

**NEWS DIGEST**

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



Washington 25, D.C.

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

FOR RELEASE February 14, 1961

**PACKARD INSTRUMENT FILES FOR OFFERING.** Packard Instrument Company, Inc., 8550 West 43rd Street, Lyons, Ill., filed a registration statement (File 2-17585) with the SEC on February 13, 1961, seeking registration of 100,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by A. G. Becker & Co. The public offering price and underwriting terms are to be supplied by amendment. The registration statement includes an additional 10,000 shares which are to be offered by the company to its employees at the public offering price less the underwriting discount.

The company is engaged in the development, manufacture and sale of scientific instruments. Its principal products are electronic instruments for the detection and measurement of radioactivity which are used primarily in research laboratories doing tracer studies with radioactive isotopes. Of the net proceeds from the stock sale, \$325,000 will be applied to the payment of outstanding notes payable to banks, and the balance will be used (1) to expand and intensify research and development activities, (2) to provide additional working capital, and (3) for other corporate purposes, including the acquisition or construction of an office and factory building to consolidate operations now carried on in three locations.

In addition to the notes, the company has outstanding 505,833 shares of common stock, all of which are owned by Lyle E. Packard, board chairman and president. The company will acquire from Packard the stock of two affiliated companies, Packard Instrument Sales Corporation and Packard Instrument International S. A., for which it will issue 79,875 and 170,409 shares, respectively, to Packard. At the time of the company's formation in 1957, Packard conveyed to the company net assets of \$24,000, which he had used in the business as a sole proprietorship, in exchange for preferred and common stock which, under a capitalization, are to be exchanged for 249,716 common shares. An additional 5,833 shares will be issued to Packard in exchange for the company's note in the amount of \$52,500.

**ALABAMA POWER FILES FINANCING PROPOSAL.** Alabama Power Company, 600 North 18th Street, Birmingham, Ala., filed a registration statement (File 2-17591) with the SEC on February 13, 1961, seeking registration of \$13,000,000 of first mortgage bonds due 1991 and 80,000 shares of cumulative preferred stock, \$100 par, to be offered for public sale at competitive bidding. The net proceeds of this financing and \$4,500,000 of a total of \$6,000,000 to be received from the sale to The Southern Company of additional common shares will be applied toward the construction or acquisition of permanent improvements, extensions and additions to the company's utility plant and to the payment of \$12,000,000 of short-term bank loans expected to be outstanding March 29, 1961, made for such purposes. The company expects that additional short-term bank loans of \$5,000,000 will have to be made in the fourth quarter of 1961 to complete the financing of the 1961 construction program, estimated at \$51,300,000. The company's 1961-63 construction program is estimated at \$163,057,000.

**AMERICAN ELECTRIC POWER FILES DIVESTMENT PLAN.** American Electric Power Company, Inc., New York holding company, has filed a plan with the SEC under the Holding Company Act for the divestment of two non-utility properties; and the Commission has issued an order (Release 35-14372) giving interested persons until February 28, 1961, to request a hearing thereon. The properties consist of (1) the stone-quarrying properties owned and operated by Radford Limestone Company, Incorporated ("Radford"), a nonutility subsidiary company of Appalachian Power Company ("Appalachian"), which is an electric utility subsidiary company of American, and (2) two small parcels of limestone land, which are owned by Appalachian, are contiguous to the Radford properties, and are operated by Radford as part of its quarrying business. All of the shares of the common stock of Appalachian are owned by American, and Radford is a wholly-owned subsidiary company of Appalachian.

American has entered into an agreement with B. R. De Witt, of Pavilion, N. Y., for the divestment of the quarrying business. To carry out the divestment of Radford, it is proposed that Appalachian will transfer to American, by way of a dividend, all of the outstanding shares of capital stock of Radford, consisting of 1,250 shares of \$100 par value common stock. The assets of Radford will then be transferred to American in complete liquidation of Radford; and, immediately thereafter, American will sell to De Witt or to Radford Stone Corp., a new Virginia corporation organized by De Witt, the quarrying properties of Radford for \$467,600 in cash in installment payments and Appalachian will sell to De Witt or to Radford Stone Corp. the contiguous parcels owned by Appalachian for \$2,400 in cash. Radford will then be dissolved.

**FLORIDA CAPITAL CORP. SEEKS ORDER.** Florida Capital Corporation, West Palm Beach, Fla., has applied to the SEC for an exemption order under the Investment Company Act with respect to proposed debenture loan in the amount of \$200,000 to North Palm Beach Utilities, Inc. ("Utilities"); and the Commission has issued an order (Release 40-3190) giving interested persons until February 24, 1961, to request a hearing thereon. According to the application, John A. Schwencke, a director and vice president of Florida Capital owns 63,982 shares (17%) of the outstanding stock of Utilities; and in view of this intercompany affiliation the transaction is prohibited by the Investment Company Act unless the Commission grants the requested exemption from such prohibition. Utilities supplies water and sewer services in the North Palm Beach area; and it proposes to use the proceeds of the loan to extend its lines under agreements with various developers who own property in its franchised area, and for general corporate purposes.

OVER

**TRADING IN UNITED INDUSTRIAL SHARES SUSPENDED.** The SEC has issued an order pursuant to Section 19(a) (4) of the Securities Exchange Act of 1934 temporarily suspending trading, for the further ten-day period of February 15 to 24, 1961, inclusive, in the common and preferred stocks of United Industrial Corporation, of Los Angeles, and in common stock purchase warrants. The suspension applies to trading in such of these securities as are listed or traded on the American, Detroit, New York and Pacific Coast Stock Exchanges, and pursuant to Rule 15c2-2, to trading therein in the over-the-counter market.

The original suspension, announced by the Commission on January 16th, followed an announcement of changes in the top management of the company and of write-downs and adjustments aggregating some \$7,000,000 in its inventories, accounts receivables and other assets. These developments raised serious questions whether financial and other information previously filed by the company with the Commission is complete and accurate and whether such information could be relied upon by public investors in their evaluation of the company's securities. An independent accounting firm is making a detailed audit of the company's books and records, the report on which is expected to be available in March.

**T. C. CORWIN & CO. ENJOINED.** The SEC New York Regional Office announced February 10th (LR-1912) the entry of a Federal court order (USDC SDNY) permanently enjoining T. C. Corwin & Co. and Theodore C. Corwin, its general partner, from further violating the anti-fraud provisions of the Securities Exchange Act and the net capital and bookkeeping rules thereunder.

**EFFECTIVE SECURITIES ACT REGISTRATIONS:** February 13: Westminster Fund, Inc. (File 2-17175); Drexel Equity Fund, Inc. (File 2-17226). **Registration withdrawn:** February 13: Real Estate Market Place, Inc. (File 2-17396). **Effective February 14:** Devonshire Street Fund, Inc. (File 2-17264); Steel Crest Homes, Inc. (File 2-17323); Photo Service, Inc. (File 2-17439).

---ooo0ooo---