

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Brief summary of financial proposals filed with and actions by the S.E.C.

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**CORPORATE WORKING CAPITAL.** The SEC announces (for Wednesday Newspapers), that the net working capital of U. S. corporations, excluding banks and insurance companies, continued to increase in 1963 and at year-end amounted to \$152.4 billion. For further details, see Stat. Release No. 1969.

**SPROUL HOMES PROPOSES OFFERING.** Sproul Homes Corporation, 4201 Birch St., Newport Beach, Calif., filed a registration statement (File 2-22288) with the SEC on April 13 seeking registration of 200,000 shares of common stock. It is proposed to make a public offering of 180,000 of the shares through an underwriting group headed by Bache & Co., 36 Wall St., New York, N. Y. The offering price (\$12 per share maximum\*) and underwriting terms are to be supplied by amendment. The remaining 20,000 shares will be offered to company employees and to certain suppliers, customers and other persons designated by the company.

Organized under Nevada law on April 7, the company combines in one entity all of the activities of businesses controlled by Elmer C. Sproul relating to the mass-production of homes for middle income families. Its business of selling and mass-producing homes includes the purchase of raw land, improvement of building sites, design and construction of homes, and advertising and sale of completed homes. Net proceeds of the stock sale will be contributed or loaned to Sproul Homes, Inc., of New Mexico (a subsidiary), and will be used initially to reduce its bank borrowings. In addition to indebtedness, the company has outstanding 1,000,000 shares of Class B stock, all of which is owned by Elmer C. Sproul and was issued to him for his stock interest in the New Mexico subsidiary. It presently has no outstanding common shares. Upon completion of this offering, Sproul will own approximately 83% of the outstanding Class B and common stock. The prospectus lists Sproul as president.

**PUGET SOUND POWER & LIGHT FILES FINANCING PROPOSAL.** Puget Sound Power & Light Company, Puget Power Bldg., Bellevue, Wash., filed a registration statement (File 2-22281) with the SEC on April 10 seeking registration of \$15,000,000 of first mortgage bonds due 1994 and 150,000 shares of preferred stock (\$100 par value). The securities are to be offered for public sale through an underwriting group headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York, N. Y., and Blyth & Co., Inc., 14 Wall St., New York, N. Y. The interest and dividend rates, public offering price and underwriting terms are to be supplied by amendment.

The company is an electric utility operating exclusively within the State of Washington. Net proceeds from the sale of these securities will be applied to the redemption of 96,000 outstanding shares of 5 $\frac{1}{2}$ % preferred stock at the redemption price of \$105.50 per share. The balance will be applied toward repayment of outstanding bank loans (incurred for construction purposes), which are expected to aggregate \$21,000,000. Approximately \$1,000,000 of such loans will remain outstanding after the sale. The company's 1964 construction program is estimated at \$15,300,000. In addition to indebtedness and preferred stock, the company has outstanding 3,593,501 shares of common stock, of which management officials as a group own 6,814 shares. The prospectus lists J. H. Clawson as board chairman and Ralph M. Davis as president.

**INTERSTATE UNITED FILES FOR SECONDARY.** Interstate United Corporation, 4301 W. Touhy Ave., Lincolnwood, Ill., filed a registration statement (File 2-22282) with the SEC on April 10 seeking registration of 354,429 outstanding shares of common stock. The present holders thereof propose to make a public offering of these shares from time to time on the over-the-counter market at prices current at the time of sale (\$9.81 per share maximum\*). No underwriting is involved. Also included in the statement are an additional 95,208 shares which may be offered under the company's Employees Amended 1960 Stock Option Plan.

The company (formerly Interstate Vending Company) is engaged primarily in the business of selling a variety of products through coin-operated vending machines in some 30 states, principally in industrial plants. Its products include coffee, cigarettes and cigars, candy, gum and pastry, milk and ice cream products, cold beverages, and hot and cold prepared foods. In addition to indebtedness and preferred stock, the company has outstanding 2,187,843 shares of common stock, of which management officials as a group own 19.67%. The prospectus lists 32 selling stockholders, including two company officials (Edward Levine, director, is offering his entire holding of 6,724 common shares and Leon Savage, director, 50,000 of his holding of 75,255 common shares). Twenty-three of the stockholders are listed as offering their entire holdings, including Diversified Growth Stock Fund, Inc. (30,000 shares), Zita P. Loewe (31,640 shares), and L. Harvey Levine (15,820 shares). John Morton Levine proposes to sell 31,000 of his holding of 31,640 common shares, and Alex Kramer is offering 19,000 of his holding of 19,198 common shares. The remaining shares being offered range in amounts from 74 to 15,820. Ronald Wolff is president and Cyril Chappellet is board chairman.

**AIR REDUCTION FILES STOCK PLAN.** Air Reduction Company, Incorporated, 150 E. 42nd St., New York, N. Y., filed a registration statement (File 2-22283) with the SEC on April 10 seeking registration of 164,900 shares of common stock, to be offered under the company's 1953 Stock Option Plan, 1957 Stock Option Plan, and Individual Restricted Stock Options.

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**SUN OIL FILES STOCK PLAN.** Sun Oil Company, 1608 Walnut St., Philadelphia, Pa., filed a registration statement (File 2-22286) with the SEC on April 13 seeking registration of 12,500 memberships in its Stock Purchase Plan for Employees, together with 232,000 shares of common stock, which may be acquired pursuant thereto.

**SOUTHERN NATURAL GAS FILES STOCK PLAN.** Southern Natural Gas Company, Watts Bldg., Birmingham, Ala., filed a registration statement (File 2-22287) with the SEC on April 13 seeking registration of \$6,528,000 of participations in its Stock Purchase Plan, together with 128,000 shares of common stock which may be acquired pursuant thereto.

**ARLAN'S STORES FILES FOR SECONDARY.** Arlan's Dept. Stores, Inc., 132 W. 31st St., New York, N. Y., filed a registration statement (File 2-22285) with the SEC on April 13 seeking registration of 100,000 outstanding shares of common stock. The present holders thereof propose to make a public offering of the shares through an underwriting group headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York, N. Y. The offering price (\$45 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company sells popular-priced merchandise at retail through 41 self-service discount stores located in leased premises in 14 states. In addition, five new self-service discount stores are now under construction and are expected to be in operation by October 31, 1964. The company has outstanding (in addition to indebtedness) 1,008,965 shares of common stock, of which management officials as a group own 12.7%. Herbert Palestine (chairman of the executive committee) owns 10% of the outstanding stock. The three selling stockholders are offering their entire holdings, as follows: M.K.R. Corporation, 50,000 shares, Danville Corporation, 33,000 shares, and Jaimi Corporation, 17,000 shares. All of the outstanding stock of M.K.R. Corporation is owned by Alan E. Schwartz, Arlan's board chairman. In addition, all of the outstanding stock of Danville Corporation and Jaimi Corporation is owned by law partners (or members of their families) of Schwartz.

**THERMAL DYNAMICS ENJOINED.** The SEC Denver Regional Office announced April 8 (LR-2896) the issuance of a Federal court order (USDC, Salt Lake City) preliminarily enjoining Thermal Dynamics Corporation and its vice president, K. Ralph Bowman, of Salt Lake City, from further violating the Securities Act registration and anti-fraud provisions in the sale of Thermal Dynamics stock.

**ST. CROIX PAPER SEEKS EXEMPTION.** The SEC has issued an order giving interested persons until May 11, 1964, to request a hearing upon an application filed by St. Croix Paper Company, of Boston, Mass., for exemption from the periodic reporting requirements of the Securities Exchange Act of 1934.

According to the application, St. Croix Paper has outstanding 586,714 shares of common stock, of which 579,449 shares are held of record by Georgia-Pacific Corporation, 7 director's qualifying shares by 7 holders and the remaining 523 shares by 14 stockholders.

**PCSE DELISTING REQUEST GRANTED.** The SEC has granted an application of the Pacific Coast Stock Exchange to delist the common and convertible stocks of Dorr-Oliver Incorporated, effective at the opening of business April 17th -- the stocks remain listed on the American Stock Exchange.

**KOSTIN CORP. SEEKS ORDER.** Kostin Corp., 408 Summit St., Toledo, Ohio, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-3958) giving interested persons until April 30 to request a hearing thereon. According to the application, the company's securities are beneficially owned by less than 100 persons; and it does not presently propose to make a public offering of its securities.

**GENERAL BOATS OFFERING SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by General Boats Corporation, 32 West 46th Street, New York, N. Y. The company made a public offering of securities pursuant to a Regulation A notification filed in 1960. The suspension was based upon its alleged failure to comply with a requirement of the Regulation for the filing of semi-annual reports reflecting the amount of securities sold and the use to which the proceeds were applied.

**ESS-KAY ENTERPRISES SUSPENSION PERMANENT.** Ess-Kay Enterprises, Inc., 101 Marietta Street Bldg., Atlanta, Ga., has withdrawn its request for a hearing upon the question whether the Commission should vacate or make permanent its order of March 2, 1964, temporarily suspending a Regulation A exemption from Securities Act registration with respect to that company's public offering of securities pursuant to a notification filed in 1962. Accordingly, the suspension order has become permanent; and the hearing previously scheduled for April 20, 1964, in the Commission's Atlanta Regional Office has been cancelled.

**UNIVERSAL MATCH SHARES IN REGISTRATION.** Universal Match Corporation, 515 Olive St., St. Louis, Mo., filed a registration statement (File 2-22284) with the SEC on April 13 seeking registration of 12,080 outstanding shares of common stock. The shares are held by former shareholders of the so-called Higgins-Magee companies, which were engaged in the manufacture and sale of printing ink in California and for which 60,000 common shares were issued in 1962. Such holders propose to offer the 12,080 shares from time to time on the market at the current market price prevailing at the time of sale. The company has outstanding 5,193,425 shares of common stock.

**SECURITIES ACT REGISTRATIONS.** Effective April 9: Sinclair Oil Corp. (File 2-22174).  
Effective April 13: St. Joseph Lead Co. (File 2-22163). Effective April 14: Syntex Corp. (File 2-21383); Wehr Corp. (File 2-22170). Withdrawn April 13: Pyramid Holding Co. (File 2-22004).  
Withdrawn April 14: ADR's of Volkswagenwerk A.G. (File 2-18748).

\*As estimated for purposes of computing the registration fee.

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