

# 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.

January 24, 1957

FOR RELEASE

## Securities Act Release No. 3744

The Securities and Exchange Commission has issued an order temporarily suspending the Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering by Griff Mines, Inc., Winnemucca, Nevada, of 220,000 common shares at 10¢ per share. The order provides an opportunity for hearing, upon request, on the question whether the suspension order should be vacated or made permanent.

The Commission's order asserts that there is reasonable cause to believe that the offering of Griff Mines stock, if continued, "would act as a fraud or deceit upon prospective purchasers in that material changes have occurred in the affairs of the corporation which are not reflected in its statement under Rule 219(b) or in its sales literature, to wit: the rights in mineral lands which constitute the principal asset of the corporation have become lost to the corporation."

## Holding Company Act Release No. 13370

The SEC has issued an order authorizing Ohio Power Company (Canton) to purchase not in excess of 40,000 additional shares of the \$100 par capital stock of its subsidiary, Central Ohio Coal Company, during 1957-59, for a cash consideration of \$100 per share, or \$4,000,000 in the aggregate. Proceeds will be used by the Coal Company to pay a portion of the estimated cost of installing additional equipment for the purpose of expanding coal production at its Muskingum and Cumberland #3 mines and coal transportation facilities at the Muskingum mine not provided for by cash generated internally by the Coal Company.

## Holding Company Act Release No. 13371

Ohio Power Company (Canton) has applied to the SEC for authorization to purchase stock of Captina Operating Company, of Marshall County, Moundsville, W. Va.; and the Commission has issued an order giving interested persons until February 8, 1957, to request a hearing thereon.

According to the application, Ohio Power has entered into a Memorandum Agreement with Pittsburgh Consolidation Coal Company ("Pitt"), Olin Mathieson Chemical Corporation ("Olin"), Revere Copper and Brass Incorporated ("Revere") and Wheeling Electric Company ("Wheeling"), providing generally for the construction of what is, initially, to be a three-225,000 KW unit power plant near Cresap, West Virginia. Two units of this plant are to be owned by Olin Revere Generating Corporation ("Generating"), a wholly-owned subsidiary of Olin Revere Metals Corporation ("Metals"), all the voting

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securities of which are to be jointly owned by Olin and Revere. The other unit is to be owned by Ohio Power. Generating presently proposes to use its units to supply energy to Metals for the reduction of aluminum, and to Olin for fabrication of aluminum, at facilities to be located near Clarington, Ohio. Generating, if requested, may also deliver energy to Revere at some future time for fabrication of aluminum. In addition, Generating will make excess capacity of its two units available to Ohio Power in consideration of appropriate demand charges. The Memorandum Agreement further provides that Captina will operate the entire generating plant for Ohio Power and Generating.

It is presently contemplated that Captina will supervise the operation, on behalf of Ohio Power and Generating, of the generating plant which is to be known as the Kammer Plant, and that Ohio Power and Generating will reimburse Captina for all its expenses in its operation of the Kammer Plant in proportion to the power and energy used by each. In addition, Generating will pay Captina a fee of 1/2 mill per kilowatt hour generated as provided for in the Memorandum Agreement.

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The Connecticut Light and Power Company, Berlin, Conn., today filed a registration statement (File 2-13032) with the SEC seeking registration of 927,598 shares of Common Stock (without par value - stated value \$10.07 per share). The company proposes to offer these shares for subscription by common stockholders of record February 11, 1957, at the rate of one additional share for each seven shares then held. The subscription price is to be supplied by amendment. No underwriting is involved. Net proceeds will be added to the cash funds available from retained earnings, reserve accruals, etc., and applied toward the financing of the company's construction program. There is presently approved a total of \$100,738,200 for the company's construction program, of which \$8,417,800 had been expended to December 31, 1956 for projects presently under construction, approximately \$35,320,600 will be spent in 1957, and the balance, or approximately \$56,999,800, will be expended to carry out the program in 1958, 1959 and 1960.

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Arnold Altex Aluminum Company, Miami, Fla., today filed a registration statement (File 2-13033) with the SEC seeking registration of 177,760 shares of 35¢ Cumulative Convertible Preferred Stock (\$4 par) and 177,760 shares of Common Stock (\$1 par). These securities are to be offered for public sale in units consisting of one share of preferred and one share of common, at an initial public offering price of \$9 per unit (\$5 for the preferred and \$4 for the common). Scott, Horner & Mason, Inc. is named as the principal underwriter. The underwriting commission is to be 62½¢ on the preferred and 50¢ on the common.

Of the 177,760 shares of common stock, 127,760 shares are being sold by the company and 50,000 shares by certain selling shareholders.

Net proceeds from the sale of shares of preferred and common stock by the company, estimated at approximately \$1,187,795, are intended to be used as follows: \$300,000 in repayment of funds borrowed from the First National Bank of Miami on

assignment of accounts receivable and warehouse receipts; \$300,000 to open additional warehouses and sales offices; \$40,000 for the purchase of additional equipment; and the balance for general corporate purposes of the company and its subsidiaries, including the carrying of inventory and accounts receivable, payments of indebtedness, and general working capital.

The prospectus lists four selling stockholders, who hold in the aggregate 415,685 of the 450,000 outstanding common shares. Morris B. Morris, president, is selling 28,749 of his holdings of 255,239 shares. Three other officers, James H. Suddeth, Robert M. Suddeth, and Kenneth F. Beauchene, who now hold 68,167, 60,810 and 31,469 shares, respectively, propose to sell 10,823, 6,934 and 3,497 shares, respectively.

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