

# 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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FOR RELEASE March 1, 1960

**FIVE NAMES ADDED TO CANADIAN LIST.** The SEC today announced the addition of the names of Consolidated St. Simeon Mines Limited, Dempster Explorations Limited, Haitian Copper Mining Corporation Limited, Mattagami Explorers Corporation, and Roxton Mining and Development Company Limited to its Canadian Restricted List, bringing the total to 246. The list is comprised of the names of Canadian companies whose securities have been or currently are being distributed in the United States in violation of the Securities Act registration requirement, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

**MICHIGAN WISCONSIN PIPE LINE FILES FINANCING PROPOSAL.** Michigan Wisconsin Pipe Line Company, Detroit, subsidiary of American Natural Gas Company, has filed a proposal under the Holding Company Act for the issuance of an additional \$6,000,000 of stock (60,000 shares) to the parent and for borrowings from banks during 1960 in amounts not exceeding \$35,000,000 in the aggregate. The Commission has issued an order (Release 35-14177) giving interested persons until March 14, 1960, to request a hearing on the financing proposal. Net proceeds will be applied to the company's 1960 construction program, estimated at \$74,000,000.

**COURT ORDER ENJOINS INVESTMENT BANKERS OF AMERICA.** The SEC Washington Regional Office announced February 26, 1960, the entry of a court order (USDC, DC) preliminarily enjoining Investment Bankers of America, Inc., of Washington, D. C., from the further conduct of a securities business in violation of the Commission's net capital rule.

**INDICTMENT NAMES A. M. POYNTER.** The SEC Fort Worth Regional Office announced February 26, 1960, that A. M. Poynter had been arrested under indictment (USDC, Shreveport) charging violations of registration and anti-fraud provisions of the Securities Act in the sale of interests in oil and gas leases and stock of North Louisiana Gas Company (Lit. Release No. 1599).

**CAROLINA PACIFIC PLYWOOD FILES FOR OFFERING.** Carolina Pacific Plywood, Inc., Medford, Ore., filed a registration statement (File 2-16187) with the SEC on February 29, 1960, seeking registration of 100,000 shares of capital stock. Public offering of the stock is to be made by Peter Morgan & Company of New York on an all or nothing basis; and the offering price and underwriting terms are to be supplied by amendment. If the 100,000 shares are sold, the underwriter will receive \$12,000 for expenses and will be entitled to purchase for \$150, five-year warrants to acquire 15,000 shares at \$4.75 per share. The registration statement also includes 30,000 shares issuable under options granted to officers of the company.

The company and its subsidiaries are engaged in the manufacture of rough sheeting and sanded plywood and lumber studs. Net proceeds of the stock sale will be used to increase the company's working capital and to aid in financing log inventories at peak periods. In addition to certain indebtedness, the company now has outstanding 200,000 shares of stock. B. D. Mitchell, president, and three other company officials own 33,333 shares each; and a like amount is owned by John Colucci, Jr., Inc. John Colucci, Jr., is board chairman of the issuing company.

**SPRING STREET CAPITAL PROPOSES STOCK OFFERING.** Spring Street Capital Co., 650 South Spring St., Los Angeles, Calif., today filed a registration statement (File 2-16188) with the SEC seeking registration of 3,000 shares of common stock, \$100 par value, to be offered for public sale in units of five shares at \$1,000 per share. The offering will be made through a group of underwriters headed by William R. Staats & Co. The underwriting terms will be supplied by amendment.

The company was incorporated in California in July, 1959, as a closed-end, non-diversified management investment company. Its business will be primarily to make financing available, by way of loans or investments in equity securities, to business concerns to which such financing is not readily available from recognized commercial or investment sources. Net proceeds from the sale of the stock, after payment of costs and expenditures incident to the company's incorporation, will be used for loans to and the purchase of securities of certain business concerns. It may also use a portion of the proceeds to pay the costs and expenditures incidental to its operations until such time as it has an income from its loans and investments. At present

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the company has 115 shares of its authorized common stock outstanding. These shares were sold privately in order to provide the minimum capitalization of \$100,000 as required by the Investment Company Act.

The prospectus lists George Morby as president and board chairman.

**AVIS FILES FOR DEBENTURE AND STOCK OFFERING.** Avis, Inc., 18 Irvington St., Boston, Mass., today filed a registration statement (File 2-16189) with the SEC seeking registration of \$5,000,000 of subordinated convertible debentures, due 1970, and 200,000 shares of common stock, to be offered for public sale through a group of underwriters headed by W. E. Hutton & Co. The interest rate on the debentures, the public offering price and the underwriting terms will be supplied by amendment.

The company was incorporated in the State of Maine in 1956 and is engaged in the business of renting and leasing automobiles and trucks. While no specific allocation has been made for the proceeds from the sale of the debentures and stock, the company anticipates that a portion will be used for advances to or investments in one or more of its subsidiaries for their general business purposes. In addition the company may also apply a portion of the proceeds to the acquisition of additional businesses and to the prepayment of part of its outstanding long term debt and to the temporary reduction of outstanding borrowings under a 6% revolving credit loan.

In addition to certain indebtedness, the company has outstanding 655,303 shares of common stock of which 500,000 shares (76.3%) is held by Amoskeag Company, Boston investment company. Amoskeag Company and the Trustees under a Declaration of Trust, who have made advances of \$4,100,000 and \$1,080,000, respectively, are to accept payment for such advances in stock of the company at \$10 per share, the price per share to be received by the company from the proposed public sale of stock.

**GOELET CORPORATION FILES FINANCING PROPOSAL.** Goelet Corporation, 292 Madison Ave., New York, today filed a registration statement (File 2-16190) with the SEC seeking registration of \$700,000 of 8% Subordinated Installment Debentures, due 1970, 70,000 shares of common stock, and 35,000 common stock purchase warrants (exercisable at \$4.30 per share). It is proposed to offer these securities for public sale in units, each consisting of \$100 of debentures, 10 common shares, and 5 warrants, and a price of \$143 per unit. The offering is to be made by Ross, Lyon & Co., Inc., and Globus, Inc., for which a commission of \$14.30 per unit is to be paid.

The registration statement also includes 25,000 shares of common stock and warrants for an additional 25,000 common shares which were recently sold in units to certain officials of the two underwriting firms (including two directors of the issuing company), the units consisting of one share and one warrant and the purchase price being \$4.40 per unit.

The company was organized under Delaware law in January 1960 and proposes to engage in various phases of real estate and allied activities. Except for the acquisition of (a) three leaseholds of commercial properties in New York City, Atlanta and Louisville, (b) an option to purchase 1040 Park Avenue, an apartment house in New York City, (c) the right to receive a prospective leasehold of a commercial property in Philadelphia, and (d) an assignment of certain residuals relating to a commercial property in New York City and to an apartment house in New York City, the company has not engaged in operations. Net proceeds of the financing will be applied to the company's general business activities.

Promoters of the company are Henry Goelet and Walter J. Schneider of New York City, president and vice president, respectively. They received 155,000 of the 180,000 outstanding shares of the company's common stock in consideration for the transfer of properties to the company.

**UNIVERSAL-CYCLOPS PROPOSES STOCK OFFERING.** Universal-Cyclops Steel Corporation, Bridgeville, Pa., today filed a registration statement (File 2-16191) with the SEC seeking registration of 200,000 shares of common capital stock, to be offered for public sale through a group of underwriters headed by A. G. Becker & Co. The offering price and underwriting terms will be supplied by amendment.

The company has been principally engaged in the production of specialty steels such as tool steels and stainless steels, and of refractory and reactive metals. By its acquisition in 1958 of the business of Empire-Reeves Steel Corporation, which now operates as a subsidiary, the company also became the producer of carbon steel and of a line of galvanized products. Proceeds from the sale of the stock will be added to the company's current funds which will be used as needed for future plant expansion and improvements. Capital expenditures are estimated at \$36,000,000 for 1960 and 1961.

In addition to certain long-term indebtedness the company has outstanding 1,729,430 shares of common capital stock. Officers and directors of the company hold an aggregate of 171,445 shares (9.91%).

**METROPOLITAN EDISON FILES FOR BOND OFFERING.** Metropolitan Edison Company, 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa., filed a registration statement (File 2-16192) with the SEC on February 29, 1960, seeking registration of \$15,000,000 of first mortgage bonds, due 1990, to be offered for public sale at competitive bidding.

Of the proceeds from the sale of the bonds, \$12,500,000 will be used to pay at maturity, May 11, 1960, the principal amount of credit agreement notes of the company. The balance of the proceeds will be applied against the cost of the company's 1960 construction program. The company has or will realize \$8,300,000 in the sale of 83,000 shares of additional stock to its parent, General Public Utilities Corp. Of these funds \$2,500,000 was applied to the payment of the company's short-term bank loans, \$2,800,000 was used to reimburse

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its treasury in part for expenditures prior to 1960 for construction purposes and \$3,000,000 will be applied to its 1960 construction program. The 1960 construction program contemplated the spending of \$19,000,000 for property additions.

**NIAGARA MOHAWK PROPOSES BOND ISSUE.** Niagara Mohawk Power Corporation, 300 Erie Boulevard West, Syracuse, New York, filed a registration statement (File 2-16193) with the SEC on February 29, 1960, seeking registration of \$50,000,000 of general mortgage bonds, due 1990, to be offered for public sale at competitive bidding.

The net proceeds from the sale of the bonds will be used to pay short term bank loans incurred to meet construction costs. The company estimates its 1960 construction program (including that of its subsidiaries) will require \$100,000,000.

**AUTOMOBILE BANKERS FILES FOR OFFERING.** Automobile Bankers of South Dakota, a Limited Partnership, of 621 Main St., Rapid City, S. Dak., filed a registration statement (File 2-16194) with the SEC on February 29, 1960, seeking registration of \$500,000 of Ten Year 6½% Subordinated Notes, due 1970, to be offered for public sale at 100% of principal amount. No underwriting is involved.

The company and its branch offices are primarily engaged in the business of lending money as licensees under the laws of the respective states in which they operate (South Dakota, Montana and Wyoming); and the company also purchases sales contracts at discount, consisting of notes and mortgages on personal property such as new and used motor vehicles, new and used trailer homes, household appliances, etc. The partnership is composed of Mr. and Mrs. Morris E. Adelstein and their two sons, Robert M. and Stanford M. Adelstein.

Net proceeds of the sale of the notes will be added to working capital of the company and used as required in making additional loans and purchasing additional contracts in the ordinary course. According to the prospectus, the opening of a branch office in Billings, Montana, and of an office in Newcastle, Wyoming, together with the growth of the company's business in South Dakota, requires the raising of additional capital on a long term basis for the purpose of increasing the company's business in the three states.

**SEEBURG FILES FOR STOCK OFFERING AND SECONDARY.** The Seeburg Corporation, 1500 North Dayton St., Chicago, Ill., filed a registration statement (File 2-16195) with the SEC on February 29, 1960, seeking registration of \$526,000 4% promissory notes and 1,200,000 shares of common stock. The notes and 614,242 shares of the common stock are outstanding and may be sold by the present holders thereof. The registration includes 61,000 shares which are reserved by contract for delivery in connection with past acquisitions. The remaining 524,758 shares may be issued from time to time in the acquisition of additional businesses. It is anticipated that the stock will be issued at prices current at the time and without payment of any underwriting fees.

The company is engaged in the production of coin-operated phonographs, cigarette vending machines, coffee vending machines and cold beverage vending machines. In addition to certain indebtedness the company has outstanding 1,260,033 shares of common stock.

Of the securities being registered, 417,132 common shares were issued in April 1956 in connection with the acquisition of Jacob Siegel Company of Pittsburgh; 189,650 shares in November 1956 in connection with the acquisition of substantially all the assets of J. P. Seeburg Corporation of Chicago; and 48,665 shares were issued in May 1959 in connection with the acquisition of The Bert Mills Corporation, of Chicago. The \$526,000 of notes and 13,164 common shares were issued in February 1960 in connection with the acquisition of substantially all the assets of Choice Vend Corporation. According to the prospectus, officers and directors as a group (including Delbert W. Coleman, president and board chairman) own 188,564 shares (15%) of the outstanding common and \$701,400 (15%) of outstanding 5½% convertible debentures.

**HYDROMETALS FILES STOCK PLAN.** Hydrometals, Inc., 405 Lexington Ave., New York, filed a registration statement (File 2-16196) with the SEC on February 29, 1960, seeking registration of 100,000 shares of capital stock, to be issued pursuant to the company's Restricted Stock Option Plan for selected key employees of the company and its subsidiaries.

**WESTERN UTILITIES FILES FOR STOCK OFFERING.** Western Utilities Corporation, 300 Montgomery St., San Francisco, today filed a registration statement (File 2-16197) with the SEC seeking registration of 125,000 shares of common stock, to be offered for public sale through an underwriting group headed by Dean Witter & Co. The public offering price and underwriting terms are to be supplied by amendment.

Western Utilities owns substantial amounts of common stock of three operating public utility companies, California Water & Telephone Company, West Coast Telephone Company and The Southwestern States Telephone Company; and it also owns and operates a telephone directory publishing business. It now has outstanding 1,020,920 common shares and certain indebtedness, of which 63.26% is owned by management officials and their families. Net proceeds of the sale of additional stock will be used to repay recent bank borrowings aggregating \$800,000 and the balance will be used to provide additional working capital.

**ADDITIONAL INVESTMENT COMPANY SHARES IN REGISTRATION.** Rittenhouse Fund, Philadelphia investment company, and United Funds Inc., Kansas City, Mo., investment company filed amendments on February 26, 1960, to their respective registration statements, seeking registration by Rittenhouse Fund (File 2-13215) of an additional 40,000 of participating units in the Fund and by United Funds (File 2-11527) of an additional 2,000,000 shares of United Accumulative Fund. Channing Service Corporation, New York investment company, filed an amendment on February 29, 1960, to its registration statement (File 2-13852) seeking registration of an additional \$25,000,000 of programs for the accumulation of shares of Institutional Growth Fund. Keystone Custodian Funds, Boston investment company, filed amendments

February 29, 1960, seeking registration of an additional 500,000 of Series B-3 shares (File 2-10525) and an additional 1,000,000 Series K-2 shares (File 2-10660).

R. V. KLEIN CO. HEARING POSTPONED. The hearing in proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of Rudolph V. Klein, doing business as R. V. Klein Company, 170 Broadway, New York, has been postponed from March 7 to March 21, 1960, in the SEC New York Regional Office, due to the fact that the hearing examiner assigned to the case will not be available on the earlier date.

AETNA OIL HEARING REQUEST GRANTED. At the request of Aetna Oil Development Company, Inc., of 840 First National Bank Building, Phoenix, Ariz., the Securities and Exchange Commission has scheduled a hearing for March 14, 1960, in its San Francisco Regional Office on the question whether to vacate or make permanent, the Commission's order of February 3, 1960, which temporarily suspended a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering by Aetna Oil of 2,450 of five-year callable-convertible 4 $\frac{1}{2}$ % debentures at \$112.50 per debenture.

In its order of temporary suspension (Release 33-4183), the Commission asserted that Aetna Oil failed to comply with certain terms and conditions of Regulation A and that its offering circular is false and misleading in respect of certain material facts and omits certain required information.

CIRCUIT FOIL PROPOSES STOCK OFFERING AND SECONDARY. Circuit Foil Corporation, East Park Street, Bordentown, N. J., today filed a registration statement (File 2-16198) with the SEC seeking registration of 106,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the issuing company and 6,000 are outstanding and will be sold for the account of the holder thereof. The offering will be made through a group of stockholders headed by Hayden, Stone & Co. The public offering price and the underwriting terms will be supplied by amendment. Under an agreement with Gray and several other principal stockholders Hayden, Stone will purchase five-year options from such shareholders at 50¢ per optioned share, exercisable as to 10,000 common shares at the public offering price of the shares being offered by the company.

The company is engaged in the development and manufacture of electro-deposited copper foil, which is used principally in the manufacture of printed circuits for commercial and military electrical equipment. Of the net proceeds of the sale of the stock, \$200,000 will be used for the construction and installation of additional machines for the production and treating of copper foil at the company's present plant; \$150,000 for the construction and installation of machines for the production of metal reinforced electro-deposited lead foil; a presently undetermined amount for the initial financing of a new copper foil plant to be established in Europe on a joint venture basis; and the balance will be added to working capital.

In addition to certain indebtedness, the company has outstanding 354,000 shares of common stock of which officers and directors own 157,200 shares (44.4%). The selling stockholder is Francis D. Gray, vice president and treasurer, who owns 24,000 shares (6.8%). The sale will reduce his holdings to 4%. The principal shareholders are Samuel Lieben, a director and secretary (55,200) and trustees for the benefit of children of Charles E. Yates, president (76,800). Yates and another director own 24,000 shares each.

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