

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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NATIONAL COMMODITY ASSOCIATES FILES FOR OFFERING. National Commodity Associates, 90 John St., New York, filed a registration statement (File 2-21413) with the SEC on May 7 seeking registration of \$1,050,000 of limited partnership interests in Associates, to be offered for public sale at \$500 per interest. The offering will be made through underwriters headed by Investors Growth Corporation, of the John St. address, which will receive a \$45 per interest commission.

Associates is a limited partnership organized under New York law in April 1963 with Shim Ben-Lev as general partner and Ben-Lev, Ernest Bolan and Harold Hartwig as original limited partners. The partnership was formed for the purpose of buying, selling and trading in commodity contracts and commodities; and the \$955,500 estimated net proceeds from the sale of interests will be applied to such purposes. Ben-Lev, Bolan and Hartwig hold 100% of the outstanding limited partnership interests, having contributed \$20,020, \$10,010 and \$10,010 respectively in cash to the partnership capital for their interests. Ben-Lev is president and sole stockholder of the principal underwriter.

PENNSYLVANIA POWER PROPOSES BOND OFFERING. Pennsylvania Power Company, 19 East Washington St., New Castle, Pa., filed a registration statement (File 2-21420) with the SEC on May 13 seeking registration of \$9,000,000 of first mortgage bonds due 1993, to be offered for public sale at competitive bidding. The net proceeds from the bond sale, together with \$1,500,000 from the sale of 50,000 additional common shares to its parent, Ohio Edison Company, will be applied by the company to the betterment, construction and acquisition of facilities (estimated \$23,555,000 for 1963-64).

MAUST COAL AND COKE FILES FINANCING PLAN AND SECONDARY. Maust Coal and Coke Corp., 530 Fifth Ave., New York, filed a registration statement (File 2-21421) with the SEC on May 14 seeking registration of \$5,000,000 of convertible subordinated debentures due 1983, to be offered for public sale by the company and 200,000 outstanding shares of common stock, to be offered by J. R. Maust, board chairman, president and principal stockholder. Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York, heads the list of underwriters. The interest rate on the debentures, public offering price for both issues (maximum \$17 per common share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of mining, processing and marketing bituminous coal from properties located in West Virginia and Pennsylvania. The net proceeds from the company's sale of debentures will be applied to the cost of constructing two new processing plants, including mining machinery and equipment (estimated at a total of \$7,500,000). In addition to certain indebtedness, the company has outstanding 606,300 common and 1,143,700 Class B common shares, of which Maust owns an aggregate of 65.4% (all of the Class B). As indicated, he proposes to sell 200,000 common shares, after conversion of a like amount of Class B shares for such purpose.

PROXY RULE INTERPRETATION. The SEC today announced the issuance of a statement of the Commission's position with respect to the interpretation of its proxy rules under the Securities Exchange Act (Release 34-7078). The Commission states that while an issuer is given considerable latitude as to the form and detail of financial statements included in its annual report to stockholders, the financial position and operating results of the issuer are not adequately reflected unless the financial position and results of operations of significant subsidiaries are reflected in an appropriate manner (as opposed to a report containing only the parent's financial statements), which may be by inclusion in consolidated financial statements or separate or group statements, as the circumstances in a particular situation require. With respect to mailing of proxy statements and annual reports, since it may be anticipated that an annual report sent by fourth-class mail will ordinarily not be received by the addressee at the same time or earlier than the proxy statement sent by first-class mail, it is the Commission's position that such mailings would not comply with the rule which requires that proxy statements be accompanied or preceded by an annual report. It is also the Commission's position that a security holder is entitled to a separate mailing of material which he supplies and that the management's material may not be included in the same envelope without the security holder's knowledge and consent.

In situations where management solicits and receives proxies containing instructions for voting for or against a single proposal embracing several substantive charter amendments, it is the Commission's opinion that management cannot construe proxies marked "for" the package as conveying authority to vote to separate the package into its component parts and thereupon to vote for the adoption of each part. The Commission states in this respect that where management has elected to submit severable charter amendments as a single package, it represents to shareholders that their proxies will be voted for or against that package. A shareholder favoring the package as a whole may therefore instruct management to vote "for" the package, even though he might have given an instruction to vote "against" one or more of the amendments had management afforded him the opportunity to do so.

SECURITIES ACT REGISTRATIONS. Effective May 14: Mortgage Guaranty Insurance Corp. (File 2-21140).
Effective May 15: Berns Air King Corp. (File 2-21239); Union Oil Company of Calif. (File 2-21288).

*As estimated for purposes of computing the registration fee.