

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the SEC.



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FOR RELEASE December 14, 1960

**REALTY COLLATERAL CORP. PROPOSES OFFERING.** Realty Collateral Corp., 444 Madison Ave., New York, filed a registration statement (File 2-17377) with the SEC on December 12, 1960, seeking registration of \$20,000,000 of Collateral Trust Notes, Series A, due 1981, to be offered for public sale through management officials. The company may sell notes to registered securities dealers at the public offering price less a concession. The interest rate and public offering price, as will the concession to dealers.

The company was organized under New York law in September 1960 and proposes to invest its funds, consisting of its own capital and the net proceeds from the issuance of its indebtedness obligations, in real property mortgages insured under Section 203 of Title II of the National Housing Act of June 27, 1934, as amended. It now has outstanding 1,000 shares of common stock, purchased by George W. Warnecke, president, for \$100,000. The company intends to purchase part or all of the mortgages in which it will invest from George W. Warnecke & Co., Inc., G. W. Warnecke Corporation, Property Securities Corporation and George W. Warnecke, individually, at a price of 100% of the principal amount thereof or, in the event that the market price of such mortgages is above par, at the market price thereof. The mortgages so sold to the Company will have been purchased by the aforesaid corporations and Mr. Warnecke from time to time in the open market at a price which may be less or more than the purchase price paid to such corporations or to Mr. Warnecke by the Company and may result in profit, or loss, to such corporations or to Mr. Warnecke. Purchasing mortgages from such corporations will enable the Company to have ready access to mortgages in the amounts it is required to pledge under the Indenture as from time to time Notes are sold.

**VIRGINIA CAPITAL CORP. SEEKS ORDER.** Virginia Capital Corporation, Richmond, Va., has filed an Investment Company Act application with the SEC with respect to the purchase of certain securities; and the Commission has issued an order (Release 40-3154) giving interested persons until December 22, 1960, to request a hearing thereon.

Virginia Capital is a registered non-diversified investment company and also a small business investment company licensed under the Small Business Investment Act of 1959. It plans to purchase from E. G. G. Co., Inc. about \$200,000 of \$300,000 E. G. G. Co. 8% Subordinate Notes (with attached warrants for the purchase of E. G. G. Co. stock) at the price of 100% of principal amount. The balance of said notes may be acquired by certain officials of Virginia Capital, including Robert H. Pratt, its president, and by Dover Corporation, which owns about 19% of the outstanding stock of Virginia Capital. E. G. G. Co. was recently organized to acquire all the outstanding stock of James F. Newcomb Company, Inc., a commercial printing company whose plant is located in New York City. The organizers were Lawrence L. Roberts, Jr., and Edward G. Green. Roberts and Pratt will each acquire 50% of its common stock. Green is Pratt's brother-in-law.

**KEYSTONE CUSTODIAN FUND ACQUISITION CLEARED.** The SEC has issued an exemption order under the Investment Company Act (Release 40-3152) authorizing Keystone Custodian Fund, Series K-1, of Boston, to issue its shares at their net asset value for substantially all the cash and securities of Holzworth Corporation.

**NATIONAL INVESTORS CORP. PROPOSES ACQUISITION.** National Investors Corporation, New York investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed acquisition of substantially all the cash and securities of The Andrew-Lawrence Corporation; and the Commission has issued an order (Release 40-3153) giving interested persons until December 27, 1960, to request a hearing thereon.

Andrew-Lawrence is a personal holding company with two stockholders which engages in the business of investing and reinvesting its funds and which previously engaged in the manufacture and sale of painters' cutlery. Substantially all of its cash and securities, with a total value of \$520,266 as of September 27, 1960, are to be acquired by National Investors in exchange for shares of the latter's stock based on their net asset value per share.

**BOND AND SHARE SALE OF UNITED GAS STOCK CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-14330) authorizing Electric Bond and Share Company, New York holding company, to offer and sell at competitive bidding 140,498 shares of common stock of United Gas Corporation. Such sale is required by the Commission's order of December 6, 1960, which directed the sale of the 140,498 shares of United Gas stock

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(thereby reducing its holdings of such stock to 500,000 shares) as a condition precedent to Bond and Share's exemption from the Holding Company Act.

**MISSISSIPPI POWER PROPOSES ASSET EXCHANGE.** Mississippi Power & Light Company, Jackson, Miss., has filed a proposal with the SEC under the Holding Company Act regarding an exchange of certain utility assets with North Central Mississippi Electric Power Association; and the Commission has issued an order (Release 35-14331) giving interested persons until December 28, 1960, to request a hearing thereon.

According to the application Mississippi Power proposes to transfer to the Association all of its electric distribution facilities and two office buildings located in Marshall County and in about 105 square miles of an adjacent area in the eastern part of De Sota County, Miss. It includes 323 miles of distribution system having an estimated original cost of \$992,000 and serving 2,599 customers. In exchange, the Association will transfer to Mississippi Power 289 miles of distribution system having an estimated original cost of \$550,000 and serving about 950 customers, located in western De Sota County and Tate County, Miss., and an office building in Coldwater, Miss., and pay Mississippi Power about \$820,000 in cash.

**PENNSYLVANIA POWER TO ISSUE BONDS FOR SINKING FUND PURPOSES.** Pennsylvania Power Company, New Castle, Pa., has applied to the SEC for an order under the Holding Company Act authorizing its issuance of \$878,000 of First Mortgage Bonds, 3-1/4% Series due 1982, for sinking fund purposes; and the Commission has issued an order giving interested persons until December 28, 1960, to request a hearing thereon.

**GLASS MARINE INDUSTRIES NAMED IN COURT ACTION.** The SEC Chicago Regional Office announced December 8th (LR-1853) the filing of Federal court action (USDC, Del.) seeking to enjoin Glass Marine Industries, Inc., of Humboldt, Ill., from violating the anti-fraud provisions of the Federal Securities Laws; entry of a temporary restraining order, scheduling of a hearing for December 16, 1960, on the Commission's motion for a preliminary injunction, and prohibiting any transfer, disposition or dissipation of assets of the defendant until that date.

**EQUITY INVESTMENT CORP. ENJOINED.** The SEC Denver Regional Office announced December 8th (LR-1858) the entry of a Federal court order (USDC, Colo.) preliminarily enjoining Equity Investment Corporation and its president, Robert F. Barbey, from further violations of the SEC net capital rule.

**CARL D. SCHAEFER SENTENCED.** The SEC Chicago Regional Office announced December 9th (LR-1859) that Carl D. Schaefer had been sentenced to one year each on Counts 1 through 6 (to run consecutively) of an indictment charging fraud in the sale of securities involving an alleged steam machine device for producing steam energy, and one year each on counts 7 through 12, to run concurrently with each other and with Count 6, and fined \$12,000 plus costs.

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