

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington, D.C. 20549

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 66-140)

FOR RELEASE July 25, 1966

**EAST OHIO GAS PROPOSES PURCHASE.** Consolidated Natural Gas Company, New York holding company, has joined with two subsidiaries, The East Ohio Gas Company and Lake Shore Pipe Line Co., both of Cleveland, in the filing of a proposal with the SEC under the Holding Company Act for the sale of certain properties by Lake Shore to East Ohio. The Commission has issued an order (Release 35-15531) giving interested persons until August 12 to request a hearing thereon.

According to the application, Lake Shore proposes to sell to East Ohio approximately 31.81 miles of Lake Shore's gas transmission pipe line and related properties, materials and supplies. The purchase price of the properties will be the net of the original cost thereof, after deducting related depreciation (net original cost amounted to \$1,054,588 as of December 31, 1965). The materials and supplies were then valued at \$27,849. Lake Shore will use substantially the proceeds from the proposed sale (estimated at about \$1,000,000) to prepay a part of its long-term notes held by the parent.

**G C COMPUTER FILES FINANCING PROPOSAL.** G C Computer Corporation, 445 Park Ave., New York 10022, filed a registration statement (File 2-25306) with the SEC on July 22 seeking registration of \$25,000,000 of convertible subordinated debentures due 1986 and 500,000 shares of common stock. It is proposed to offer these securities for public sale in units, each consisting of \$100 principal amount of debentures and two common shares. Lehman Brothers, 1 William St., New York, is the principal underwriter. The interest rate on the debentures as well as the public offering price of the units (\$150 per unit maximum\*) and underwriting terms are to be supplied by amendment.

The company was organized in June 1966 by Greyhound Leasing & Financing Corporation for the purpose of acquiring and operating the portion of Greyhound Leasing's business, begun in 1962, consisting of the purchasing and leasing to others of electronic data processing equipment, commonly known as computers. Greyhound Leasing, which is primarily engaged in the leasing of industrial and transportation equipment, is a 99.9% owned subsidiary of The Greyhound Corporation. Of the net proceeds of this financing, \$18,048,309 will be used to prepay bank debt of Greyhound Leasing assumed by the company and the balance will be available for general corporate use and will be used primarily for the acquisition of computer equipment. The company now has outstanding 3,200,000 common shares, all owned by Greyhound Leasing. D. P. Boothe, Jr., is president.

**TELECREDIT FILES RESCISSION PROPOSAL.** Telecredit, Inc., of 2511 West Third St., Los Angeles, Calif. 90057, filed a registration statement (File 2-25308) with the SEC on July 22 seeking registration of 155,000 shares of its 1¢ par common stock. According to the prospectus, 347,500 shares were sold on or about December 1, 1961. The 155,000 shares are being registered "for the purpose of permitting a rescission offer to be made on behalf of Telecredit, Inc., in connection with proceedings under the California Corporate Securities Law, to the holders thereof, at the price of \$1.00 per share plus interest at the rate of seven percent per annum from December 1, 1961 to the date of this prospectus. The bid and ask prices of common stock of the company in the over-the-counter market on July 11, 1966 were \$9-7/8 and \$10-3/8, respectively. The offer of rescission is to be made on behalf of the company and others by Morton Globus, a director of the company and president and principal stockholder of Globus, Inc., which acted as underwriter at the time of the 1961 offering. The prospectus further indicates that the company did not apply for or obtain a permit under the California Corporate Securities Law, "relying on the opinion of counsel that said law did not apply since the company is a Delaware corporation and no sales or issuances, offers, negotiations or subscriptions for sales of securities took place in California and none of the issues except the organizers of the company were California residents. The company continues to maintain this position." Two "Desist and Refrain Orders" were issued by the Commissioner of Corporations of the State of California. The company has determined that it is advisable "to cooperate with the Commissioner and to seek (a) removal of the Desist and Refrain Orders referred to above to permit trading of the company's securities in California and (b) a permit from the Commissioner authorizing the conversion of debentures." Ronald A. Katz, president, Robert M. Goldman, executive vice president, and Morton Globus have agreed to waive their rescission rights, if any, with respect to 192,500 shares held by them.

**AMERICAN ALLIANCE LIFE PROPOSES OFFERING.** American Alliance Life Insurance Company, 1017 North Third St., Phoenix, Ariz. 85004, filed a registration statement (File 2-25307) with the SEC on July 21 seeking registration of 214,503 shares of Class B common stock. Of this stock, 200,000 shares are to be offered for public sale by the company and 14,504 (being outstanding shares) by Vito Mazzone of Scottsdale. The stock is to be offered on a best efforts basis, at \$6 per share, by Universal Securities Corporation, 1410 South Third St., Las Vegas, Nevada 89109, which will receive a selling commission of 90¢ per share.

The company operates as an unlimited capital stock legal reserve insurance company in Arizona; it intends to offer a full line of standard life insurance policies, including accident and health insurance, and to expand its operations into New Mexico, Texas, Colorado and Utah (if so licensed). Net proceeds of the company's sale of additional stock will be credited to capital and surplus accounts of the company. The company now has outstanding 26,000 Class A and 159,462 Class B shares. Class A is convertible into Class B on the basis of 5 Class B shares for one Class A share; but the company has an earned surplus deficit of \$192,457, and the Class A shares cannot be converted until the deficit has been cured and the company has an earned surplus of \$50,000 or more. L. Garfield Witkin, president owns 54.66% of the Class A; Henry S. Kane, vice president and treasurer, 27.39%; and L. Edward Abel, secretary and general counsel, 17.95%.

OVER

**MANAGEMENT ASSISTANCE PROPOSES OFFERING.** Management Assistance Inc., 300 East 44th St., New York 10017, filed a registration statement (File 2-25310) with the SEC on July 22 seeking registration of \$27,000,000 of Collateral Trust Equipment Notes, due 1966 to 1970, which notes are secured by the pledge of an Equipment Note of MAI Equipment Corporation, in turn secured by chattel mortgages on data processing equipment. The notes are to be offered for public sale at 100% of principal amount by underwriters headed by White, Weld & Co., 20 Broad St., New York. Underwriting terms are to be supplied by amendment.

Management Assistance is engaged through subsidiaries in renting data processing equipment to its customers. Rental activities in the United States are carried on by its wholly-owned subsidiary, MAI Equipment Corporation, the owner of all the equipment rented in the United States. Net proceeds of the note financing, together with other funds of the company and its subsidiaries, will be applied to the prepayment of some \$26,500,000 of bank loans of MAI Equipment Corporation. These loans were incurred to finance or refinance acquisitions of data processing equipment. In addition to indebtedness and preferred stock, Management Assistance has outstanding 3,930,959 common shares, of which management officials own 21.2%. Walter R. Oreamuno is board chairman and chief executive officer and Jorge M. Gonzalez president and chief operating officer.

**SOUTHERN CALIFORNIA EDISON PROPOSES BOND OFFERING.** Southern California Edison Company, 601 W. Fifth St., Los Angeles, Calif. today filed a registration statement (File 2-25314) with the SEC seeking registration of \$80,000,000 of first and refunding mortgage bonds, Series U, due 1991. The bonds are to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its bond sale in connection with its construction program. Its gross plant expenditures for 1966-1967 are estimated at \$577,463,000.

**ELECTRIC STORAGE BATTERY PROPOSES RIGHTS OFFERING.** The Electric Storage Battery Company, Two Penn Center Plaza, Philadelphia 19102, filed a registration statement (File 2-25312) with the SEC on July 22 seeking registration of \$21,296,900 of convertible subordinated debentures (due 1991). The debentures are to be offered for subscription (at \$100 per unit) by common stockholders at the rate of \$100 principal amount of debentures for each 12 shares held on August 16. Any unsubscribed debentures are to be offered for public sale through underwriters headed by Smith, Barney & Co. Inc., 20 Broad St., New York 10005. The interest rate and underwriting terms are to be supplied by amendment.

The company produces batteries. Net proceeds of its debenture /will be used to reduce some \$35,000,000 of outstanding bank loans. In addition to indebtedness, the company has outstanding 2,508,093 common shares. Elmer B. Ott is board chairman and Edward J. Dwyer is president.

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended July 21, 1966, 33 registration statements were filed, 32 became effective, 4 were withdrawn, and 370 were pending at the week-end.

**SECURITIES ACT REGISTRATIONS.** Effective July 22: American Broadcasting Companies, Inc., 2-25148; Household Finance Corp., 2-25212; Madison Gas and Electric Co., 2-25244 (Sept 1); Olympia Mines Inc., 2-23843 (60 days).

**NOTE TO DEALERS.** The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

\*As estimated for purposes of computing the registration fee.

---000000---