

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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**DELMARVA P&L SEEKS ORDER.** Delmarva Power and Light Company, Wilmington, Del., has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell 597,909 shares of its common stock, at an offering price which will not exceed, nor be less than 90% of, the last reported sale price of the stock on the New York Stock Exchange prior to the determination of the offering price. The Commission has issued an order (Release 35-15535) giving interested persons until August 26 to request a hearing thereon. Delmarva proposes to offer to its stockholders the right to subscribe to one new share for each 14 shares held on September 8, 1966. Subject to the rights of stockholders, the stock will also be offered at the same offering price to Delmarva's employees in maximum amounts of 150 shares per employee. Any unsubscribed shares will be sold to underwriters at competitive bidding. The company will use the net proceeds of the stock sale to finance the cost of its 1966-67 construction program, estimated at \$54,800,000, and to repay certain bank loans.

**COLUMBIA GAS SEEKS ORDER.** The Preston Oil Company, subsidiary of The Columbia Gas System, Inc., has applied to the SEC for an order under the Holding Company Act authorizing it to sell 50,000 common shares and \$3,300,000 of unsecured installment promissory notes to the parent company; and the Commission has issued an order (Release 35-15537) giving interested persons until August 25 to request a hearing thereon. Preston will use the net proceeds of this financing in connection with its construction program (presently estimated to cost \$15,955,000 through March 31, 1967) and to meet installment payments on its outstanding promissory notes.

**BEN H. FRANK FOUND IN CONTEMPT.** The SEC Fort Worth Regional Office announced July 27 (LR-3550) that Ben H. Frank of Tulsa, Okla., was found guilty of criminal contempt (USDC, WD Okla.) by reason of his violating a 1952 Federal court order restraining Frank from violating the Securities Act registration and anti-fraud provisions in the sale of oil and gas interests in leases located in Montgomery County, Ks. Sentence was suspended and the defendant was placed on probation for three years.

**LLOYD AND KELSO SENTENCED.** The SEC Atlanta Regional Office announced July 29 (LR-3551) that William A. Lloyd and Elizabeth Baker Kelso, of Atlanta, received suspended sentences of two years and 18 months, respectively, after they were found guilty of violating and conspiring to violate the Securities Act anti-fraud provisions in the sale of securities of Colonial Discount Company, Inc., of Atlanta (USDC, Atlanta). In addition, Lloyd was fined \$5,000 and Kelso \$1,000.

**ARKANSAS-MISSOURI POWER PROPOSES RIGHTS OFFERING.** Arkansas-Missouri Power Company, 104 S. Fifth St., Blytheville, Ark., filed a registration statement (File 2-25348) with the SEC on August 1 seeking registration of 109,143 shares of common stock. The stock is to be offered for subscription by common stockholders at the rate of one new share for each 20 shares held. Any unsubscribed shares are to be offered to company employees (not exceeding 100 shares to any one employee) at the subscription price. The record date and subscription price (\$14 per share maximum\*) are to be supplied by amendment.

An electric public utility, the company will apply the net proceeds of its stock sale toward the repayment of some \$3,500,000 of bank loans incurred to finance its construction program. Its 1966 construction expenditures are estimated at \$5,500,000. In addition to indebtedness and preferred stock, the company has outstanding 2,182,845 common shares, of which management officials own 8.5%. Charles Czeschin is president.

**AFFILIATED HOSPITAL SHARES IN REGISTRATION.** Affiliated Hospital Products, Inc., 1920 S. Jefferson Ave., St. Louis, Mo. 63104, filed a registration statement (File 2-25355) with the SEC on August 1 seeking registration of 320,860 shares of common stock. Affiliated proposes to sell a portion of the stock (the number of shares to be supplied by amendment) to its parent, United Industrial Corp., which in turn will offer such shares to its common stockholders on the basis of one Affiliated share for each 10 United shares held on September 14. The balance of the stock is to be offered to the remaining stockholders of Affiliated, at the rate of one new share for each 6-2/3 shares held on said record date. Any unsubscribed shares are to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York 10004. The offering price (\$20 per share maximum\*) and underwriting terms are to be supplied by amendment.

Organized under Delaware law in 1965, the company succeeded to the business of manufacturing and selling surgeons' latex gloves and other hospital and nursing home equipment, formerly conducted by Perry Rubber Co. and Shampaine Industries, Inc. Net proceeds of its stock sale will be added to general funds. In addition to indebtedness, the company has outstanding 1,607,025 common shares, of which United owns 99.55%. Bernard Fein is president and board chairman of Affiliated.

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**COLUMBIAN LIFE PROPOSES OFFERING.** Columbian Life Insurance Company, 68 W. Washington St., Chicago, Ill. 60602, filed a registration statement (File 2-25356) with the SEC on August 1 seeking registration of 600,000 shares of common stock. The stock is to be offered for public sale, on a "best efforts" basis, through Columbian Life Development, Inc., of the Chicago address, which performed all services and paid all expenses (estimated at \$150,000) in connection with the organization of the company. For such services Columbian Life Development will receive 15% of the total offering price of the stock. The public offering price (\$4 per share maximum\*) is to be supplied by amendment.

Organized under Illinois law in July, the company proposes to engage in the life insurance business. Net proceeds of its stock sale will be used in the conduct of such business. Paul R. Cory is chairman and Paul M. Hanson is president of the company.

**GREATER WASHINGTON INDUSTRIAL RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4663) authorizing Greater Washington Industrial Investments, Inc., Washington, D. C., registered closed-end, non-diversified investment company, to acquire \$150,000 of 3-year 8% notes of Nuclear Science and Engineering Corp. (NSEC), as well as an option to acquire shares of NSEC. The applicant is affiliated with NSEC by virtue of its ownership of 7% of the outstanding voting securities of NSEC.

**SEC ENTERS MADWAY MAIN LINE HOMES PROCEEDINGS.** The SEC has filed notice of appearance in Chapter X proceeding for the reorganization of Madway Main Line Homes, Inc., and its wholly-owned subsidiary, Main Line Finance Co., which is pending in Federal court in Philadelphia, Pa. Judge Ralph C. Body appointed Samuel Weinrott and Peter F. Baughman as trustees. The Debtor companies are engaged in the business of manufacturing and selling of homes and relocatable classrooms. An unaudited balance sheet of Madway and its subsidiary, as at March 31, 1966, showed total assets of \$33.3 million and liabilities of \$31.5 million. The assets included \$27.4 million representing mortgage notes receivable, \$1.3 million of investments, and \$1.2 million of inventories. Liabilities included secured notes payable of \$24.7 million, and \$1.1 million of accounts payable. Liabilities also included \$1,750,000 principal amount of 6 $\frac{1}{2}$ % convertible subordinated 15-year debentures held by about 475 public investors. Madway, the parent company, has outstanding approximately 300,000 shares of common stock of which about 20,000 shares are owned by approximately 200 stockholders and the remaining shares are held principally by management.

**UNLISTED TRADING GRANTED.** The SEC has issued an order under the Securities Exchange Act granting an application of the Cincinnati Stock Exchange for unlisted trading privileges in the common stocks of Admiral Corp., Fairchild Camera & Instrument Corp., The Wurlitzer Co., International Harvester Co., and Olin Mathieson Chemical Corp. The Commission also granted applications of the Boston Stock Exchange, Pacific Coast Stock Exchange, and Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of International Harvester Co.

**SECURITIES ACT REGISTRATIONS.** Effective August 2: Arcoa Inc., 2-25249.  
Effective August 3: American Electronic Laboratories, Inc., 2-25003 (40 days).

**NOTE TO DEALERS.** The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

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

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