

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.

May 24, 1957

FOR RELEASE

Cities Service Company, New York, and the Employees Thrift Plan of Cities Service Company and Participating Subsidiary Companies, have filed a registration statement (File 2-13363) with the SEC on May 23, 1957, seeking registration of \$5,390,000 of Participations in the said Thrift Plan together with 80,000 shares of Cities Service common stock which may be purchased under the plan.

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Government Employees Corporation, Washington, D. C., filed a registration statement (File 2-13364) with the SEC on May 23, 1957, seeking registration of \$661,040 of 5% Convertible Capital Debentures due June 30, 1967. The company proposes to offer these debentures for subscription by holders of its common stock of record June 10, 1957, at the ratio of \$100 of debentures for each 20 common shares then held, at a subscription price of 100% of principal amount of debentures. Johnston, Lemon & Co. and Eastman Dillon, Union Securities & Co. are listed as the underwriters.

As of May 17, 1957, 112,691 common shares were outstanding; and on that date \$295,160 of 4½% Convertible Junior Subordinated Debentures due December 1, 1963, also were outstanding. If all such latter debentures were converted into common stock prior to June 10, 1957, a total of 132,208 common shares would be outstanding, for which rights to subscribe to the \$661,040 of new debentures are to be issued.

The net proceeds of the sale of the new debentures will be used to finance the company's expanding automobile financing business operations.

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Scudder Special Fund Inc., New York, filed an amendment on May 23, 1957 to its registration statement (File 2-12498) seeking registration of an additional 100,000 shares of Capital Stock, \$1 par value.

Securities Exchange Act Release No. 5521

The Securities and Exchange Commission today announced the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934 suspending trading on the American Stock Exchange in the \$1 par Capital Stock of Bellanca Corporation, New Castle, Delaware, for a further ten-day period, May 25 to June 3, 1957, inclusive.

The action was taken on the basis of Bellanca's failure to comply with the reporting requirements of Section 13 of the Act and the disclosure requirements of the Commission's proxy rules under Section 14, as well as its failure to file an annual report for the year ended December 31, 1956, due on or about April 30, 1957.

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

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Upon the basis of a finding by the Commission that such suspension is necessary to prevent fraudulent, deceptive, or manipulative acts or practices in connection with trading in Bellanca stock, trading by brokers and dealers in such stock in the over-the-counter markets also is prohibited during the period of the suspension.

The Commission previously scheduled a hearing for May 8, 1957, pursuant to Section 19(a)(2) of the Act, on the question whether Bellanca stock should be suspended for a period not exceeding 12 months, or withdrawn, from listing and registration on the Exchange. This hearing is now in adjournment until June 19, 1957.

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Outboard Marine Corporation, Waukegan, Ill., today filed a registration statement (File 2-13365) with the SEC seeking registration of 486,058 shares of its common stock, 30¢ par value. The company proposes to offer this stock for subscription by its stockholders of record June 14, 1957, at the rate of one additional share for each fifteen shares then held. The subscription price and underwriting terms are to be supplied by amendment. Morgan Stanley & Co. is listed as the principal underwriter.

The company's recent expenditures for expansion, modernization and rounding out of plants and facilities involved a capital outlay of \$15,381,000 during the eighteen months ended March 31, 1957. Capital expenditures now anticipated over the next several years aggregate about \$45,000,000, including the construction of various manufacturing, research and testing facilities and the purchase of substantial quantities of machinery and equipment. Approximately \$32,000,000 of this total (based on present estimates of cost) is expected to be expended during the eighteen months ending September 30, 1958, about 41% thereof for additional land and factory space and the balance for machinery, equipment and miscellaneous items.

It is expected that the proceeds from the sale of the additional common stock, after estimated expenses of \$88,000, will be added to the company's general funds, and such funds will be used from time to time for the capital expenditures outlined above, for working capital, and for such other corporate purposes as the company may determine. However, no part of such proceeds has been allocated to any particular purpose. To augment its funds available for such purposes, the company intends not later than September 30, 1957, to issue its 4-1/4% note due January 20, 1976, in the amount of \$4,000,000, pursuant to an agreement dated December 29, 1955, as amended. The company is also negotiating at the present time for the private sale, within the next year, of \$10,000,000 of additional long-term indebtedness.

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