

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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



Washington 25, D.C.

FOR RELEASE April 20, 1960

INDUSTRIAL RAYON SHARES IN REGISTRATION. Industrial Rayon Corporation, 660 Union Commerce Bldg., Cleveland, filed a registration statement (File 2-16484) with the SEC on April 19, 1960, seeking registration of 1,687,298 shares of common stock.

According to the prospectus, Texas Butadiene & Chemical Corporation was merged into Industrial Rayon on May 3, 1960. An additional 1,687,298 common shares became outstanding in conversion of the shares of Texas Butadiene common and preferred stocks outstanding immediately prior to the merger. Any stockholder of Texas Butadiene who was an "affiliate" when the merger was submitted to a vote of that company's stockholders and who engages in a "distribution" of the stock of Industrial Rayon may be deemed an "underwriter" within the meaning of the Securities Act. Accordingly, Industrial Rayon seeks registration of said shares. Any sales thereof by the recipients of such stock will probably be effected on exchanges at prices current at the dates of the sales.

PACIFIC COAST PROPERTIES PROPOSES OFFERING. Pacific Coast Properties, Inc., 9744 Wilshire Blvd., Beverly Hills, Calif., filed a registration statement (File 2-16485) with the SEC on April 19, 1960, seeking registration of 2,610,301 shares of common stock. The company proposes to offer 917,835 shares for subscription by holders of common and preferred stock of Food Giant Markets, Inc., and holders of Food Giant employee stock options, at \$10 per share. Underwriters for this offering will be headed by Bear, Stearns & Co.; and the underwriting commission is to be supplied by amendment.

The company was organized in November 1959 for the ownership and development of commercial (shopping center) properties and to acquire and develop industrial properties and residential properties of both the single and apartment house type. It was also contemplated that, through its initial acquisitions, it would commence business with some properties already in operation, some scheduled to commence operation in the near future, and others to be held for later development. To this end it has entered into agreements to acquire a number of properties in Southern California, including nine commercial (shopping center) properties comprising over 270 acres, 76 acres of industrial property, and other and miscellaneous properties; and it will acquire a general construction company which is engaged in both commercial and residential building in California and in construction work at the Vandenberg Air Force Base, near which a 1,120-acre tract is to be purchased for residential and commercial development. These properties are to be acquired in exchange for 1,692,466 shares of stock and about \$950,000 in cash, plus the assumption of liabilities (in an amount to be supplied by amendment). Among the properties to be acquired are the stock of La Mirada Business Properties and of L. M. Halper & Co., for which 1,032,106 shares will be issued to Starrett Corporation. The second-largest block, 238,560 shares, will be issued to four persons, including a director for the acreage near the Vandenberg Air Force Base.

Net proceeds of the cash sale of stock, after payment of \$906,000 in cash as part of the cost of the acquisition of properties, will be added to the company's general funds and will be available for the acquisition of additional commercial, industrial or residential properties and for other corporate purposes. The prospectus lists Harold L. Fierman as board chairman and Harry Pierson as president. The director referred to above is Theodore E. Cummings, who is president of Food Giant Markets, Inc.

COCA-COLA BOTTLING FILES FOR SECONDARY. The Coca-Cola Bottling Company of New York, Inc., 425 East 34th Street, New York, filed a registration statement (File 2-16486) with the SEC on April 19, 1960, seeking registration of 298,204 outstanding shares of common stock, to be offered for public sale by the holders thereof through an underwriting group headed by Eastman Dillon, Union Securities & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company operates in greater New York City including Long Island, parts of southern Connecticut and northern New Jersey, and the area surrounding Buffalo, N. Y. It has outstanding 2,333,630 common shares. The seven selling stockholders own an aggregate of 447,560 and include James T. Murray, board chairman, 199,544 shares, and Edward P. Lewis, president, 47,688 shares. Murray proposes to sell 99,764 shares and Lewis 20,000 shares. The Murray-MacDonald Foundation, Inc., proposes to sell all but 932 of its holdings of 47,932 shares; and Daphne Seybolt Culpaper Sperl and the Estate of George Wilson Sperl propose to sell all their holdings of 51,398 and 54,042 shares, respectively.

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

LEADER-TORONTO REALTY PROPOSES OFFERING. Leader-Toronto Realty Co., 10 East 40th St., New York, filed a registration statement (File 2-16487) with the SEC on April 19, 1960, seeking registration of \$800,000 of Limited Partnership Interests, to be offered for public sale in \$5,000 units. No underwriting is involved.

The Realty Co. is a limited partnership consisting of I. Theodore Leader and Joseph Durst, as general partners, and Milton G. Gershenson and five others as limited partners. Lockport Investments Limited, which is owned by Leader and Durst, has entered into a contract to purchase the properties known as Brydencourt Apartments and Southill Village in Don Mills, a suburb of Toronto. The total purchase price is about \$4,581,718 (Canadian) payable \$675,000 in cash and the balance by the purchasers taking title subject to a first mortgage of \$3,281,718 and a second mortgage of \$625,000. The general partners have paid in to the partnership \$10,000 in cash and in addition have contributed the purchase contract, for which they received \$200,000 in subordinated limited partnership interests. Certain expenditures also are involved in the acquisition.

The partnership proposes to acquire title to all the properties and to continue to lease the houses and garden apartments so acquired.

POTOMAC EDISON FINANCING APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14214) authorizing The Potomac Edison Company of Hagerstown, Md., to make additional equity investments in subsidiaries, as follows: \$1,000,000 in the purchase of an additional 10,000 common shares of Northern Virginia Power Company and \$600,000 in the purchase of an additional 120,000 common shares of South Penn Power Company. The subsidiaries will use the additional funds for their 1960 construction requirements.

GULF POWER PROPOSES BOND ISSUE. Gulf Power Company, Pensacola, Fla., has filed a proposal with the SEC for the issuance of \$431,000 of first mortgage bonds, 3-1/4% series due 1984, for sinking fund purposes; and the Commission has issued an order (Release 35-14215) giving interested persons until May 9, 1960, to request a hearing thereon.

MILWAUKEE GAS LIGHT FILES FINANCING PROPOSAL. Milwaukee Gas Light Company has filed a financing proposal with the SEC; and the Commission has issued an order (Release 35-14216) giving interested persons until May 5, 1960, to request a hearing thereon. Under the proposal, Milwaukee Gas will issue and sell at competitive bidding \$22,000,000 of first mortgage bonds, due 1985. In addition, it will issue and sell an additional 333,334 common shares for \$4,000,000 to its parent, American Natural Gas Company. Net proceeds of this financing will be used to pay \$11,115,000 of bank notes and for construction expenditures.

OKLAHOMA PUBLIC SERVICE PROPOSES STOCK SALE. Public Service of Oklahoma, Tulsa, has proposed the sale of additional stock to its parent, and the Commission has issued an order (Release 35-14217) giving interested persons until May 5, 1960, to request a hearing thereon. Under the proposal, the company will issue and sell to its parent, Central and South West Corporation, an additional 650,000 shares of common stock for \$6,500,000. Central will acquire 450,000 shares with the proceeds of a cash dividend of \$4,500,000 to be declared by Public Service on its stock held by Central. The proceeds received by Public Service from the sale of the remaining 200,000 shares will be applied to pay, or to reimburse the company for the payment of, a part of its construction expenditures.

SAXTON NUCLEAR FILES FINANCING PROPOSAL. Saxton Nuclear Experimental Corporation, of Saxton, Pa., a subsidiary in the General Public Utilities Corporation holding company system, has joined with its parent companies in filing a financing proposal with the SEC; and the Commission has issued an order giving interested persons until May 10, 1960, to request a hearing thereon.

Saxton is a non-profit stock corporation which was organized in May 1959 under Pennsylvania law for the purpose of serving as an agency or instrumentality through which its members may seek to contribute to the art of generating electric energy by nuclear means, by conducting a research and experimental program involving the construction, operation and maintenance of a small experimental pressurized water-type nuclear reactor to be located at Saxton, Pa. Its immediate parents are Jersey Central Power & Light Company, Metropolitan Edison Company, New Jersey Power & Light Company, and Pennsylvania Electric Company, subsidiaries of GPU. Saxton proposes to issue and sell 20,000 common shares to the four parent companies for \$20,000. The four companies propose to make cash contributions from time to time to Saxton in amounts not to exceed \$8,500,000, to be used in obtaining, operating and maintaining an experimental reactor. The research project will be a cooperative effort involving Saxton, the four companies, Westinghouse Electric Corporation, Gilbert Associates, Inc., as architect-engineer, and others. Westinghouse will supply the reactor nuclear fuel and associated equipment for which Saxton will pay a fixed price of \$6,250,000, which is included in the cost estimate. Westinghouse also will provide manpower in connection with the project's overall research and development and will retain certain rights therein.

BLAISE D'ANTONI REGISTRATION REVOKED. In a decision announced today (Release 34-6238), the SEC revoked the broker-dealer registration of Blaise D'Antoni & Associates, Inc., of 217 Carondelet Bldg., New Orleans, La. A separate application for registration filed by Blaise D'Antoni, who is president of Associates and its controlling stockholder, also was denied.

The Commission's action was based upon violations by Associates of the Commission's net capital rule. It was conceded that on various dates from April to October 1959, Associates' aggregate indebtedness to all other persons exceeded 2,000 per cent of its net capital and thus violated the rule. According to the decision, the net capital deficiency amounted to \$22,806, \$44,450, and \$46,801, respectively, as of April 30, August 31 and September 30, 1959.

Associates and D'Antoni had filed requests for withdrawal of their registration and application, urging certain extenuating circumstances. These were rejected by the Commission, which observed that Associates had substantial net capital deficiencies during a period of more than five months, despite repeated advice from the Commission's staff that it was not in compliance with the rule.

ANNOUNCEMENT RE ABRAHAM & CO., CLARIFIED. In the SEC News Digest of April 15, 1960, reference was made to the Commission's injunction action against C. H. Abraham & Co., Inc., 136 East 57th Street, New York. The caption of this item stated: "SEC Complaint names Abraham & Co." The defendant in this action is not to be confused with Abraham and Co., 120 Broadway, New York.

INDICTMENT NAMES C.L. WALLACE. The SEC San Francisco Regional Office announced April 19, 1960 (Lit. Release 1650) the return of an indictment by a Federal grand jury in Los Angeles charging Charles Lynn Wallace, formerly of Ontario, Calif., and Las Vegas, Nev., with fraud in the sale of interests in applications for Letters Patent and shares of National Progress Corp.

SEC COMPLAINT NAMES JACK DICK. The SEC New York Regional Office announced April 18, (Lit. Release 1651) the filing of court action (USDC, SDNY) seeking to enjoin Jack R. Dick from further violations of the Securities Exchange Act anti-fraud provisions and from inducing broker-dealer firms to make and maintain false and fictitious entries on their books and records. On April 19th, a permanent injunction was issued against Dick on his consent (Lit. Release 1652).

SAVANNAH NEWSPAPERS PROPOSES OFFERING. Savannah Newspapers, Inc., Savannah, Ga., today filed a registration statement (File 2-16788) with the SEC seeking registration of 480,000 shares of common stock, to be offered for public sale at \$5.25 per share, if purchased in lots of 20,000 or more, and \$5.55 per share if the offering is made in smaller lots. The underwriter will be The Johnson, Lane, Space Corporation, which will retain 20,000 of the shares. Southeastern Newspapers, Inc., a Georgia corporation, will purchase 192,000 of the shares for investment, for an aggregate \$1,008,000. Southeastern will then own 40% of the company's outstanding stock. All the stock of Southeastern is owned by Augusta Newspapers, Inc. The offering includes 200 shares of stock which are the company's only outstanding stock and were issued to Julian A. Space to complete the organization of the company. These shares will be offered for his account.

The company was incorporated under Georgia law in March, 1960, to acquire all the stock of Savannah News-Press, Inc., which owns the Savannah newspapers, the Savannah Morning News and the Savannah Evening Press. Savannah News-Press has 90,000 shares outstanding which is owned by the Mills B. Lane, Jr. family and The Johnson, Lane, Space Corporation. Options for these shares have been granted to Southeastern Newspapers, which has agreed to assign these options to the company. The company will acquire the stock held by the Lane family for a total price of \$1,687,500 (\$25 per share) and will also acquire the stock held by The Johnson, Lane Space Corp. for \$25 per share, or a total of \$562,500. In addition, the company has agreed to reimburse Johnson, Lane for its interest expense at the rate of 5% per annum from the date on which the stock was acquired by it. The remaining net proceeds from the sale of the new stock will be applied to expenses incident to the offering, the purchase of 50% of the outstanding stock of A and B Leasing Corporation for \$1,250 and to general corporate purposes.

The prospectus lists William S. Morris as president and William S. Morris, III, and Pat H. Rice, Jr. as vice presidents. Morris and Rice are president and vice president, respectively of Southeastern Newspapers.

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