

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington 25, D.C.

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

FOR RELEASE

August 27, 1957

## "KOOR" INDUSTRIES OF ISRAEL FILES PREFERRED ISSUE

"Koor" Industries and Crafts Company Limited, Haifa, Israel, filed a registration statement (File 2-13570) with the SEC on August 26, 1957, seeking registration of 30,000 6½% Cumulative Participating Preferred Shares (IL 180 - \$100 par), to be offered for public sale at \$100 per share. No underwriting is involved. The purchase price is payable in cash or up to certain limits in State of Israel Independence Issue Bonds and State of Israel Development Issue Bonds.

Organized in 1944 by Solel Boneh Ltd. of Haifa, Koor has functioned as the industrial arm of Solel Boneh in the management and further development of manufacturing and related enterprises. Koor intends to use the net proceeds of the sale of the preferred shares to provide its subsidiary and affiliated companies with funds for extensions, additions and improvements of their plants. The proceeds of this offering will not form a substantial part of the funds required for the development program already undertaken, which funds will be provided mainly from other sources.

## STATHAM INSTRUMENTS FILES COMMON STOCK OFFERING

Statham Instruments, Inc., Los Angeles, today filed a registration statement (File 2-13571) with the SEC seeking registration of 200,000 shares of its \$1 par Common Stock. Of the 200,000 shares, 100,000 are to be offered for public sale for the account of the company and 100,000 by certain "selling stockholders." The public offering price and underwriting terms are to be supplied by amendment. Blyth & Co., Inc., is listed as the principal underwriter.

Net proceeds to the company from its sale of 100,000 shares will be added to the general funds of the company. The company expects to apply an amount at least equal to such net proceeds to the purchase of land and the cost of construction of a new plant in Los Angeles County, California, which will replace buildings occupied by the company at five different locations in Los Angeles. The company has obtained an option on 23 acres of land north of Santa Monica at a cost of \$390,000. Plans for the construction of the new plant are in preparation, and the estimated cost thereof is \$1,000,000. Part of the proceeds are expected to be obtained from the sale of its present plant in Los Angeles.

The company now has outstanding 838,000 shares of common stock, of which officers and directors own 526,038 shares. The prospectus lists nine selling stockholders, including Louis D. Statham of Beverly Hills, the company's president, who owns 345,409 shares (41.22%) and proposes to sell 41,218 shares. The only large lock is to be offered by Anna Statham, who owns 303,646 shares and proposes to sell 36,235 shares.

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

(OVER)

## WISCONSIN PUBLIC SERVICE PROPOSES COMMON STOCK FINANCING

Wisconsin Public Service Corporation, Milwaukee, today filed a registration statement (File 2-13572) with the SEC seeking registration of 253,494 shares of its \$10 par Common Stock. The company proposes to offer this stock for subscription by its common stockholders of record September 20, 1957, at the rate of one new share for each ten shares then held. The subscription price and underwriting terms are to be supplied by amendment. The First Boston Corporation, Merrill Lynch, Pierce, Fenner & Beane, Robert W. Baird & Co., and William Blair & Company are named as the principal underwriters.

Net proceeds of this common stock financing will be used by the company to pay for current construction or to pay a portion of its outstanding short-term bank loans (estimated at \$8,000,000) incurred for construction purposes. The company estimates its construction expenditures at \$12,000,000 for 1957 and \$19,500,000 for 1958.

## NIAGARA MOHAWK POWER FILED BOND FINANCING PROPOSAL

Niagara Mohawk Power Corporation, Syracuse, N. Y., today filed a registration statement (File 2-13573) with the SEC seeking registration of \$50,000,000 of General Mortgage Bonds, Series due September 1, 1987, to be offered for public sale at competitive bidding.

Net proceeds from the sale of the bonds will be used by the company for the payment of outstanding bank loans (\$15,000,000 at August 31, 1957, incurred to meet construction costs), to reimburse the company's treasury and to finance in part the company's construction program. The construction program of the company and its subsidiaries is expected to require about \$95,000,000 in 1957.

## HUDSON'S BAY OIL AND GAS PROPOSES STOCK OFFERING

Hudson's Bay Oil and Gas Company Limited, Calgary, Alberta, Canada, today filed a registration statement (File 2-13574) with the SEC seeking registration of 1,750,000 shares of its \$2.50 par Capital Stock. The company proposes to offer this stock for subscription by stockholders of Continental Oil Company and by holders of Ordinary Shares of The Governor and Company of Adventurers of England Trading into Hudson's Bay ("Hudson's Bay Company"). The subscription price is to be supplied by amendment. No underwriting is involved.

The offering to stockholders of Continental Oil is to be at the rate of one share of Hudson's Bay stock for each fifteen shares of Continental Oil stock held of record September 16, 1957. The offering to holders of the Ordinary Shares of Hudson's Bay Company is to be at the rate of one and one-sixth shares of Hudson's Bay stock for each fifteen Ordinary Shares held of record September 3, 1957. A contract has been entered into whereby Continental Oil and Hudson's Bay Company have agreed to purchase 75% and 25%, respectively, of the shares which shall not be subscribed for by the offerees. All of the outstanding capital stock of Hudson's Bay Oil is owned by Continental Oil, of Houston, Texas, and Hudson's Bay Company, of London, in the respective amounts of 75% and 25%.

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The primary purpose for which the issuer's funds, supplemented by the proceeds of this issue, will be used is to meet the continuing expense of finding reserves and developing production. The company's expenditures for these purposes in the years 1955 and 1956 were approximately \$27,000,000 and \$28,000,000, respectively; and it is estimated that such expenditures for 1957 will be of the same magnitude but the nature of the operations involved is such that the actual expenditures may vary substantially from this estimate.

#### SEC REPORT HOLDS NORTHEASTERN STEEL REORGANIZATION PLAN UNFAIR

The Securities and Exchange Commission today announced the filing with the United States District Court for the District of Connecticut, of an Advisory Report of the Commission, pursuant to Sections 172 and 173 of Chapter X of The Bankruptcy Act, on a proposed plan of reorganization for Northeastern Steel Corporation which is a non-integrated steel producer in Bridgeport, Connecticut. The plan of reorganization proposed by J. William Hope and Richard Joyce Smith, Trustees, is based on an offer by Carpenter Steel Company, a New Jersey corporation which manufactures specialty steel products.

In general the plan provides for the recapitalization of Northeastern so that it would have outstanding the present \$6,000,000 principal amount of First Mortgage Bonds with defaults cured and 1,000,000 shares of new common stock. The 1,000,000 shares of stock would be issued to Carpenter in exchange for shares of Carpenter's own common stock, the specific number to be determined by formula, with a minimum of 40,000. The Carpenter stock will be distributed to a bank with a claim of \$250,000, to holders of general unsecured claims, and to debenture holders in satisfaction of their claims on the basis of a formula. To the extent cash is available after satisfaction of prior claims, it will be used to discharge the note held by the bank. The plan does not provide for the participation of stockholders, warrant holders or option holders.

The Commission's report concludes that the plan of reorganization is unfair in that the consideration offered by Carpenter in shares of its common stock does not represent fair compensation for the interest in the assets and facilities being acquired by it. Moreover, the Commission concluded that the plan in order to be fair should be amended to eliminate the discriminatory formula for determining the distribution and allocation of the Carpenter stock. However, the Commission reported that the exclusion of stockholders, warrant holders and option holders from participation was fair since the indicated value of the debtor is less than the full claim of the creditors. As to feasibility, the Commission's report concludes that in view of Carpenter's debt-free capitalization and working capital position, the plan is feasible.

A hearing is to be held in the United States District Court in New Haven, Connecticut before Judge Robert P. Anderson, the Judge in charge of the reorganization proceeding, on September 3, 1957, to consider whether the Court should approve the plan.

Copies of the Commission's report, Corporate Reorganization Release No. 107, may be obtained upon request.

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## SEC EXEMPTS ATLAS SALE OF WALT DISNEY STOCK

The SEC today announced the issuance of an exemption order permitting Atlas Corporation, New York investment company, to sell 400,000 shares of the common stock of Walt Disney Productions to an underwriting group headed by Goldman, Sachs & Co., Lehman Brothers, and Kidder, Peabody & Co. These shares are to be offered for public sale at \$21.75 per share, with an underwriting commission of \$1.65 per share. Because one of Atlas' directors, Sidney J. Weinberg, is a partner of Goldman, Sachs, sale of stock to Goldman, Sachs is prohibited by the Investment Company Act in the absence of an exemption order by the Commission.

Atlas owns 403,153 shares of the common stock of Disney Productions, constituting approximately 27% of the shares outstanding. It also holds Purchase Warrants entitling it to acquire an additional 153,553 shares at a price of \$22 per share at any time on or before October 31, 1957. According to the application, Atlas intends to exercise the Purchase Warrants prior to the expiration thereof.

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