

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 20, 1956

Statistical Release No. 1398

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended August 17, 1956, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1956, is as follows:

	<u>(1939 = 100)</u>		<u>Percent Change</u>	<u>1956</u>	
	<u>8/17/56</u>	<u>8/10/56</u>		<u>High</u>	<u>Low</u>
Composite	361.1	363.4	- 0.6	366.2	319.0
Manufacturing	462.0	464.8	- 0.6	468.6	398.6
Durable Goods	434.4	435.9	- 0.3	437.6	369.4
Non-Durable Goods	487.5	491.5	- 0.8	500.8	425.2
Transportation	329.0	335.1	- 1.8	353.0	312.8
Utility	160.3	161.0	- 0.4	161.5	152.4
Trade, Finance & Service	313.6	315.3	- 0.5	325.5	294.7
Mining	374.8	380.3	- 1.4	383.2	326.8

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HCA Release No. 13243

Blackstone Valley Gas and Electric Company (Pawtucket, R. I.) has requested SEC authorization to make a public offering of 25,000 shares of preferred stock; and the Commission has issued an order giving interested persons until September 4, 1956, to request a hearing thereon.

Specifically, Blackstone proposes to sell, at competitive bidding, 25,000 shares of a new series of preferred stock, \$100 par value, except that 1,430 shares will be subject to a subscription offer to be made, on a share for share basis, to common stockholders other than Eastern Utilities Associates (Parent), which owns 99.17% of the outstanding Blackstone common.

Proceeds of the financing will be used to retire in part Blackstone's short-term bank notes outstanding in the amount of \$3,050,000. (Note: Blackstone's registration statement was noted in News Digest of August 16, 1956.)

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HCA Release No. 13244

Norwood Gas Company (Norwood, Mass.) has applied to the SEC for authorization to sell an additional 1,405 common shares (\$100 par); and the Commission has issued an order giving interested persons until August 31, 1956, to request a hearing thereon.

According to the application, Norwood has outstanding 3,010 common shares, of which 2,791 shares (99.324%) are owned by New England Electric System. Norwood proposes to offer the additional shares on a one-for-two basis, and at a subscription price of \$100 per share. It will apply the proceeds to the discharge of a like amount of short-term notes payable to NEES, reducing such indebtedness from \$590,000 to \$449,500.

NEES proposes to exercise its rights to subscribe for the 1,395 shares of additional stock to which it is entitled, leaving 9 shares for which the four minority public stockholders will be entitled to subscribe. During the period of the subscription offer, NEES also proposes to offer to purchase the present holdings of the minority stockholders, together with their rights to subscribe for additional shares, on the basis of \$120 per share, and at the end of the subscription period to purchase from Norwood all unsubscribed shares at the subscription price.

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ICA Release No. 2398

Gibco, Inc., Greenville, Mich. investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to an exchange offer proposed by it; and the Commission has issued an order giving interested persons until August 30, 1956, to request a hearing thereon.

According to the application, Gibco sold substantially all its assets on April 30, 1956, to Hupp Corporation in exchange for cash and securities of Hupp. It has offered its shareholders the opportunity to tender their Gibco stock for Hupp securities and cash. Hupp owns 359,200 of the 600,000 outstanding common shares of Gibco common, and will not accept the offer. Under the offer, all shareholders who tender all their Gibco shares will receive for each such share: $1\frac{1}{2}$ shares of Hupp common; $\frac{1}{4}$ share of 5% Series A Preferred of Hupp; and \$1 in cash.

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Virginia Electric and Power Company (Richmond, Va.) filed a registration statement (File 2-12714) with the SEC on August 17, 1956, seeking registration of \$20,000,000 of First and Refunding Mortgage Bonds, Series M., due October 1, 1986, to be offered for public sale at competitive bidding. Net proceeds will be used to provide for construction expenditures or to reimburse the company's treasury therefor. Construction expenditures for 1956 are estimated at \$50,000,000 (\$20,500,000 expended through June 30); and the present expectation is for expenditures in 1957 of \$70,000,000.

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General Credit, Inc. (Washington, D. C.) filed a registration statement (File 2-12715) with the SEC on August 17, 1956, seeking registration of \$2,000,000 of Subordinated Sinking Fund Debentures, 6% Series due 1971 (due September 1, 1971), with Detachable Warrants to purchase 160,000 shares Participating Preference Stock. The debentures are to be offered for public sale at 100% of principal amount; and they are to be offered in units of \$1,000 and \$500, with warrants for 80 and 40 shares, respectively, of the preference stock. The warrants will have an initial exercise price of \$4.50 per share. Offering of the debentures is to be made through selected dealers, for which a 10% selling commission is to be paid. The purpose of the financing is to provide funds to enable the company to increase its volume of operations in the automobile credit finance field by purchasing additional retail consumer installment notes from dealers and by arranging for the wholesale financing of dealers' inventory, and to expand its scope of operations through the formation of new companies and the acquisition of other companies if favorable opportunities for such expansion present themselves.

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Columbia Baking Company, Atlanta, Ga., filed a registration statement (File 2-12713) with the SEC on August 17, 1956, seeking registration of 26,768 Voting Trust Certificates, each representing the beneficial interest in one share of that company's common stock (no par). The company proposes to offer the VTC's for subscription by holders of its outstanding common stock and its outstanding Participating Preferred Stock of record September 3, 1956, on the basis of one VTC for each eight shares of either class of such stock then held. The subscription price is to be \$25 per share. The Robinson-Humphrey Company, Inc., and J. H. Hilsman & Co., Inc., are listed as the principal underwriters; and the underwriting commission is to be 85¢ per VTC. The company expects to use the net proceeds of the financing in partial payment of a current bank loan payable to The First National Bank of Atlanta, which amounted to \$1,600,000 on July 25, 1956.

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Lynch Carrier Systems, Inc., San Francisco, today filed a registration statement (File 2-12716) with the SEC seeking registration of \$225,000 of 6% Sinking Fund Debentures, Series B (with capital stock purchase warrants attached), due September 1, 1971, and 52,500 shares of \$1 par Capital Stock, to be offered for public sale through P. W. Brooks & Co., Inc. Each \$1,000 and \$500 of debentures will have attached thereto warrants for the purchase of 80 shares and 40 shares, respectively, of the capital stock of the company, the warrants to be exercisable initially at \$7 per share. The public offering price of the debentures and capital stock, as well as the underwriting terms, are to be supplied by amendment. In addition to the payment of certain expenses of the underwriter, the company has agreed to its purchase of warrants to purchase 12,000 shares of capital stock.

Of the offering of 52,500 shares of stock, the company will be entitled to the proceeds of only 12,500 shares. The remaining 40,000 shares are now

outstanding and held by Frank W. Lynch, former president. In connection with an agreement for termination of a 5-year employment contract with Lynch, who will continue to act in an advisory capacity and, when elected, as Board Chairman, the company paid Lynch \$20,000 for an option to purchase his 40,000 shares of stock for an additional \$240,000. The company has agreed to sell such option to the underwriter, which intends to exercise the option and offer the shares for public sale.

The company is engaged primarily in the design, assembly and manufacture of telephone, telegraph and telemetering carrier communication systems and related equipment and accessories. It intends to use the net proceeds from the sale of the debentures and 12,500 capital shares to accelerate its research and development engineering on new products, with special emphasis on certain types of telephone carrier equipment which it does not now produce, and to provide additional working capital which management believes will be required to handle an anticipated increase in the company's business.

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