

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

May 8, 1957

Holding Company Act Release No. 13465

Metropolitan Edison Company (Reading, Pa.) has applied to the Securities and Exchange Commission for authorization to issue and sell at competitive bidding \$19,000,000 of additional first mortgage bonds, Series due June 1, 1987; and the Commission has issued an order giving interested persons until May 27, 1957, to request a hearing thereon. Of the net proceeds of the bond sale, \$2,500,000 will be used (with \$1,400,000 of treasury funds) to prepay \$3,900,000 of bank borrowings; and the balance will be applied to the company's 1957 construction program and to repay short-term bank borrowings effected in 1957 for construction purposes.

Holding Company Act Release No. 13466

The Columbia Gas System, Inc. (New York) has applied to the Securities and Exchange Commission for authorization to issue and sell, at competitive bidding, \$20,000,000 of Series H Debentures, due 1982; and the Commission has issued an order giving interested persons until May 22, 1957, to request a hearing thereon.

Columbia states that the net proceeds from the sale of the debentures, together with the net proceeds (\$25,914,000) from its recent sale of common stock, the sale of additional debentures (estimated at \$25,000,000) later in the year, and cash to be generated from current operations, will be used for general corporate purposes, including additional investments in subsidiaries for the purpose of enabling them to carry out planned construction programs in 1957. The construction programs of the several system companies will involve expenditures of approximately \$84,000,000. Later in 1957 Columbia plans to advance \$6,000,000 to Gulf Interstate Gas Company (nonaffiliated) to assist it in enlarging its capacity to deliver gas to the Columbia system, and also to make an investment (estimated at not over \$15,000,000, of which approximately half would be required this year) in a new hydrocarbon extraction plant. In addition, Columbia expects to borrow during 1957 approximately \$45,000,000 from commercial banks on a short-term basis to finance the purchase of storage gas by subsidiary companies for current inventory. Such short-term loans will be repaid early in 1958 as storage gas is withdrawn and sold. (See Columbia registration statement below.)

* * * *

The Securities and Exchange Commission today announced the issuance granting an application of The Lehman Corporation, New York investment company, with respect to the participation by Lehman and certain of its partners in a joint venture to be formed for the purpose of exploitation and development of certain interests in oil properties. The firm of Lehman Brothers and certain of its partners intend to become participants in this joint venture. The capital interests of that firm and of

For further details, call ST. 3-7600, ext. 5526

(OVER)

such partners are to be in the aggregate amounts of approximately \$250,000 and \$1,000,000, respectively. Certain customer and associates of the firm also are to become participants, with a capital investment of approximately \$1,500,000. Lehman Corporation has been extended an invitation to become a participant with a capital interest of \$750,000. The aggregate capital interests of all participants, including those of others in addition to Lehman Corporation, Lehman Brothers, such partners, and such customers and associates of Lehman Brothers will be \$12,000,000. The Commission found the proposed transaction consistent with the provisions of the Investment Company Act, and that the participation of Lehman Corporation is not on a basis different from or less advantageous than any other similar participant.

* * * *

Dorr-Oliver Incorporated, Stamford, Conn., filed a registration statement (File 2-13322) with the Securities and Exchange Commission on May 7, 1957, seeking registration of 173,970 shares of its \$7.50 par Common Stock. The company proposes to offer this stock for subscription by its common stockholders of record May 29, 1957, at the rate of one new share for each six shares then held. The public offering price and underwriting terms are to be supplied by amendment. Dominick & Dominick is listed as the principal underwriter.

The company is engaged principally in developing, designing, manufacturing and selling equipment and processes for the continuous separation, mixing, handling or other treatment of solids suspended in liquids or gases. It also provides engineering services ranging from laboratory testing to complete plant design. Manufacturing operations are conducted in plants in Hazleton, Pa., Oakland, Calif., Orillia, Canada, New Haven, Conn., and Salt Lake City, U. It is expected that the proceeds of this financing, together with other cash of the company, will be used in the company's general program of plant improvement and expansion, undertaken in part to enlarge its capacity to manufacture those types or components of its equipment which it considers desirable to manufacture in its own plants, but no part of such proceeds has been specifically allocated for any particular purpose.

* * * *

Daybreak Uranium, Inc., Opportunity, Wash., filed a registration statement (File 2-13323) with the Securities and Exchange Commission on May 7, 1957, seeking registration of 631,925 shares of its presently outstanding 10¢ par Common Stock. According to the prospectus, the stock is to be offered for public sale by the holders thereof "At the Market (\$0.53)". The offering is to be made by Herrin Company, of Seattle, on a "best efforts" basis, for which it will receive a selling commission of 20%. The company will receive no part of the proceeds of the offering.

Organized in March, 1955, the company is engaged generally in the acquisition, exploration, and development of mining properties. The present company is the result of a merger effected in September, 1955, with Morning Sun Uranium, Inc. The promoters and directors of the two companies were in part the same. It now has outstanding a total of 4,384,500 common shares.

The prospectus lists twelve selling stockholders, who presently own in the aggregate 2,554,667 of the outstanding shares. Among these are James W. Fox, of Greenacres, Wash., president, who owns 476,500 and is selling 100,000 shares.

(Continued)

Another 100,000-share block is being sold by Roy R. Shaw, a director, of Pullman, Wash., who owns 261,667 shares. Kae H. Sowers, of Opportunity, secretary-treasurer, general manager, and a director, owns 476,500 shares and is selling 50,000 shares. Blocks of 75,000, 60,000 and 57,550 shares, respectively, are being sold by Ray Harris, Logan Jorgens, and Harry Bienert, holders, respectively, of 145,834, 282,291 and 145,833 shares. The other blocks being sold range in size from 9,375 to 40,000 shares. The prospectus further indicates nine of the selling stockholders, including all of those listed above, propose to return to the company at a later date, for cancellation, a total of 623,283 shares of stock. These shares are a portion of the shares heretofore issued to them for leases, claims, properties and services. Upon the cancellation of such shares, the total number of shares outstanding will be 3,761,217.

* * * *

Intermountain Gas Company, Boise, Idaho, filed a registration statement (File 2-13324) with the Securities and Exchange Commission on May 7, 1957, seeking registration of \$3,160,000 of 6% Subordinate Debentures, due 1982, and 189,600 shares of its \$1 par Common Stock. The company proposes to offer these securities for public sale in units, each consisting of \$100 principal amount of debentures and six common shares. The public offering price and underwriting terms are to be supplied by amendment. White, Weld & Co. is listed as the principal underwriter.

The registration statement also covers an additional 48,067 common shares. Of this stock, the company proposes to offer 45,150-1/3 shares for subscription by its common stockholders in the ratio of one new share for each six shares held on the record date (to be supplied by amendment). The company also proposes to offer 2,916-2/3 shares for subscription by the stockholders of Idaho Natural Gas Company pursuant to a contract right.

Net proceeds of the sale of the 31,600 units of debentures and common shares, of the 48,067 common shares, and of a \$6,750,000 bank loan, are to be applied to the financing of the company's expansion program. This program is estimated to involve expenditures of \$10,056,000, including provision of approximately \$475,000 of additional working capital and materials and supplies. The balance of the net proceeds, approximately \$500,000 will be used for the construction of additional distribution facilities in Initial Project Communities to meet demands for gas.

The company also proposes to sell \$6,750,000 of First Mortgage 5 1/2% Bonds, Series B, due 1978, to institutional investors; and the proceeds thereof will be used to repay the \$6,750,000 bank loan. An additional \$5,000,000 of First Mortgage 4-7/8% Bonds, Series A, due July 1, 1977, are to be issued to certain life insurance companies; and the proceeds thereof will be applied to the company's 4 1/2% Bank Loan.

* * * *

The Columbia Gas System, Inc., New York holding company, today filed a registration statement (File 2-13326) with the Securities and Exchange Commission seeking registration of \$20,000,000 of Debentures, Series H due 1982, to be offered for public sale at competitive bidding. As indicated above, net proceeds of the sale of the new debentures will be added to the general funds of the company and, together with funds available at the beginning of 1957, cash to be generated from operations

(Continued)

during 1957, the net proceeds (\$25,914,000) from the recent sale of common stock, and funds to be obtained from additional debt financing in 1957, will be used to satisfy certain demands in 1957 upon such general funds. Such demands include construction expenditures of subsidiaries estimated at \$84,000,000 for 1957, exclusive of approximately \$3,000,000 estimated for a portion of the hydrocarbon extraction plant to be built in 1957 by a subsidiary. In addition, Columbia will advance \$6,000,000 to Gulf Interstate Company which, together with about \$30,000,000 to be obtained by Gulf Interstate from other sources, will permit it to enlarge the capacity of its transmission system.

* * * *

The Nassau Fund, Princeton, N. J., investment company, filed a registration statement (File 2-13325) with the Securities and Exchange Commission on May 7, 1957, seeking registration of 250,000 shares of its Common Stock. Nassau Fund was organized under New Jersey laws on February 11, 1957. Harland W. Hoisington is president and Harland W. Hoisington, Inc., is investment counsel.

---0000000---