

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 15, 1957

Northern Ontario Natural Gas Company Limited, Toronto, filed a registration statement (File 2-13342) with the SEC on May 14, 1957, seeking registration of \$8,000,000 of 5-3/4% Subordinated Debentures due 1982, together with 400,000 Common Shares, no par. The company proposes to offer these securities for public sale in units, each consisting of \$20 of debentures and one common share. The debentures and common shares will not be transferable separately until February 3, 1958. Units aggregating \$3,940,000 of debentures and 197,000 common shares are to be offered for sale in the United States and the balance of the units are to be offered for sale in Canada. The United States underwriters include Bear, Stearns & Co. and Hemphill, Noyes & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized in May, 1954, for the purpose of constructing and operating natural gas distribution facilities and distributing natural gas for industrial, commercial and residential use in communities located in the Province of Ontario in an area extending about 1,100 miles from a point near the Manitoba-Ontario border to a point about 65 miles north of Toronto. Under the construction program to be financed in part out of the proceeds of the sale of the debentures and common shares, the company proposes to construct or provide for the construction of natural gas distribution facilities in 34 communities in Ontario located along or in the general vicinity of the proposed route of the natural gas transmission line which is to be owned or leased and operated by Trans-Canada Pipe Lines Limited, a non-affiliated corporation. The company has contracted to purchase natural gas from Trans-Canada for distribution by the company and by Twin City Gas Company Limited, an Ontario corporation, of which 50% of the outstanding stock is owned by the company. The total estimated cost of the construction program is approximately \$22,225,000.

In addition to the sale of the debentures and common shares, the financing program includes the issuance and sale, to institutional investors, of \$12,000,000 of First Mortgage Bonds. The cost of the construction to be completed in 1957 is estimated at approximately \$3,500,000, which will be covered by the net proceeds of the sale of the debentures and common shares. The balance of such net proceeds (except for \$920,000 to be deposited with the trustees under the indenture for payment of interest on the debentures until June 1, 1959) will be available for application in 1958 toward the cost of the remaining work contemplated in the construction program. The completion of the total construction program will be dependent upon the availability of proceeds of additional financing, including the later sale of the bonds.

The prospectus lists Ralph K. Farris of Vancouver, B. C., as president. Charter Oil Company Limited, Calgary, Alberta, of which Mr. Farris is also president, is

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listed as the owner of 84,534 of the 730,378 outstanding common shares of the company.

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Eric Corporation of America, Philadelphia, filed a registration statement (File 2-13341) with the SEC on May 14, 1957, seeking registration of \$375,000 of 10-Year 6% Debentures due March 1, 1967; 3,750 shares of 7% Cumulative Preferred Stock, \$100 par; and 7,500 shares of Common Stock, \$1 par. The company proposes to offer these securities for public sale in units consisting of \$500 of debentures, 5 shares of preferred stock, and ten shares of common stock; and the offering price per unit is to be \$1,010. No underwriting is involved, the offering to be made by company officials.

Organized in November, 1956, under Pennsylvania law, the company will engage in the business and operation of drive-in theatres and of real estate developments or centers, either in connection with drive-in theatres or generally. The promoter of the company is Samuel Shapiro, of Philadelphia, and members of his family and associates. Shapiro is also listed as company president, and as owner of 14,000 of the 16,000 common shares now outstanding. The company presently has interests, or is negotiating for interests, in eight drive-in theatres or in sites therefor in the states of Pennsylvania and New Jersey. Net proceeds of this public financing, together with funds heretofore subscribed and funds from a secured loan of \$125,000, are to be used by the company to purchase, directly or through subsidiaries, drive-in theatres, to pay for leaseholds of drive-in theatres, to purchase and lease land for the development of drive-in theatres, to purchase, license and/or lease more modern equipment necessary for drive-in theatres, to build and construct drive-in theatres, to erect concession buildings, to renovate and modernize such drive-in theatres, and to constitute the working capital of the company in its initial period of operations. The proceeds are also to be used to pay the expenses of the issuer and to repay temporary loans made to the company.

Holding Company Act Release No. 13473

Ohio Power Company (Canton) has applied to the SEC for an order authorizing certain borrowings from banks; and the Commission has issued an order giving interested persons until May 29, 1957, to request a hearing thereon. Ohio has established a line of credit with seven banks, pursuant to which it may borrow sums aggregating not in excess of \$36,000,000 during the period ending December 31, 1957. Of this amount, \$19,500,000 of borrowings, made or to be made, are stated to be exempt from the Holding Company Act. Thus, it seeks Commission authorization for additional borrowings in the amount of \$16,500,000. Proceeds thereof will be used to pay part of the costs of its construction program, estimated at \$69,000,000 in 1957.

Holding Company Act Release No. 13474

The SEC has issued an order authorizing General Public Utilities Corporation, New York holding company, to acquire from Eastern Gas and Fuel Associates all of the outstanding securities of Colver Electric Company, consisting of 245 shares of Colver's \$100 par common stock for approximately \$257,400. The Commission's order also authorizes Colver to purchase from Eastern certain property owned by Eastern but used or useful in Colver's utility operations. Colver is an electric utility company serving approximately 750 customers in the township of Cambria,

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Gambria County, Pa. Upon acquisition of its stock by GPU, all of Colver's electric energy requirements will be purchased by it directly from Pennsylvania Electric Company, a subsidiary of GPU. Colver's service area is surrounded by that of Pennsylvania Electric; and, as soon as feasible after consummation of these transactions, Colver will be merged with that company.

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Western Printing and Lithographing Company, Racine, Wisconsin, today filed a registration statement (File 2-13344) with the SEC seeking registration of \$3,037,640 of 5% Serial Notes, due December 1, 1958, to December 1, 1967. Western proposes to acquire by purchase all outstanding shares of stock of Kable Printing Company, an Illinois corporation, on condition that it can acquire at least 130,000 (about 85%) of the 151,882 shares outstanding. It is proposed to continue Kable's existing business and operations as a subsidiary or division of Western. The primary purpose of the proposed acquisition is to make available as a part of Western's service to its customers the wide experience and extensive facilities of Kable in the field of rotogravure printing, in which Western has heretofore engaged to only a very limited extent. If the acquisition is completed, Western intends to continue the present Kable operations at the present Mount Morris, Illinois, plant, and to continue to employ the present managerial, office and sales staffs and supervisory and production employees of Kable.

Under the terms of the purchase offer, each holder of Kable stock who owns less than 51 shares will receive cash at the rate of \$26 per share. Each shareholder owning more than 50 and less than 500 shares will receive his choice of either \$26 per share in cash or \$6 in cash and \$20 per share in the form of Western's Serial Notes. Each shareholder owning 500 or more shares of Kable stock will receive \$6 per share in cash and \$20 per share in the form of Western's Serial Notes. Under an agreement between Western and certain principal stockholders of Kable, including all of the directors of Kable, such stockholders have agreed to accept the purchase offer. This group, including members of their immediate families and trusts of which they are the principal beneficiaries, own approximately 65% of the outstanding stock of Kable. The offer is being extended to all other Kable stockholders.

Western is engaged in integrated operations embracing the complete creation and printing of distinctive children's books and games, comic books, pocket-size books and commercial printing. Kable is engaged in the printing of magazines and catalogs by rotogravure and letterpress methods.

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Levingston Shipbuilding Company, Orange, Texas, today filed a registration statement (File 2-13343) with the SEC seeking registration of 100,000 shares of its \$6 par Common Stock. Of these shares, 66,666 are to be offered for public sale for the account of the issuing company; and the balance of 33,334 shares are now outstanding and are to be offered for sale by the holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Underwood, Neuhaus & Co., Inc., is listed as the principal underwriter.

The company is principally engaged in the construction, conversion and repair of steel water craft, the transportation of petroleum and petroleum products by

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barge on Gulf Coast intracoastal waterways, and specialty jobs of machine shop work and metal fabrication. It proposes to use the net proceeds of its sale of the 66,666 common shares, as follows: \$400,000 for construction of a floating drydock; \$450,000 for the construction of two oil barges; and the balance, if any, for working capital.

The company now has outstanding 227,900 common shares, of which Ed T. Malloy, president, owns of record and beneficially 53,275 shares (23.4%) and beneficially 68,675 shares (30.1), which latter shares are held in the estate of his deceased wife. Frank J. Malloy, vice-president, secretary, and treasurer, is the record and beneficial owner of 13,500 shares and the beneficial owner of 15,235 shares. Ed T. Malloy proposes to sell 27,084 shares held as Independent Executor and sole devisee under the will of his deceased wife; and Frank J. Malloy proposes to sell 6,250 of the shares held of record and beneficially by him.

Securities Act Release No. 3785

The Securities and Exchange Commission has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of securities by the following:

Mon-O-Co Oil Corporation, Billings, Montana

In its Regulation A notification, filed March 6, 1957, Mon-O-Co proposed the public offering of 4,000 shares of Class A common and 96,000 shares of Class B common stock, in units of 1 Class A and 24 Class B shares and for cash sale at \$75 per unit, together with 14,474 Class A and 347,376 Class B shares to be issued for properties.

Sheba Uranium Mining & Exploration, Inc., Ogden, Utah

In its Regulation A notification, filed November 23, 1956, Sheba proposed the public offering of 5,250,000 common shares at 1 $\frac{1}{4}$ per share.

The Commission asserts in its orders that the two companies failed to comply with the terms and conditions of Regulation A; that each company's offering circular is false and misleading in respect of material facts; and that the use of said offering circulars in the offering and sale of the securities of the respective companies "would operate as a fraud and deceit" upon the purchasers of such securities. Each of the orders provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

With respect to Mon-O-Co, the Commission's order asserts that the offering of that company's securities for cash sale, together with the offering of the additional stock for properties, would exceed the \$300,000 limitation prescribed by Regulation A; that Mon-O-Co mailed a communication to stockholders which was not filed with the Commission and which was false and misleading in material respects; and that the company failed to disclose in its notification information concerning the sale of 20,800 Class B shares since December 31, 1956, the persons to whom the shares were issued, and the exemption from registration relied upon for the sale of such shares without registration. This order further alleges that Mon-O-Co's offering circular is false and misleading in respect

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of, or fails to disclose, various material information. Among these are (1) failure to disclose the interests in the issuer of its officers, directors and any controlling person; (2) failure to disclose terms, dates and forfeiture provisions of leases held by the issuer and of working agreements under which it proposes to conduct its operations; (3) failure to include a reasonably itemized statement of the purposes for which the proceeds of the offering will be used, and the priority thereof; (4) failure to include profit and loss statements and a surplus analysis for the last two years; (5) failure to include adequate total charges for depletion and depreciation in the balance sheets; (6) failure to describe adequately the recapitalization of the company since December 31, 1956; (7) failure to state in connection with a discussion of four wells completed in the Fertile Valley Prairie Field that on the basis of present production there appears to be no reasonable basis for the return of the issuer's investment therein; (8) failure to give adequate consideration to the past production history of various wells in connection with information pertaining to reserves per acre; and (9) various other particulars.

The order with respect to Sheba asserts that that company failed to file the required semi-annual reports reflecting the number of shares sold and the uses to which the proceeds were applied. Furthermore, according to the order, Sheba's offering circular is false and misleading with respect to the assessment work to be performed on Sheba's unpatented mining claims, as well as the financial condition of the company.

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