier survey. For further details, see Stat. Release No. 2229.

PEOPLES GAS LIGHT FILES PLAN. The Peoples Gas Light and Coke Company ("Peoples Gas"), of Chicago, has filed a proposal with the SEC under the Holding Company Act for rearrangement of its corporate system; and the Commission has issued an order (Release 35-15842) scheduling the proposal for hearing on October 3.

Peoples Gas is a gas utility company and also a holding company. It distributes gas at retail in Chicago; and it has three subsidiaries, North Shore Gas Company, Natural Gas Pipeline Company of America, and Peoples Development, Inc. Because its Illinois charter is unduly restrictive and amendments thereto are considered not feasible, Peoples Gas proposes to create a new company, Peoples Gas Company ("Peoples Illinois"), to own all the publicly-held shares of Peoples Gas. To that end, it is proposed that Peoples Illinois will offer its shares in exchange, share-for-share, for the outstanding common stock of Peoples Gas. The exchange offer will be declared effective, if other conditions are met, if at least 80% of the 15,862,675 outstanding shares of Peoples Gas common are tendered in acceptance of the exchange offer. The actual exchange will be made through a new company to be organized under Delaware law to be known as Peoples Gas Company (Delaware) ("Peoples Delaware"); and upon consummation of the exchange offer, Peoples Delaware will be merged into Peoples Illinois and under the terms of the merger Peoples Illinois will acquire the tendered stock of Peoples Gas. As a result, Peoples Gas will become a direct subsidiary of Peoples Illinois and the present stockholders of Peoples Gas who accept the exchange offer will become stockholders of Peoples Illinois.

THREE TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending trading in securities of Dyna Ray Corporation, Interamerican Industries, Ltd., and Penrose Industries Corp. for the further ten-day period September 6-15, 1967, inclusive. The suspensions of trading in securities of Coditron Corp. and Tel-A-Sign, Inc., reflected on the SEC News Digest of September 1 ran through September 12, not September 13.

COLUMBIA BROADCASTING FILES STOCK PLAN. Columbia Broadcasting System, Inc., New York 10019, filed a registration statement (File 2-27184) with the SEC on August 30 seeking registration of 12,776 shares of common stock and 25,551 shares of \$1 convertible Series A preferred, issuable under substitute stock options which replace employee stock options granted by Holt, Rinehart and Winston, Inc.

EXECUTIVE FUND FILES FOR OFFERING. Executive Fund, Inc., 3001 Philadelphia Pike, Claymont, Del. 19703, filed a registration statement (File 2-27203) with the SEC on August 31 seeking registration of 1,000,000 shares of common stock, to be offered for public sale at net asset value plus a maximum sales commission of 7½% (\$27.03 per share). The Fund was organized under Delaware law on August 28, 1967, and is "designed primarily for business executives and managers, professional people such as lawyers, doctors, engineers, and other investors with substantial resources and who are able to take significant risks." Its objective is "maximum long-term growth of capital. It will seek this goal by investing primarily in securities of relatively small, unseasoned or embryonic companies." W. Nicholas Thorndike is board chairman and George Lewis is president. Ivest, Inc., will serve as investment adviser and Wellington Management Company, 1630 Locust St., Philadelphia, Pa. 19103, as distributor. Thorndike is president of Ivest, Inc., and a managing director of Wellington Management; Lewis is a vice president and treasurer of Ivest, Inc., and also a managing director of Wellington Management.

TRW FILES STOCK PLAN. TRW Inc., 23555 Euclid Ave., Cleveland, Ohio 44117, filed a registration statement (File 2-27204) with the SEC on August 31 seeking registration of \$15,000,000 of participations in its "Stock Savings Plan," together with 228,137 common shares which may be issued pursuant thereto.

ADMIRAL INSURANCE SHARES IN REGISTRATION. Admiral Insurance Company, 629 Wilson Bldg., Dallas, Texas, filed a registration statement (File 2-27205) with the SEC on September 1, seeking registration of 239,880 shares of common stock. All of the Admiral Insurance common shares are owned by Security Insurance Company of Hartford ("Security"). According to the prospectus, Security has entered into an agreement to sell

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239,880 shares of common stock of the company to two corporations all of the stock of which is owned by George Arden and Merrill P. Arden, including 139,880 shares to Ironsides Agency, Inc., which Ironsides intends to reoffer from time to time to the Ardens and to certain other persons at \$2.00 per share, the price at which Ironsides acquired said stock from Security.

Admiral Insurance is not presently engaged in any operations and its assets consist almost solely of cash and marketable securities in the amount of \$2,400,000. It is licensed to do an insurance business in eleven states and intends to engage in the business of writing and selling accident and health insurance policies in those states to members of the medical profession and other professional groups. The company has not yet commenced its operations and it cannot engage in the accident and health insurance business in any state until it receives an amendment to its certificate of authority in that state. Application for such amendments have been filed in all eleven states but to date such an amendment has been granted only in the State of Texas. It has outstanding 1,200,000 common shares. E. Clayton Gengras is president and board chairman.

POTTER INSTRUMENT PROPOSES OFFERING. Potter Instrument Company, Inc., 151 Sunnyside Blvd., Plainview, N. Y. 11803, filed a registration statement (File 2-27206) with the SEC on September 1 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York 10005. The public offering price (\$29 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the design, manufacture and sale of peripheral equipment for use with digital computers in electronic data processing. Net proceeds of its stock sale are to be applied to the purchase of the East Bethpage Road plant now leased to the company, to the financing of an additional manufacturing facility under construction adjacent to its main plant, and to the reduction of outstanding bank loans. Any balance will be used for general corporate purposes, including working capital. In addition to indebtedness, the company has outstanding 2,248,400 common shares, of which John T. Potter, president and board chairman, owns 56.7%.

GENERAL DEVELOPMENT SHARES IN REGISTRATION. General Development Corporation, 2828 Coral Way, Miami, Fla. 33145, filed a registration statement (File 2-27207) with the SEC on September 1 seeking registration of 49,992 outstanding shares of common stock. The holders thereof may offer the shares in the future from time to time in regular way brokerage transactions on the New York Stock Exchange, at then-current market prices (\$12.625 per share maximum*).

The company's principal business is the development of large tracts of unimproved land into planned communities in which it offers for sale homesite lots, houses and commercial and industrial sites. In addition to indebtedness it has outstanding 7,594,226 shares, of which 16.5% are owned by City Investing Company and 4.84% by management officials. Charles K. Kellstadt is president and board chairman. The prospectus lists 12 selling stockholders, who own an aggregate of 79,192 shares and each of whom proposes to sell 4,166 shares. The 49,992 shares were issued upon the exercise of warrants issued to the 12 selling stockholders as part of a transaction in which they transferred to the company all their holdings of common stock of Kingway Investments, Inc.

BRANDON APPLIED SYSTEMS PROPOSES OFFERING. Brandon Applied Systems, Inc., 30 East 42d St., New York 10017, filed a registration statement (File 2-27208) with the SEC on September 1 seeking registration of 85,602 shares of common stock and 28,534 common stock purchase warrants, to be offered for public sale in units consisting of three shares and one warrant - 15,600 of the shares are now outstanding and are to be offered by the present holders thereof. The offering is to be made through Gregory & Sons, 40 Wall St., New York 10005; and the offering price (\$6.75 per unit maximum*) and underwriting terms are to be supplied by amendment. The company also has agreed to sell 8,000 warrants to the underwriter and 1,600 warrants as a finder's fee to Sygod, Weis, Florin, Inc., at 10¢ per warrant.

The company provides a variety of services, principally to present and prospective users of electronic data processing equipment, including consulting services, training and teaching seminars, systems design and computer program development, and various other special services. Net proceeds of this financing will be used to retire bank indebtedness, to develop proprietary computer programs, to develop and publish technical material for general sale, in connection with the opening of a new office, for advertising and sales promotion, and for working capital. The company now has outstanding 264,199 common shares, of which Dick H. Brandon owns 187,200. Purchasers of the units will acquire a 25.6% equity interest in the company as against a 74.4% interest of present holders (prior to exercise of the warrants) for which they paid \$73,157.

CONSOLIDATED PRODUCTION PROPOSES OFFERING. Consolidated Production Corporation, 14 North Robinson St., Oklahoma City, Okla. 73102, filed a registration statement (File 2-27209) with the SEC on September 1 seeking registration of 125,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Putnam, Coffin & Burr, 6 Central Row, Hartford, Conn. 06103. The public offering price (\$9 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to issue to the Putnam firm, for \$80, five-year warrants for the purchase of 8,000 shares at the offering price.

The company since its organization under Oklahoma law in 1957 has specialized in the acquisition of fractional leasehold and other interests in oil and gas producing properties, thereby providing one of the few available markets for such interests which are widely held by investors not otherwise involved in the oil and gas business. Net proceeds of its stock sale will be used in part (the amount to be supplied by amendment) to purchase a 6% convertible debenture of Cador Petroleum Corp., a subsidiary; and \$112,000 will be used to repay 6% second mortgage notes and \$520,000 to reduce mortgage notes payable to banks, which indebtedness was incurred in connection with the acquisition of property interests. The balance of the proceeds will be added to the general funds of the company, to be used primarily to finance additional acquisitions of oil and gas properties. In addition to indebtedness, the company now has outstanding 91,160 common shares, of which management officials own 19%. Allan B. Grady is president.

PANCOASTAL PROPOSES OFFERING. Pancoastal, Inc., 37 Lewis St., Hartford, Conn. 06103, filed a registration statement (File 2-27210) with the SEC on September 1 seeking registration of 1,700,000 shares of capital stock. Voting Trust Certificates for 1,500,000 shares are to be offered for public sale by the company at market prices approximating those prevailing on the American Stock Exchange (\$1.50 per certificate maximum*); certificates for 200,000 shares are reserved for issuance under options held by The Catawba Corporation (financial adviser) and others. All of the outstanding stock of Catawba is owned by the family of the late William F. Buckley.

The principal assets of the company (formerly Pancoastal Petroleum Limited) are indirect investments in exploratory permits and concessions; it has indirect interests in Venezuela, Australia, Canada, Libya and the Philippines. Net proceeds of this offering (except for securities issued in the acquisition of properties) will be used primarily for the acquisition of income producing properties and other oil, gas and mineral interests. The company now has outstanding 3,983,257 shares. James L. Buckley is president.

CITIZENS FINANCIAL FILES FINANCING PROPOSAL. Citizens Financial Corporation, 600 Public Square Bldg., Cleveland, Ohio, filed a registration statement (File 2-27212) with the SEC on September 1 seeking registration of \$4,000,000 of sinking fund debentures due 1987, with warrants to purchase 64,000 shares of common stock. These securities are to be offered for subscription by stockholders in units, each consisting of a \$1,000 debenture and a warrant for the purchase of 16 shares. The offering price (\$1020 per unit maximum*) and underwriting terms are to be supplied by amendment. New York Securities Co., 52 Wall St., 15th Floor, New York 10005, is listed as the principal underwriter.

The company has a 98% interest in The Citizens Savings and Loan Company, a Painesville, Ohio, savings and loan association, 99% in The Newark Trust Company, a commercial bank in Newark, Ohio, and 100% in Champion Service Corporation, an electronic data processing service company in Cleveland; and it has other operating subsidiaries. Net proceeds of this financing will be used to repay a \$2,078,455 bank loan incurred in connection with the acquisition of Newark Trust and to reduce short term borrowings incurred in the regular course of the company's business. In addition to indebtedness, the company has outstanding 549,213 common shares, of which A. E. Seymour, board chairman and chief executive officer, together with Mrs. Seymour, own some 47%. James P. Cozzens is president.

NEW ENGLAND TELEPHONE FILES FINANCING PROPOSAL. New England Telephone and Telegraph Company, 185 Franklin St., Boston, Mass. 02107, filed a registration statement (File 2-27213) with the SEC on September 1 seeking registration of \$100,000,000 of 39-year debentures, due 2006, to be offered for public sale at competitive bidding. Net proceeds will be applied towards repayment of advances from American Telephone and Telegraph Company, which are expected to approximate \$149,000,000 at the time the proceeds are received. Advances from the parent company are made for general corporate purposes, including property additions and improvements. A T & T owns 69.52% of the company's outstanding stock.

TELEX FILES FOR OFFERING AND SECONDARY. The Telex Corporation, 41st St. and Sheridan Rd., Tulsa, Okla., filed a registration statement (File 2-27215) with the SEC on September 1 seeking registration of \$5,000,000 of convertible subordinated debentures due 1987, to be offered for public sale by the company, and 148,950 outstanding shares of common stock, to be offered by the holders thereof. The offering is to be made by New York Securities Co., 52 Wall St., 15th Floor, New York 10005. The interest rate on the debentures, as well as to the offering prices (\$20 per common share maximum*) and underwriting terms is to be supplied by amendment.

The company is engaged in the manufacture of tape recorders, hearing aids and related accessories, phonographs and radio-phonograph combinations, digital tape transports as peripheral equipment for the data processing industry, oscillographs, galvanometers and associated data and audio recording instruments. Net proceeds of this financing will be applied to the retirement of some \$3,400,000 of short term bank borrowings, and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 1,696,087 common shares, of which Roger M. Wheller, board chairman and chief executive officer, owns 321,951 shares (and proposes to sell 100,000) and Florida Capital Corporation owns 43,511 (all of which it proposes to sell). R. N. Beim proposes to sell all of his holdings of 5,439 shares. S. J. Jatras is president.

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended August 24, 1967, 40 registration statements were filed, 45 became effective, 3 were withdrawn, and 408 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective September 1: ACF Industries, Inc., 2-23912; American Standard Inc., 2-27046; Electronic Specialty Co., 2-26902; Garlock Inc., 2-27059; New York State Electric & Gas Corp., 2-27051; Rochester Gas and Electric Corp., 2-27050; The Stanley Works, 2-26955; Strategic Systems, Inc., 2-26824 (Nov 28); Williams Brothers Co., 2-27038.
Withdrawn August 31: Traid Corp., 2-26517.

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.

*As estimated for purposes of computing the registration fee.