

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 October 31, 1956

Holding Company Act Release No. 13295

Blackstone Valley Gas and Electric Company (Pawtucket, R. I.) has applied to the SEC for an exemption from the competitive bidding requirements of Rule U-50 with respect to the proposed issuance and sale of 25,000 shares of new preferred stock; and the Commission has issued an order giving interested persons until November 14, 1956, to request a hearing on the proposal.

The Commission by order of September 5, 1956, approved the proposal of Blackstone to authorize, issue, and sell, at competitive bidding, 25,000 shares of a new series of \$100 par value cumulative preferred stock. Pursuant to that order Blackstone publicly invited bids to be submitted on September 11, 1956. Three groups qualified, but no bids were received. The date for receiving bids was postponed to October 11, 1956, and, upon further consideration, the invitation for bids was withdrawn. Subsequently, the Commission, upon the request of Blackstone, informally authorized the company to negotiate with underwriters either for a public offering or a private placement of its new preferred stock, subject to the condition that any proposal resulting from such negotiations be submitted to the Commission for approval. Pursuant to that authorization, the company undertook negotiations with certain underwriting groups for the purchase of the 25,000 shares of new preferred stock, and, after consideration of the terms indicated, determined that the terms submitted by the Salomon Bros. & Hutzler group provided the best basis for negotiation, i.e., a price to yield 5.10% to 5.15% to the public at not less than par to the company, with a dividend expressed in multiples of .04% and an underwriting compensation of \$1.75 per share. Blackstone proposes to negotiate a definitive agreement with the Salomon Bros. & Hutzler group for the sale of the new preferred stock.

Holding Company Act Release No. 13296

Standard Shares, Inc. (New York City), has applied to the SEC for approval of the proposal of the company to make a cash distribution of 40 cents per share to its common stockholders; and the Commission has issued an order giving interested persons until November 15, 1956, to request a hearing on the proposal.

The proposal contemplates a cash distribution of 40 cents per share, payable December 28, 1956, to each holder of the company's outstanding 1,430,000 shares of common stock. The distribution will be made in part out of earned surplus to the full extent thereof, which at September 30, 1956, amounted to \$359,786, and the balance out of capital surplus as of December 31, 1956, and which as of September 30, 1956, was \$21,751,384. The only outstanding obligation of Standard Shares senior to the common stock is a promissory note in the amount of \$1,250,000, which matures on July 1, 1957. The Hanover Bank, the holder of the note, has consented to the proposed

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distribution to the common stockholders. Standard Shares states that it has sufficient marketable securities to enable it to raise any balance of cash required to pay the note when it becomes due.

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Credit Finance Service, Inc., Wilmington, Delaware, filed a registration statement (File 2-12885) with the SEC on October 30, 1956, seeking registration of 24,000 units, each unit consisting of \$50 principal amount of Subordinated Debentures, due November 1, 1968, and 1 share of Class B Common Stock, \$1 par value, an aggregate of \$1,200,000 principal amount of Debentures and 24,000 shares of Class B Common Stock. The units are to be offered for public sale by an underwriting group headed by Merrill Lynch, Pierce, Fenner & Beane. The proposed maximum offering price is \$65 per unit.

The company was incorporated in Delaware on January 28, 1954, to acquire all of the outstanding stock of Credit Finance Service, Inc., incorporated in Maryland on April 23, 1953, and Credit Finance Service, Inc., incorporated in Pennsylvania on July 2, 1953. The Company intends to use the proceeds of the offering to repay a subordinated note for \$50,000 and to reduce outstanding short-term bank loans.

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