

**NEWS DIGEST**

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

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Washington 25, D.C.

FOR RELEASE June 16, 1959**PENNSYLVANIA ELECTRIC PROPOSES BOND OFFERING**

Pennsylvania Electric Company, Johnstown, Pa., filed a registration statement (File 2-15236) with the SEC on June 15, 1959, seeking registration of \$15,000,000 of First Mortgage Bonds, Series due 1989, to be offered for public sale at competitive bidding. Of the net proceeds of the sale of the bonds, \$9,000,000 will be applied to repay short-term bank loans in that amount (the proceeds of which were applied to the company's 1959 construction program) and \$6,000,000 will be applied to the 1959 construction program or to partially reimburse the company's treasury for previous expenditures for that purpose. The company estimates its 1959 construction expenditures at \$39,700,000.

**JAMAICA DEVELOPMENT PROPOSES STOCK OFFERING**

Jamaica Development Co., Inc., 1841 North Meridian St., Indianapolis, Ind., filed a registration statement (File 2-15237) with the SEC on June 15, 1959, seeking registration of 105,000 Common Shares, to be offered for public sale at \$10 per share. Organized in 1957, the company has been engaged in agricultural testing, development and research on the island of Jamaica, West Indies Federation. It owns a contract to purchase a tract of land known as Font Hill plantation, at White House, St. Elizabeth Parish, on the south coast of Jamaica for \$175,000, of which \$140,000 has been paid. The company has a three-phase plan for the development of Font Hill, as a cattle ranch, for production of corn, grain, sorghum and other specialized crops, and winter homes for tourists. Net proceeds of the stock sale will be used for the purchase of land cattle, machinery and equipment, fishing lodge, development expense.

The company's prospectus lists James R. Gregory as president and one of the organizers of the company. The directors as a group own 17.5% of the outstanding stock; each of the ten directors invested \$5,000.

**READING TUBE FILES FINANCING PROPOSAL**

Reading Tube Corporation, Empire State Building, New York, filed a registration statement (File 2-15238) with the SEC on June 15, 1959, seeking registration of \$5,000,000 of Fifteen Year Sinking Fund Debentures, due July 15, 1974, with 5,000 warrants to purchase common stock. It is proposed to offer the debentures (with warrants) for public sale through an underwriting group headed by Emanuel, Deetjen & Co. and Bache & Co. The interest rate, terms of the warrants, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of copper and brass tube and related products. Net proceeds of this financing will be used, to the extent required, to pay in full the balance owing on the company's long term bank loans which, on April 4, 1959, amounted to \$3,050,000. The balance of the proceeds will be added to general funds and be available to meet increased cash requirements resulting from increased investment in inventories and for property additions and improvements.

**TEAGEN CO. PROPOSES OFFERING**

The Teagen Company, 350 Broadway, New York, filed a registration statement (File 2-15239) with the SEC on June 15, 1959, seeking registration of \$630,000 of participations in limited partnership interests in The Teagen Company, to be offered for sale at \$10,000 per partnership interest.

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

The company is a limited partnership with Sideny J. Ungar and Robert I. Minsky as general partners and Leonore Gale as a limited partner. It proposes to admit a number of additional limited partners. The partnership was recently organized for the purpose of purchasing from Ungar and Minsky by way of assignment from them, a certain contract made on March 2, 1959, between Morrissey-Hunt Corporation, Section B, the seller, and Minsky and Ungar, the purchasers, for the assignment of a long term lease covering a garden type apartment development located in the Borough of Bergenfield, County of Bergen, New Jersey, adjacent to the Borough of Teaneck. In order to consummate the transaction, the partnership will require \$675,000. \$630,000 is to be offered for subscription, 3½ units having been given to Ungar and Minsky as consideration for the assignment, and the sum of \$10,000 having been paid by the present limited partner. Of the total cash of \$640,000, \$20,000 will be paid to Ungar and Minsky for return of the deposit on the contract for assignment of the property, \$560,000 to the seller on closing, \$60,000 to be paid to the general partners for their agreement to pay all expenses incident to the formation of the company and related costs.

#### INTERNATIONAL T & T FILES INCENTIVE PLANS

International Telephone and Telegraph Corporation, 67 Broad St., New York, filed a registration statement (File 2-15240) with the SEC on June 15, 1959, seeking registration of 300,000 shares of its capital stock to be offered under its 1956 Stock Option Incentive Plan, 200,000 shares under its 1959 Plan, and 30,000 shares under its Restricted Stock Option plan.

#### DEXTER HORTON REALTY PROPOSES OFFERING

Dexter Horton Realty Company, 19 West 44th St., New York, filed a registration statement (File 2-15241) with the SEC on June 15, 1959, seeking registration of \$977,500 of Limited Partnership Interests in the Company. The Company is a limited partnership organized in May 1959, with Louis S. Adler, Walter Yohalem and Harry Ball as its General Partners and Robert K. Lifton, Ira J. Hechler and Howard L. Weingrow as original limited partners. Additional limited partnership interests are to be offered at \$5,000 per unit. The offering is to be made by Lifton Securities, Inc., and Hechl Weingrow Securities, Inc., which will receive a commission of \$300 per unit.

The partnership on June 14, 1959, purchased from Dexter Horton Co., a Washington corporation, the office building known as the Dexter Horton Building in Seattle, Washington. The purchase price was \$5,351,242, consisting of \$300,000 in cash at the closing, acceptance of title subject to a \$2,679,604 mortgage, and by the issuance of two promissory notes secured by a purchase money second mortgage on the building, the first in the amount of \$567,500 and the second \$1,804,137. An option to acquire the property had been acquired by Joseph Durst, a New York real estate broker, who assigned it to Lifton, acting for himself and Hechler and Weingrow, in consideration of the payment by them to Durst of \$30,000. The option was assigned to the partnership in consideration of the issuance to each of them of \$20,000 of limited partnership interests and the agreement to repay to them only \$5,000 of the \$30,000 price to Durst, the balance to be borne by them. The \$300,000 cash payment was obtained from the \$30,000 contributed by the general partners and from the loan of the balance by Commonwealth Investment, Inc., whose stock is owned by corporations which are principally owned by Lifton, Hechler and Weingrow and is repayable with interest at 12%, \$170,000 on September 1, 1959, and the balance on demand.

Upon completion of the public offering, the partnership cash capital will be \$1,007,500, which will be employed as follows: \$872,500 to purchase price of the property and to repay the loan made for that purpose; \$58,650 to pay the underwriting fee; and \$76,350 for expenses incident to the formation of the partnership, the acquisition of the property, and the offering. The partnership entered into a net lease with Commonwealth Investment, for a period of 21 years under which it has options to renew for three additional 21 year periods. Such net lease provides that the lessee will pay a net annual rental to the partnership of \$435,500 in equal monthly installments.

#### W. R. GRACE & CO. FILES FOR EXCHANGE OFFER

W. R. Grace & Co., 7 Hanover Square, New York, today filed a registration statement (File 2-1 with the SEC seeking registration of 126,000 shares of common stock. The company proposes to acquire the business and substantially all the assets of Hatco Chemical Company; and in connection with such acquisition the company will deliver to Hatco 126,000 shares of common stock and assume certain of Hatco's liabilities. Additional shares may also be deliverable to Hatco in 1960-1966 under terms of the purchase agreement. Hatco is to be dissolved, and the 126,000 shares of Grace stock will be distributed to Hatco's stockholders. One of the Hatco stockholders is William Hackman, who will

ave 125,832 shares of Grace stock.

#### SEC ORDERS PROCEEDINGS AGAINST CARROLL REGISTRATION

The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether it is necessary or appropriate in the public interest or for the protection of investors to revoke the broker-dealer registration of Edward J. Carroll, doing business as Carroll Securities Co., 1731 Beacon Street, Hotel Beaconsfield, Boston, Mass.

The proceedings are based upon a decree of the United States District Court in Boston, entered May 25, 1959, which permanently enjoined Carroll from engaging in or continuing certain conduct or practices in connection with the purchase or sale of securities. The Commission's complaint in this court action alleged violations of the net capital and anti-manipulative rules of the Commission.

A hearing in the administrative proceedings will be held at a time and place later to be announced.

#### SEC COMPLAINT SEEKS INJUNCTION AGAINST SALE OF FIVE STOCKS

The SEC Denver Regional Office announced June 11, 1959, the filing of a complaint (USDC, Utah), seeking to enjoin the sale of stock by Del Marva Oil and Gas Corporation, Black Gold and Mines Corporation, Liquid Gold and Mines Corporation, Syndicate Oil and Mineral Company, Ben H. Bullock and three other individuals, in violation of the registration and anti-fraud provisions of the Securities Act.

#### BROCKTON EDISON BOND OFFERING APPROVED

The SEC has issued an order under the Holding Company Act (Release 35-14026) authorizing Brockton Edison Company, Brockton, Mass., to issue and sell \$5,000,000 of First Mortgage and Collateral Trust Bonds, Series due 1989, at competitive bidding. Of the proceeds, \$3,679,200 is to be applied to the acquisition of securities of Montaup Electric Company, a subsidiary; \$580,000 to the prepayment of outstanding short-term notes to banks; and the balance for construction purposes.

#### QUINBY & CO. REQUEST GRANTED

The SEC has issued an order under the Investment Company Act (Release 40-2888) permitting Quinby & Co., Incorporated, Rochester, N. Y., principal underwriter for, and sponsor of, The Quinby Plans for Accumulation of Common Stock of American Telephone and Telegraph Company, Eastman Kodak Company E. I. DuPont de Nemours & Company, General Electric Company, General Motors Corporation, and Standard Oil Company, each of which is a unit investment trust, to offer such plans at reduced public offering prices on group accounts.

#### ONE WILLIAM STREET FUND PROPOSES PURCHASE OF VIRGINIA AND DELAWARE ASSETS

One William Street Fund, Inc., New York investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed issuance of shares for substantially all of the cash and securities of The Virginia and Delaware Corporation; and the Commission has issued an order (Release 40-2890) giving interested persons until June 26, 1959, to request a hearing thereon.

Virginia and Delaware, a Delaware corporation, is a personal holding company with three stockholders which, since 1923, has been engaged in the business of investing and reinvesting its funds. Pursuant to an agreement and plan of reorganization between William Street, Virginia and Delaware, and the latter's stockholders, substantially all of the cash and securities owned by Virginia and Delaware, with a total value of about \$632,805 as of April 16, 1959, which it is anticipated will be increased by approximately \$307,000 from the collection by Virginia of certain demand notes prior to the closing date set forth in the agreement, will be transferred to William Street in exchange for shares of stock of William Street. It is contemplated that William Street will sell certain of the Virginia and Delaware securities at the closing date which it does not wish to acquire, and retain the balance for investment. The number of shares of William Street to be delivered to Virginia and Delaware will be determined by dividing the net asset value per share of William Street in effect at the close of business on the day preceding the closing date into the value of the Virginia and Delaware assets to be exchanged. The shares acquired by Virginia and Delaware are

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to be distributed immediately to its shareholders, who have agreed to take such shares for investment and not for distribution to the public.

#### UNITED FUNDS SERIES SEEK EXEMPTION

United Fund Accumulative Series TA and United Fund Income Series TI, Kansas City, Mo. investment companies, have applied to the SEC for a temporary exemption order under the Investment Company Act to the extent that the provisions of the Act require stockholder approval of the companies' new investment advisory contracts; and the Commission has issued an order (Release 40-2889) giving interested persons until June 26, 1959, to request a hearing on the application.

#### AMENDED RULE ADOPTED ON PRE-FILING OFFERINGS

The SEC today announced the adoption of an amendment to its Rule 135 under the Securities Act of 1933 (Release 33-4099) extending the area of permissible notifications of prospective stock offerings in advance of the filing of a registration statement.

Rule 135 provides that a notice or other communication sent by an issuer to its security holders to inform them of the proposed issuance of rights to subscribe to additional securities, shall not be deemed to offer any security for sale if the communication is transmitted within 60 days prior to the record date for subscriptions, states that the offering will be made only by the prospectus and, in addition, contains only certain specified information necessary to inform the security holders of the forthcoming offering.

The amendment expands the rule to authorize the sending of similar notices where an issuer proposes to offer securities to its own security holders, or to the security holders of another issuer, in exchange for securities presently held by them, or proposes to make an offering of securities to its employees or to the employees of an affiliate.

The Securities Act proscribes public offerings of securities in advance of the filing of a registration statement with the Commission. Notifications of the type prescribed by Rule 135 are construed by the Commission not to constitute an offer of securities.

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