

# 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 August 27, 1958

## PURE OIL FILES INCENTIVE STOCK PLAN

The Pure Oil Company, Chicago, filed a registration statement (File 2-14319) with the SEC on August 25, 1958, seeking registration of 250,000 Common Shares, to be offered to officers and key employees of Pure Oil or its subsidiaries pursuant to the company's Incentive Stock Ownership Plan.

## BORG-WARNER FILES EMPLOYEE STOCK PLAN

Borg-Warner Corporation, Chicago, filed a registration statement (File 2-14320) with the SEC on August 26, 1958, seeking registration of 600,000 common shares, to be offered under and pursuant to the Borg-Warner Corporation Restricted Stock Option Plan for Key Employees.

## COLUMBIA GAS PURCHASE OF GULF INTERSTATE PROPERTIES PROPOSED

The Columbia Gas System, Inc., New York holding company, has joined with Columbia Gulf Transmission Company, a newly-organized subsidiary, in filing an application with the Commission proposing the acquisition by Gulf Transmission of the facilities of Gulf Interstate Gas Company; and the Commission has scheduled the matter for hearing on September 23, 1958.

The Gulf Interstate pipeline, completed in 1954, consists of a main line 30 inches in diameter and 845 miles long, with about 389 miles of gathering lines. As of April 30, 1958, it had net gas plant of about \$151,000,000 and it is expected that this figure will be increased by about \$60,000,000 during 1958. It now has outstanding \$83,000,000 of bonds, which amount may be increased to \$143,300,000 by December 1958; \$13,792,100 of 6% cumulative preferred stock; \$17,300,000 of 5-3/4% cumulative preferred stock; and 3,880,100 shares of common stock (including 200 treasury shares and 34,965 shares reserved under employees' options), with an aggregate par value of \$19,400,500. Columbia Gas now holds the \$17,300,000 of 5-3/4% preferred and 225,000 common shares of Gulf Interstate.

In connection with the proposed transactions, Gulf Interstate will issue and sell to one or more underwriters \$14,000,000 par value of a new series of preferred stock and will use the proceeds from such sale to redeem its presently outstanding 6% preferred, having an aggregate par value of \$13,792,100 and a redemption price of \$14,204,740. Upon liquidation of Gulf Interstate, said underwriters will accept the par amount of such new preferred stock as the liquidating value hereof, payment to be made by the delivery of such number of shares of Columbia Gas common as will have a fair market value, as of the date of closing, equal to \$14,000,000.

The properties of Gulf Interstate are to be acquired by Gulf Transmission in exchange for (a) the delivery by Gulf Transmission to Gulf Interstate of an estimated 4,818,717 shares of Columbia Gas's common stock, and (b) the assumption by Gulf Transmission of substantially all of Gulf Interstate's liabilities, estimated at \$151,740,000. The shares of Columbia Gas's common stock required by Gulf Transmission for delivery to Gulf Interstate will be obtained by Gulf Transmission by the issue and sale by it to Columbia of an estimated 2,271,605 shares of Gulf Transmission's common stock having an aggregate par value of \$56,790,120.

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

The estimated 4,818,717 shares of Columbia Gas's common stock to be delivered by Gulf Transmission to Gulf Interstate will be used by the latter company as follows: (1) 3,079,829 shares will be exchanged for its own 3,880,100 common shares, or on the basis of 0.79375 of a Columbia Gas share for each Gulf Interstate common share; and (2) 1,738,888 shares (estimated) will be exchanged for its own preferred stock, having an aggregate par value of \$31,300,000, of which \$17,300,000 is owned by Columbia Gas and \$14,000,000 will be owned by underwriters.

Upon the transfer to Gulf Transmission of substantially all of the Gulf Interstate properties and assets in consideration of the assumption by Gulf Transmission of Gulf Interstate's liabilities and the delivery to Gulf Interstate of the Columbia Gas common stock, Gulf Interstate will liquidate and dissolve.

The total number of Columbia Gas's common shares to be issued to Gulf Interstate in carrying out the above proposed transactions is, as indicated, estimated to be 4,818,717. Such estimate assumes that the "fair market value" of such stock on the closing date will be \$18 per share. Of this number, 1,139,705 shares will be returned to Columbia Gas in exchange for the common and preferred shares of Gulf Interstate which Columbia Gas now holds, and 3,679,012 shares will be distributed to others. At the estimated fair market value of \$18 per share, the shares to be distributed to others would have an aggregate value of \$66,222,216, which amount plus the \$20,000,000 already invested by Columbia Gas in the aforesaid shares of Gulf Interstate would total \$86,222,216, or \$29,218,096 in excess of the pre forma book value of the net assets being acquired.

As an integral part of the program, Gulf Transmission will issue and sell to Columbia Gas and Columbia Gas will purchase for cash, 840,000 shares of Gulf Transmission's common stock at its aggregate par value of \$21,000,000. Gulf Transmission will use this money, together with treasury cash, to retire such part of the assumed Gulf Interstate indebtedness as may be necessary to bring Gulf Transmission's capital structure into conformity with the requirements of the Indenture covering Columbia Gas' senior debentures.

#### YANKEE ATOMIC FINANCING APPROVED

The SEC has issued an order authorizing Yankee Atomic Electric Company, of Boston, to issue and sell to its stockholder companies an additional 40,000 shares of its capital stock at \$100 per share, the proceeds of which will be used to retire its then \$4,000,000 of outstanding short-term notes held by the stockholder companies.

The eleven holders of the presently outstanding 40,000 shares including New England Power Company (30%) and The Connecticut Light and Power Company (15%). The holdings of the other companies range from 2% to 9.5%. The Commission's order also authorizes Yankee Atomic to issue to the stockholder companies from time to time prior to December 31, 1958, non-interest bearing promissory notes up to a maximum amount of \$5,000,000 at any one time outstanding. Yankee Atomic intends to construct and operate a nuclear power plant of approximately 134,000 KW net electrical capacity. The total capital requirements, including construction costs and working capital, are estimated at \$57,000,000. The plant is presently scheduled for completion in 1960.

#### CENTRAL PUBLIC UTILITY STOCKHOLDERS' COMMITTEE FORMED

The SEC has issued an order authorizing Percival E. Jackson, C. Perry King, and Harold F. Scattergood, acting as the Central Public Utility Corporation Public Common Stock Committee, to solicit authorizations from Central's public stockholders to represent them in proceedings before the Commission on an application filed by Central for exemption from the Holding Company Act. This exemption application is scheduled for hearing on September 10, 1958.

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## ONE WILLIAM STREET FUND PROPOSES PURCHASE OF LOUETTA INVESTMENT SHARES

One William Street Fund, Inc., New York investment company, has applied to the SEC for an exemption order permitting the proposed issuance of its shares at net asset value for substantially all of the cash and securities of Louetta Investment Company; and the Commission has issued an order giving interested persons until September 11, 1958, to request a hearing thereon.

According to the application, as of July 31, 1958, the net assets of William Street Fund amounted to \$240,673,874, and there were then outstanding 20,500,330 shares of stock. Louetta is a personal holding company with ten stockholders. Under an agreement with the latter's stockholders, substantially all of the cash and securities owned by Louetta, with a total value of about \$1,230,000 as of July 31, 1958, will be transferred to William Street Fund in exchange for shares of stock of William Street Fund.

## AMERICAN-SOUTH AFRICAN INVESTMENT CO. FILES FOR OFFERING

American-South African Investment Company, Limited, Johannesburg, South Africa, today filed a registration statement (File 2-14321) with the SEC seeking registration of 1,000,000 Common Shares. Public offering of this stock is to be made through an underwriting group headed by Dillon, Read & Co. Inc. The public offering price and underwriting terms are to be supplied by amendment.

According to the prospectus, the company was organized on June 12, 1958, under The Companies Act of the Union of South Africa "primarily to provide a medium for investment in the common shares of companies engaged in business in South Africa, with particular emphasis on those engaged in mining gold." Pursuant to an SEC order of August 13, 1958, it was permitted to register as an investment company with the Commission under the Investment Company Act of 1940 and to make a public offering of its shares in this country.

The management of the company includes Charles W. Engelhard, Board Chairman, of Newark, N. J., Gordon V. Richdale, Deputy Board Chairman, of Newark, and Charles S. Barlow, Managing Director, of Johannesburg. South African Investment Adviser, Limited, will serve as Investment Adviser. The latter is a South African corporation in which Dillon, Read & Co. Inc. and Engelhard Industries, Inc. each own 50% of the outstanding common stock.

## CLEVELAND ELECTRIC ILLUMINATING FILES EMPLOYEE PLAN

The Cleveland Electric Illuminating Company, Cleveland, O., today filed a registration statement (File 2-14322) with the SEC seeking registration of 200,000 common shares, to be offered pursuant to the company's Employee Stock Option Plan.

## GENUNG'S INC. PROPOSES STOCK OFFERING

Genung's Incorporated, Mount Vernon, N. Y., today filed a registration statement (File 2-14323) with the SEC seeking registration of 164,000 shares of its common stock, to be offered for public sale through an underwriting group headed by G. H. Walker & Co. The public offering price and underwriting terms are to be supplied by amendment. The amount of the offering will be reduced to the number of shares issued since May 31, 1959, through the exercise of Stock Purchase Warrants and including September 2, 1958.

Genung's operates a department store chain. Net proceeds of the sale of its stock will be applied to the repayment of current bank borrowings of \$1,000,000, obtained for working capital purposes. The balance of the proceeds will be added to the general funds of the company to be available for general corporate purposes, including the air conditioning of its Howland's store in Bridgeport, Conn.

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## PUBLIC SERVICE OF INDIANA PROPOSES PREFERRED STOCK OFFERING

Public Service Company of Indiana, Inc., Plainfield, Ind., today filed a registration statement (File 2-14324) with the SEC seeking registration of 242,826 shares of Cumulative Preferred Stock, \$100 par (Convertible). The company proposes to offer this stock for subscription at \$100 per share by holders of its common stock of record September 16, 1959, at the rate of one preferred share for each twenty common shares then held. Blyth & Co., Inc., is listed as the principal underwriter; and the underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the new preferred, estimated at \$24,000,000, will be applied to the prepayment of a like amount of its outstanding bank loan notes issued in connection with the interim financing of the company's construction program. Total gross additions to utility plant for the years 1958-60 are presently estimated at \$124,000,000.

## FORT PIERCE PORT &amp; TERMINAL PROCEEDINGS DISMISSED

The Securities and Exchange Commission today announced that, upon application of Fort Pierce Port & Terminal Company, of Fort Pierce, Fla., the Commission has permitted withdrawal of the registration statement filed by that company which proposed the public offering of 2,138,500 common shares at \$1.25 per share; and proceedings on the question whether a stop order should be issued suspending effectiveness of the registration statement were dismissed by the Commission.

In its application for withdrawal, signed by M. A. Ramsey, president, the company conceded that "certain inaccurate statements of material facts and certain omissions of material facts have inadvertently been made in said registration statement . ." Correction thereof could best be made, it was indicated, in connection with the preparation and filing of a new registration statement with respect to any future public offering of securities which may be made. The application continued, "it is understood that appraisal figures with respect to properties acquired will not be used in any new registration statement which may be filed by the registrant, and that the speculative aspects of the business and securities proposed to be offered will be appropriately described with particular attention to information regarding the competitive traffic situation." These and other items of disclosure were challenged by the Commission when it commenced the stop order proceedings (See Release No. 3951).

The withdrawal request listed the owners of the 1,361,500 outstanding shares of the company's stock, including 263,186 shares owned by Joseph C. Mackey, board chairman, of Fort Lauderdale, and 197,830 by Ramsey, of Fort Pierce. All holders are residents of Florida. The application also states that Wm. Atwill, Jr., has resigned as a director of the company, that Atwill and Company, Inc., has withdrawn as underwriter of the proposed stock offering, and that the company does not intend to proceed with its stock offering at the present time.

The Commission concluded that withdrawal would not be inconsistent with the public interest and the protection of investors.

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