

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington 25, D.C.

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

FOR RELEASE April 11, 1962

KINGSBERRY HOMES FILES FOR OFFERING AND SECONDARY. Kingsberry Homes Corporation, 1725 South Gault Ave., Fort Payne, Ala., filed a registration statement (File 2-20224) with the SEC on April 9th seeking registration of 140,000 shares of capital stock, of which 100,000 shares are to be offered for public sale by the company and 40,000 shares, being outstanding stock, by the holders thereof. The Robinson-Humphrey Company, Inc., 2000 Rhodes-Haverty Bldg., Atlanta, Ga., and J. C. Bradford & Co., 414 Union St., Nashville, Tenn., head the list of underwriters. The public offering price (maximum \$17.50 per share*) and underwriting terms are to be supplied by amendment.

The company produces and sells a variety of manufactured homes directly to builders, who in turn erect and complete them for resale to purchasers. The company offers specialized services to its builders in the fields of financing, cost accounting, advertising, sales promotion, merchandising, and sales training. A portion of the net proceeds from the company's sale of additional stock will be used to finance the construction and working capital requirements of an additional manufacturing facility to be built in Virginia to serve the middle Atlantic and eastern states (cost of land, plant and equipment estimated at \$600,000 and working capital at \$500,000). Any balance will be added to working capital. In addition to certain indebtedness, the company has outstanding 349,460 shares of capital stock, of which Payson & Trask, of New York, owns 220,476 shares and management officials as a group 42,892 shares. Payson & Trask proposes to sell 25,000 shares; and P&T Junior (a partnership composed of certain employees of Payson & Trask) and The Griesedieck Company, of St. Louis, propose to sell 3,000 and 12,000 shares, respectively, of 6,330 and 28,440 shares owned. Albert P. Hildebrandt is board chairman and president.

SUNRAY DX OIL PROPOSES DEBENTURE OFFERING. Sunray DX Oil Company, Ninth Street and Detroit Avenue, Tulsa, Okla., filed a registration statement (File 2-20225) with the SEC on April 10th seeking registration of \$75,000,000 of sinking fund debentures due 1987, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., 15 Broad Street, New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment. The net proceeds from the debenture sale will be used as follows: (1) \$21,617,220 to redeem (at \$30 per share) the 720,574 outstanding 5½% cumulative convertible second preferred shares, series of 1955 (or to repay a temporary bank loan which may be incurred for such redemption); (2) \$10,750,000 to prepay the company's 3½% to 4½% note due in installments to 1965, issued in 1959 to refinance a term bank loan made to Sunside Refining Company prior to its becoming a wholly-owned subsidiary of the company; (3) \$38,481,152 to redeem (at \$25.25 per share) the 1,524,006 outstanding 4½% preferred shares, Series A, in April 1962; and the balance will be added to working capital, in part to replace \$2,289,030 of funds recently used to redeem 76,301 shares of 5½% 1955 second preferred stock. The prospectus states that no formal action has been taken to redeem the Series A preferred shares and, if the company decides not to redeem them, the amount of debentures to be offered for public sale will be reduced by approximately the amount payable on redemption of the said preferred stock. The company is an integrated oil enterprise doing business primarily in the United States. On April 27, 1962 it will change its name from Sunray Mid-Continent Oil Company to Sunray DX Oil Company; it is being merged with DX Sunray Oil Company, its wholly-owned marketing and refining subsidiary, effective May 1, 1962.

JAPAN FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-3461) granting an application of The Japan Fund, New York investment company, for an exemption from certain provisions of the Act to the extent that such sections require approval by shareholders of investment advisory agreements, election of directors and selection of certified public accountants, respectively, such order to be effective until the first annual meeting of the Fund, which is scheduled to be held on March 5, 1963.

APPALACHIAN POWER PURCHASE APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14622) permitting Appalachian Power Company, Roanoke, Va., subsidiary of American Electric Power Company, to purchase 100 shares of the \$100 par capital stock of the Virginia Industrial Development Corporation in each of the years 1961 through 1964.

POTOMAC EDISON INVESTMENT IN SUBSIDIARIES APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14623) authorizing The Potomac Edison Company, Frederick, Md., to make additional equity investments in subsidiaries, as follows: Northern Virginia Power Company, \$400,000; Potomac Light and Power Company, \$2,400,000; and South Penn Power Company, \$500,000. The subsidiaries will use the additional funds for property additions and improvements.

MILWAUKEE GAS LIGHT FINANCING. The SEC has issued an order under the Holding Company Act (Release 35-14624) giving interested persons until May 10th to request a hearing upon the financing proposal of Milwaukee Gas Light Company. Under the proposal, Milwaukee Gas Light will issue and sell \$15,000,000 of bonds due 1962 at competitive bidding and an additional 500,000 common shares at \$12 per share to its parent, American Natural Gas Company. Of the proceeds, \$20,000,000 will be used to pay bank notes and the balance will be added to treasury funds.

TUCSON GAS & ELECTRIC PROPOSES RIGHTS OFFERING. The Tucson Gas, Electric Light and Power Company, 35 West Pennington Street, Tucson, Ariz., today filed a registration statement (File 2-20226) with the SEC seeking registration of 486,111 shares of common stock. It is proposed to offer such stock for subscription by common stockholders at the rate of one new share for each ten shares held on May 11, 1962. Blyth & Co., Inc., 14 Wall Street, and The First Boston Corporation, 15 Broad Street, both of New York, head the list of underwriters. The subscription price (maximum \$25 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 48,611 common shares to be offered (without underwriting) to all regular full time employees, including officers, at a price to be supplied by amendment (maximum \$25 per share*).

The net proceeds from the stock sale will be added to general funds and used for the payment of promissory notes aggregating \$5,000,000 incurred for construction purposes in 1961 and 1962 and (together with other funds) to complete the construction program through 1963. Estimated expenditures for construction include \$13,604,000 for 1962 (of which \$2,409,000 was expended prior to February 1962) and \$11,220,000 for 1963. In addition to certain indebtedness and preferred stock, the company has outstanding 4,861,110 shares of common stock, of which management officials as a group own 1.24%. J. R. Snider is board chairman and J. Luther Davis is president.

SEC ORDER CITES VINCENT ASSOCIATES LTD. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether provisions of the Federal securities laws have been violated by Vincent Associates Ltd. (217 Broadway, New York) and, if so, whether its broker-dealer registration should be revoked and whether it should be suspended or expelled from membership in the National Association of Securities Dealers, Inc. The Commission has scheduled a hearing for April 18, 1962, in its New York Regional Office to determine whether it is necessary or appropriate in the public interest to suspend the broker-dealer registration of said "Respondent" pending decision on the question of revocation.

Respondent has been registered with the Commission as a broker-dealer since March 1960. Vincent Agostino is president, a director and owner of 10% or more of its outstanding stock and Diana Agostino (Mrs. Agostino) is secretary-treasurer and a director. The Commission's staff charges that information developed in an investigation tends to show that Respondent (1) violated the record-keeping requirements of the Securities Exchange Act through its failure to make and keep current certain of the required books and records during the period September 14, 1961, to date; and (2) while serving as underwriter for a public offering of stock of Consolidated Marine Industries, Inc., during the period September 7, 1961, to January 13, 1962, engaged in acts and practices "which would and did operate as a fraud and deceit" upon the purchasers by inducing the purchase of such stock and receiving payment therefor but failing to promptly deliver the stock certificates evidencing these purchases and failing to disclose to purchasers Respondent's intention not to so deliver the stock certificates.

According to the Commission's order, Respondent was enjoined on March 7, 1962, by a Federal court order (on complaint of the Commission) from engaging in a securities business until its books and records are made available for Commission inspection; and said order further directed Respondent to make its books and records available to the Commission.

AT&T FILES STOCK PLAN. American Telephone and Telegraph Company, 195 Broadway, New York, today filed a registration statement (File 2-20228) with the SEC seeking registration of 15,000,000 shares of capital stock, to be offered pursuant to its Employees' Stock Plan.

SECURITIES ACT REGISTRATIONS. Effective April 11: Almo Industrial Electronics (File 2-19356); Apache-Mesa Investment Co. (File 2-19639); Bell Electronics Corp. (File 2-19480); Big Drum, Inc. (File 2-19570); Nebraska Boiler Company, Inc. (File 2-19583); Saladmaster Corp. (File 2-19604).

*As estimated for purposes of computing the registration fee.

---ooo0ooo---