

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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FOR RELEASE June 15, 1960

**TALLEY INDUSTRIES FILES FOR OFFERING.** Talley Industries, Inc., 1425 Milldale Road, Cheshire, Conn., filed a registration statement (File 2-16695) with the SEC on June 14, 1960, seeking registration of 150,000 shares of common stock, to be offered for public sale through Adams & Peck. The public offering price and underwriting terms will be supplied by amendment. The company will sell to the underwriter for \$1,875, warrants to purchase 7,500 shares of stock, such warrants expiring in January 1963.

The company was organized under Delaware law in February 1960. It does not itself conduct any operations but owns all of the outstanding stock of Talley Industries, an Arizona corporation engaged in the design, manufacture and sale of solid propellant ballistic devices; Astro-Rocket, Inc., a Delaware corporation engaged in the design, manufacture and sale of solid propellants for use in rockets and ballistic devices; and Microtech, Inc., a Connecticut corporation engaged in the design, manufacture and sale of waveguide and microwave components. The net proceeds of the stock sale will be used to prepay a portion of the secured bank indebtedness of the company and New Microtech, for the acquisition of machinery and equipment, and for redemption of shares of preferred stock, to prepay unsecured indebtedness due to New Microtech's landlord for certain leasehold improvements, and for start-up expenses and for research and development of products in the propellant field, of ballistic devices for commercial use, of products employing the principal of waveguide and for facilities to be used in the testing and production of these new products.

The company now has outstanding certain indebtedness and 661,043 shares of capital stock. Franz G. Talley is listed as president and owner of 100,000 shares (15%) of the outstanding stock. In addition, Mrs. Talley owns 100,000 shares (15%) and the company's officers and directors as a group own 310,342 shares (47%). Shortly after its incorporation a group of investors, including Mr. & Mrs. Talley, purchased 233,000 shares of the company's stock at \$1.00 per share. Later, the company exchanged 167,000 shares of its stock for an equal number of shares of Talley Arizona. The shares of Talley Arizona had been purchased in December, 1959, at a price of \$1.00 per share, by a group of investors, most of whom were members of the group that purchased the 233,000 shares. In addition, the company issued an additional 50,000 shares to several investors at a price of \$1.00 per share. The remaining 211,043 shares were issued in exchange for assets and business of the predecessor of Microtech.

**VANADIUM CORPORATION OF AMERICA FILES STOCK PLAN.** Vanadium Corporation of America, 420 Lexington Avenue, New York, New York, filed a registration statement (File 2-16696) with the SEC on June 14, 1960, seeking registration of 10,755 shares of capital stock, to be issued under the company's stock option plan for employees.

**GARDEN CITY-LONG ISLAND SECURITIES HEARING SCHEDULED.** The Securities and Exchange Commission has scheduled a hearing for July 11, 1960, in its New York Regional Office in the proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of The Garden City Securities Corporation (now known as Long Island Securities Co., Inc.), of 50 Webb Avenue, Hempstead, N. Y., should be revoked.

In its initial order authorizing these proceedings (Release 34-6063), the Commission asserted that the said registrant falsified its registration application by reason of a disclaimer of control by persons other than those named therein and failed to make and keep current certain books and records as required by rules of the Commission.

**PROFFER & ADKINSON GUILTY.** The SEC Fort Worth Regional Office announced June 13th (Lit. Release 1704) that a Federal court jury in Dallas had found Robert Lee Proffer and Hollis Leon Adkinson guilty of violating anti-fraud provisions of Securities Act and the Mail Fraud Statute in the offer and sale of Teachers-Professional Investment Company stock. As indicated in Release No. 1694, four defendants had previously entered pleas of guilty. Trial of William L. Phillips was postponed. Five-year imprisonment sentences imposed on each of the six defendants, the court agreeing to entertain applications for probation as to the four defendants who pleaded guilty on showing of substantial restitution.

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

**SPRINGFIELD FIRE INSURANCE FILES EXCHANGE OFFER.** Springfield Fire and Marine Insurance Company, 1250 State Street, Springfield, Mass., filed a registration statement (File 2-16697) with the SEC on June 14, 1960, seeking registration of 145,741 shares of common stock.

According to the prospectus, Springfield will offer these shares in exchange for shares of capital stock of Freeport Insurance Company (Illinois) at the rate of 1.1 Springfield shares for 1 share of Freeport. The exchange offer is subject to the condition that before the expiration date in August, 1960, the holders of not less than 105,994 shares (80% of outstanding shares) of Freeport's capital stock shall have tendered their shares. Freeport is engaged in the business of writing fire and casualty insurance, specializing in automobile insurance, and in the investment and reinvestment of its assets. If Springfield and Freeport are affiliated by means of this exchange of shares, it is planned that Freeport will continue as a separate company under the direction of its own Board of Directors and with its present officers and staff. Charles M. Fish, President of Freeport, will be nominated to fill a vacancy on the Springfield Board of Directors.

**NOTICE OF GULF POWER FINANCING.** The SEC has issued an order (Release 35-14243) giving interested persons until June 28, 1960, to request a hearing upon the financing proposal of Gulf Power Company, Pensacola, Fla. As previously reported (News Digest of 5/31/60), Gulf Power proposed to issue and sell, at competitive bidding, \$5,000,000 of first mortgage bonds due 1990 and 50,000 shares of \$100 par preferred stock. Proceeds of the financing will be used for property additions and improvements and for the payment of loans incurred for such purposes.

**COLUMBIA GAS SUBSIDIARY PROPOSES ACQUISITION.** Atlantic Seaboard Corporation, a subsidiary of The Columbia Gas System, Inc., has applied to the SEC for approval of the acquisition of certain properties from an affiliate, Cumberland and Allegheny Gas Company, and from a non-affiliate, Hope Natural Gas Company, a subsidiary of Consolidated Natural Gas Company; and the Commission has issued an order (Release 35-14244) giving interested persons until June 27, 1960, to request a hearing thereon.

Atlantic Seaboard is engaged in the purchase, storage, transmission and sale, at wholesale only, of natural gas to affiliated and non-affiliated companies. It has entered into agreements with Cumberland and Hope to acquire certain oil and gas leases and leasehold rights, gas wells, pipelines, well equipment and other properties located in the Terra Alta field in Portland and Union Districts of Preston County, West Virginia, to be utilized in connection with the activation and operation by Atlantic Seaboard of an additional underground storage pool estimated to have an ultimate maximum reservoir capacity of 45,800,000 mcf of natural gas. The initial activation is scheduled for 1960-61, but the development of maximum capacity is expected to extend over a period of about four years and involve expenditures of about \$25,000,000.

In connection with the purchase, Atlantic Seaboard will issue to Cumberland \$3,429,000 of notes, the balance of \$619 to be paid in cash; and Cumberland will transfer the notes to Columbia in prepayment of an equal face amount of its notes owing to Columbia. Hope is to be paid a cash consideration of \$2,640,000. To finance the purchase from Hope and to obtain funds to defray a major portion of the 1960 cost of activating the storage project, estimated at \$11,579,400, Atlantic Seaboard proposes to issue to Columbia \$10,540,000 of long-term notes.

**BROAD STREET INVESTING ORDER ISSUED.** The SEC has issued an exemption order under the Investment Company Act (Release 40-3045) permitting Broad Street Investing Corporation to issue its shares at their net asset value for substantially all of the cash and securities of Hugest Company, Inc. (For details, see Release 40-3038).

**RAMO INVESTMENT SEEKS EXEMPTION.** Ramo Investment Company, of Omaha, Nebr., has applied to the SEC for an order declaring that it has ceased to be an investment company under the Investment Company Act; and the Commission has issued an order (Release 40-3046) giving interested persons until June 24, 1960, at 12:30 P.M. to request a hearing thereon.

Prior to November 29, 1958, when it sold its assets, Ramo Investment was engaged in the banking business. Its application states that its present portfolio of securities consists entirely of government securities.

**TWO STOCKS DELISTED.** The SEC has issued orders (Release 34-6292) granting applications of the Pacific Coast Stock Exchange to delist the common stocks of Associated Dry Goods Corporation and West Indies Sugar Corporation, effective at the close of the trading session on June 30, 1960. The stock of Associated remains listed on the New York Stock Exchange. The stockholders of West Indies have adopted a plan for its liquidation.

**CONSUMERS POWER PROPOSES DEBENTURE OFFERING.** Consumers Power Company, 212 West Michigan Avenue, Jackson, Michigan, today filed a registration statement (File 2-16698) with the SEC, seeking registration of \$38,101,600 of convertible debentures due 1975. The company proposes to offer the debentures for subscription, at 100% principal amount, by stockholders of record July 26, 1960, at the rate of \$100 of debentures for each 25 shares of stock then held. In addition, employees and officers of the company and its subsidiary, Michigan Gas Storage Company, will be entitled to purchase a portion of the debentures. The offer is to be underwritten by means of competitive bidding.

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The net proceeds from the sale will be used to finance in part the company's construction program, to reimburse the company's treasury for expenditures made for such purposes, and to repay short-term bank loans obtained in connection with the financing of the construction program. The company has made or proposes to make capital expenditures for property additions in 1960 and 1961 in an estimated amount of \$238,500,000. It intends to sell \$35,000,000 additional first mortgage bonds during 1960.

MAULE INDUSTRIES FILES FOR RIGHTS OFFERING. Maule Industries, Inc., 5220 Biscayne Blvd., Miami, Fla., today filed a registration statement (File 2-16699) with the SEC seeking registration of 254,322 shares of common stock. The company proposes to offer the stock for subscription at \$7 per share by common stockholders at the rate of one new share for each 3 shares held. The record date is to be supplied by amendment. No underwriting is involved.

The company is engaged primarily in the production and sale in South Florida of concrete aggregates (rock and sand), concrete blocks, and ready-mix concrete. It also sells other related products and building materials. Net proceeds of this financing will be used as follows: \$375,000 to improve production facilities at several of the company's plants; \$375,000 to modernize some of the company's equipment; and \$750,000 to construct new facilities for quarrying undeveloped Pennsuco property; and the balance for general corporate purposes.

The company has outstanding 745,677 common shares and certain indebtedness.

Jose A. Ferre is listed as board chairman, Max Orovitz as vice chairman, F. K. Foster as president, and Maurice M. Orovitz as executive vice president. According to the prospectus, Ponce Products, Inc., is the beneficial owner of about 55.1% of the outstanding stock. All of the Ponce Products stock is owned by members of the Ferre family.

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