

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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PLAN FOR STANDARD GAS LIQUIDATION APPROVED. In a decision announced today (Release 35-14352), the SEC approved a plan proposed as the final step in a program for the liquidation and dissolution of Standard Gas and Electric Company and its wholly-owned subsidiary, Philadelphia Company, under provisions of the Holding Company Act.

The plan provides for distribution to stockholders of Standard of the portfolio securities and cash of the two companies. The securities to be distributed consist of 160,108 shares (1.5%) of the common stock and 24,264 shares of \$50 par preferred stock of Duquesne Light Company, and 59,124 shares (2%) of the common stock of Wisconsin Public Service Corporation. In addition, \$2,811,389 of cash will be so distributed (plus an undetermined amount of cash to be paid in lieu of fractional shares). Under the plan, Standard will distribute to its stockholders (a) Duquesne's common stock at the rate of 8 shares thereof for each 100 shares of Standard common held; (b) Duquesne's \$50 par 4% preferred stock at the rate of 1 share for each 100 shares of Standard common; (c) Wisconsin common at the rate of 3 shares for each 100 shares of Standard common; and (d) \$1.30 in cash for each share of Standard common.

The plan also incorporates certain agreements under which Duquesne, a former subsidiary of Standard, will assume all liabilities which Standard and Philadelphia may be found to have with respect to certain Federal income and excess profits taxes for the years 1942 through 1950; and in return for such assumption Duquesne will receive \$3,500,000 cash and the assignment to it of a payment due Standard by Equitable Gas Company, a former subsidiary of Standard, in an amount estimated by Standard at \$781,000. In addition, Duquesne will assume, for a cash payment of \$50,000, Standard's contingent liability to Wisconsin, another former subsidiary, arising out of the method of accounting, for income tax purposes, for the expenses of Wisconsin's changing over to natural gas service in the years 1946-1950.

The liquidation plan is subject to approval by the United States District Court for the District of Columbia, to which court the Commission will apply for its approval and enforcement.

VIOLATIONS CHARGED TO ALLSTATE SECURITIES. The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Allstate Securities, Inc., of 80 Wall Street, New York, and its president, Vincent J. Sbarbati, made false and misleading representations in the offer and sale of stock of Dwain Records, Inc., and, if so, whether its broker-dealer registration should be revoked.

An initial hearing is scheduled for January 25, 1961, in the Commission's New York Regional Office for the purpose of determining whether Allstate Securities' registration should be suspended pending final determination of the question of revocation. Also involved, for later determination, is the question whether Allstate Securities should be suspended or expelled from membership in the National Association of Securities Dealers, Inc.

According to the Commission's order, Allstate Securities' registration as a broker-dealer became effective in August 1957. The order further asserts that, in the offer and sale of Dwain Records stock during the period July 10, 1959 to July 7, 1960, Allstate Securities and Sbarbati "engaged in acts, practices and a course of business which would and did operate as a fraud and deceit" upon purchasers of the stock, in that they made false and misleading representations with respect to the future price of Dwain Records stock, that company's business prospects, the business ability of its promoters, the artists and selections to be recorded by it, and the listing of the stock on a New York exchange.

NEW ORLEANS PUBLIC SERVICE PROPOSES ACCOUNTING ADJUSTMENT. New Orleans Public Service Inc., has filed a proposal with the SEC under the Holding Company Act for the transfer of \$355,132 from earned surplus to capital surplus as of December 31, 1960; and the Commission has issued an order (Release 35-14354) giving interested persons until February 3, 1961, to request a hearing thereon. The proposed transfer is equivalent to 25¢ per share on the company's outstanding common stock. At November 30, 1960, its earned surplus amounted to \$11,173,930 after reflecting net income for the 12 months period ended as of that date of \$4,725,837 and the payment of dividends to its preferred and common stockholders in the aggregate amount of \$3,955,180.

MOKAN SBIC PROPOSES OFFERING. Mokan Small Business Investment Corporation, Inc., 719 Walnut St., Coffeyville, Kansas, filed a registration statement (File 2-17480) with the SEC on January 17, 1961, seeking registration of 3,000 shares of common stock, to be offered for public sale at \$100 per share. The company was organized in October 1960 under Kansas law and is applying to the Small Business Administration for a Federal license under the Small Business Investment Act of 1958; and also is applying to SBA for a \$150,000 loan against its debentures in that amount. The company intends to provide equity capital and long-term loans to a diversified group of small business concerns, and to render consultation services to such companies in the field of finance, marketing research, and other areas of specialized knowledge. Proceeds of the stock sale and of the sale of \$150,000 of debentures to SBA will be used for these purposes.

The prospectus lists Richard Melvin Seaton, publisher of Coffeyville Daily Journal, as president; Jim C. Page, general manager of Page Milk Company of Coffeyville as vice president; and Damon A. Willbern, president of the First Federal Savings and Loan Association of Coffeyville as secretary-treasurer.

OVER

ANGELUS & DALY REGISTRATION REVOKED. The SEC has issued an order under the Securities Exchange Act (Release 34-6453) revoking the broker-dealer registration of Angelus & Daly, Inc., of Jamaica Plain, Mass., and expelling the said company from membership in the National Association of Securities Dealers, Inc. The company and its president, Harry M. Angelus, admitted the sale of common stock of Camdale Corporation to 25 out-of-state residents between November 1959 and March 1960 in violation of the Securities Act registration requirement and consented to the order of revocation and expulsion.

MCKEE-INSURANCE & INVESTMENT WITHDRAWS REGISTRATION. The SEC has authorized Paulus Francis McKee, doing business as Insurance and Investment Service, Roseburg, Oregon, to withdraw from registration as a broker-dealer and has dismissed proceedings on the question whether his registration should be revoked (Release 34-6454). The proceedings were based on McKee's failure to file a report of financial condition within five months after his registration in January 1959. Subsequently, McKee filed a certified financial statement indicating that he has not engaged in any transactions with customers since July 1959 and that all accounts of customers were fully satisfied; and he requested withdrawal of his registration stating that he does not intend to engage in business as a broker-dealer. The Commission concluded that such withdrawal and dismissal of the proceedings were appropriate in the public interest.

GREAT BASIN CONSOLIDATED MINES SUSPENSION PERMANENT. The SEC has issued an order (Release 33-4319) making permanent the prior suspension of a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of stock by Great Basin Consolidated Mines, Inc., of Las Vegas. The temporary suspension order, issued in June 1960, asserted that the company's offering circular omitted certain material facts. Company counsel subsequently filed a stipulation consenting that the suspension be made permanent.

BALTIMORE ASSOCIATES FILES FOR OFFERING. Baltimore Associates, 220 Fifth Avenue, New York, filed a registration statement (File 2-17492) with the SEC on January 18, 1961, seeking registration of \$603,000 of participations in Joint Venture, to be offered for public sale at \$6,000 per unit. No underwriting is involved.

Associates was formed under New York law in January 1961 and is a joint venture consisting of John D. Bussell, Elliot S. Gross, Simeon F. Gross, Morris L. Lewy, Henry Spellman, George Zuckerman (the Agents), and Leon Wasserman. It was formed for the purpose of acquiring title to the land and building containing a retail discount department store erected in 1960 in the suburbs of Baltimore, Maryland. Prior to the formation of Associates, in December 1960, a contract was entered into between Tower's Marts, Inc. as seller and the above individuals to purchase the said land and building. In January 1961, said individuals assigned the contract to Associates, for which they will receive varying participating interests in Associates in the total sum of \$109,000. The purchase price is \$608,000, of which \$125,000 has been deposited on behalf of Associates, and disbursements of \$8,000 will be made by the Agents as part of their contribution. The Agents and Wasserman advanced \$25,000 as a deposit at the time of executing the purchase contract and, after completion of this offering, \$12,000 will be refunded, leaving a cash contribution of \$13,000. In addition, they assigned the purchase contract in consideration of receiving the \$109,000 interest.

Associates will not operate the store but will lease the property to Tower's Marts. The \$603,000 proceeds of the sale of participating units will be applied to the purchase price of the property.

SHADYSIDE GARDENS FILES FOR OFFERING. Shadyside Gardens Limited Partnership, 1823 Jefferson Place, N.W., Washington, D.C., filed a registration statement (File 2-17493) with the SEC on January 18, 1961, seeking registration of \$426,000 of Limited Partnership interests, to be offered for public sale in \$1,000 units. The offering is to be made on a best efforts basis through Investor Service Securities, Inc., which will receive a \$100 per unit selling commission.

The partnership was formed under Maryland law in December 1960 and is composed of Samuel J. Gorlitz, as a general partner, and Investor Service as a limited partner. Its purpose is to buy a 50% ownership in The Shadyside Gardens Apartment Development in Suitland, Maryland which is now under construction. It is expected that the first group of 44 apartments will be available for occupancy by February 1961 and the remaining 176 by May 1, 1961. The partnership has entered into a Joint Venture Agreement with certain other venturers, namely, the wives of officers and directors of L. G. Meltzer Associates, Inc., the builder of the apartments, which officers and directors are guarantors under the agreement. The partnership is to contribute \$350,000 in cash to the Joint Venture (which will hold title to the property) for its 50% ownership. The remaining 50% interest will be held by the other venturers, who have contributed 9.2 acres of land upon which the apartments are being constructed, a construction contract under which Meltzer has agreed to build the apartments for a total fixed price of \$1,850,000, their guarantee of completion of construction, and a commitment under which Sun Life Assurance Company of Canada has agreed to provide \$1,500,000 of first mortgage financing for the apartments.

The net proceeds of this offering, estimated at \$348,000, plus contributions of \$2,000 from Gorlitz and Investor Service, will be used to purchase the 50% interest in the joint venture; and the joint venture will use the \$350,000 together with the mortgage financing for construction of the apartments. Cafritz will manage the apartments and will be the exclusive leasing agent.

EFFECTIVE SECURITIES ACT REGISTRATIONS: January 19: Progress Manufacturing Company, Inc. (File 2-17036); Minneapolis Gas Company (File 2-17314); McCulloch Oil Management Company of California, Inc. (File 2-17316).