

# 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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**GENERAL AMERICAN TRANSPORTATION PROPOSES OFFERING.** General American Transportation Corporation, 135 S. La Salle St., Chicago, Ill. 60690, filed a registration statement (File 2-24989) with the SEC on May 11 seeking registration of \$40,000,000 of equipment trust certificates, due 1986 (Series 63). The certificates are to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 30 Wall St., New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The principal activity of the company is the supplying of its railroad freight cars to railroads and shippers for their use. Net proceeds of this financing will be used to reimburse its treasury for the cost of the cars to be subject to the trust agreement under which the certificates will be issued. The company contemplates the expenditure in 1966 of a minimum of \$40,000,000 for additions to its fleet of specialized railroad freight cars. In addition to indebtedness, it has outstanding 11,470,512 common shares, of which management officials own 82,231 shares. T. M. Thompson is board chairman and Spencer D. Moseley is president.

**GENERAL AMERICAN TRANSPORTATION SEEKS ORDER.** The SEC has issued an order under the Trust Indenture Act of 1939 giving interested persons until May 27, 1966, to request a hearing upon an application of General American Transportation Corporation (GATC), of Chicago, for an order permitting Manufacturers Hanover Trust Company (Manufacturers Hanover) to serve as trustee under a new indenture pursuant to which GATC proposes to issue and sell \$40,000,000 of Equipment Trust Certificates due December 1, 1986 (Series 63). The Certificates are to be registered under the Securities Act of 1933 and offered for public sale.

According to the GATC application, Manufacturers Hanover now serves as trustee pursuant to seven other indentures underlying securities issued by GATC. The present application seeks permission for it to continue to serve under those indentures and to serve under the new indenture; and it is urged that trusteeship under the outstanding indentures and the proposed new indenture is not likely to involve any conflicts of interest which would disqualify Manufacturers Hanover from serving under the existing seven trusteeships and under the new indenture.

**HEARING POSTPONED ON TELEPHONE APPLICATIONS.** The SEC has ordered a further postponement from May 16 to May 31 of the hearing on applications for exemption from the registration requirements of Section 12(g) of the Securities Exchange Act filed by Jamestown Telephone Corporation, Meadville Telephone Company and Home Telephone Company of Ridgway. According to the order, the three companies are about to conclude discussions with the SEC staff which, among other things, may avoid the necessity of an evidentiary hearing.

**METHODE ELECTRONICS FILES FOR OFFERING AND SECONDARY.** Methode Electronics, Inc., 7447 Wilson Ave., Harwood Heights, Ill. 60656, filed a registration statement (File 2-24987) with the SEC on May 11 seeking registration of 200,000 shares of common stock. Of this stock, 120,000 shares are to be offered for public sale by the company and 80,000 shares (being outstanding stock) by the present holder thereof. The offering is to be made through underwriters headed by A. G. Becker & Co. Inc., 120 S. La Salle St., Chicago, Ill. 60603. The public offering price (\$14 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged principally in the development and manufacture of electronic signal and current distribution devices. Of the net proceeds of its sale of additional stock, approximately \$800,000 will be used to purchase manufacturing and testing equipment; approximately \$200,000 will be used to repay short-term bank loans; and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 722,760 common shares, all owned by management officials. The selling stockholder is William J. McGinley (president), who presently owns 699,580 common shares.

**SEVEN ARTS PRODUCTIONS FILES FOR OFFERING AND SECONDARY.** Seven Arts Productions Limited, 11 Adelaide St. W., Toronto, Ontario, Canada, filed a registration statement (File 2-24988) with the SEC on May 11 seeking registration of 500,000 shares of common stock. Of this stock, 200,000 shares are to be offered for public sale by the company and 300,000 shares (being outstanding stock) by the present holders thereof. The offering is to be made through underwriters headed by Allen & Co., Inc., 30 Broad St., New York 10004. The public offering price (\$32 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the acquisition of rights to motion picture films for showing on television stations and the licensing of such films to TV stations. Net proceeds of its sale of additional stock will be used primarily to reduce bank loan, to produce motion pictures for its own account for distribution to theatres and television stations, and for working capital. In addition to indebtedness, the company has outstanding 2,534,278 common shares, of which management officials own 8.63%. The prospectus lists 44 selling stockholders, including Carroll Rosenbloom, who is offering 100,000 of 200,000 shares held. The remaining sellers are offering shares ranging in amounts from 61 to 17,750. Eliot Hyman is president.

OVER

**GENERAL ACCEPTANCE FILES FINANCING PROPOSAL.** General Acceptance Corporation, 1105 Hamilton St., Allentown, Pa. 18101, filed a registration statement (File 2-24990) with the SEC seeking registration of 90,000 shares of cumulative preferred stock, with attached warrants to purchase the same number of shares of common stock. The preferred stock and warrants are to be offered for public sale in units consisting of one preferred share and a warrant to purchase one common share. The offering is to be made through underwriters headed by Salomon Brothers & Hutzler, 60 Wall St., New York. The dividend rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the finance and loan and insurance business. Net proceeds of its stock sale will be used initially to reduce short-term borrowings. In addition to indebtedness and preferred stock, the company has outstanding 2,223,637 common shares, of which management officials own 10.11%. F. Reed Wills is board chairman and S. Hayward Wills is president.

**COMMONWEALTH TELEPHONE PROPOSES RIGHTS OFFERING.** Commonwealth Telephone Company, 100 Lake St., Dallas, Pa. 18612, filed a registration statement (File 2-24991) with the SEC on May 11 seeking registration of 86,800 shares of common stock. The stock is to be offered for subscription by common stockholders at the rate of one new share for each ten shares held on May 31. Any unsubscribed shares are to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., Philadelphia National Bank Bldg., Philadelphia, Pa. 19107. The offering price (\$32 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company will use the net proceeds of its stock sale to reduce some \$2,750,000 of short-term bank loans incurred to finance a portion of its recent capital improvements. Its 1966 construction budget estimates gross capital additions in the amount of \$5,197,000. In addition to indebtedness and preferred stock, the company has outstanding 858,486 common shares, of which management officials own 11.3% and Public Service Enterprises of Pennsylvania, Inc., 16.6%. A. J. Sordoni, Jr. (president and board chairman) and his wife and children vote shares representing 31.9% of the outstanding common stock.

**PATHFINDER LIFE OF AMERICA PROPOSES OFFERING.** Pathfinder Life Insurance Company of America, 103 E. Seventh St., Little Rock, Ark., filed a registration statement (File 2-24955) with the SEC on May 10 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$11.50 per share. The offering is to be made on a best-efforts basis by Foundation Management Corp., 103 E. 7th St., Little Rock, Ark., which will receive a \$1.25-per-share selling commission.

Organized under Arkansas law in 1964, the company writes life insurance, and the net proceeds of its stock sale will be used in the conduct of that business. The company has outstanding 336,400 common shares, which were sold to management officials and other initial investors for \$841,000. Harry H. Crow, Jr., is president and board chairman.

**SIX STOCK PLANS FILED.** Form S-8 registration statements have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

Shulton, Inc., Clifton, N. J. 07015 (File 2-24984) (30,000 shares)  
 Washington Natural Gas Company, 815 Mercer St., Seattle, Wash. 98111 (File 2-24985) (200,000 shares)  
 Florida Public Utilities Company, 401 S. Dixie Highway, West Palm Beach, Fla. (File 2-24986) (50,000 shares)  
 United States Rubber Company, 1230 Avenue of the Americas, New York 10020 (File 2-24993) (600,000 shares)  
 Carrier Corporation, Carrier Parkway, Syracuse, N. Y. 13201 (File 2-24994) (55,000 shares)

An additional stock plan was filed on Form S-1, as follows:

Systems Engineering Laboratories, Incorporated, 6901 W. Sunrise Blvd., Fort Lauderdale, Fla.  
 (File 2-24992) (130,000 shares)

**MICHIGAN CONSOLIDATED GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15470) authorizing Michigan Consolidated Gas Co., Detroit subsidiary of American Natural Gas Co., to sell \$30,000,000 of first mortgage bonds (due 1991) at competitive bidding and to sell an additional 360,000 common shares to the parent company for a cash consideration of \$5,040,000. Michigan Consolidated also proposes to amend its Articles of Incorporation so as to increase the number of its authorized common shares from 9,340,000 to 9,700,000 shares. It will use the net proceeds of this financing in connection with its construction program, which is estimated to cost \$42,000,000 in 1966.

**ALLEGHENY POWER SYSTEM RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15469) making permanent a 1963 order which granted temporary authorization to Allegheny Power Service Corporation to serve the holding company system of Allegheny Power System, Inc., of New York, as a subsidiary service company.

**PENN ELECTRIC SEEKS ORDER.** Pennsylvania Electric Company, Johnstown, Pa., has applied to the SEC for an order under the Holding Company Act authorizing certain transactions; and the Commission has issued an order (Release 35-15471) giving interested persons until May 31 to request a hearing thereon. Penelec proposes to acquire the right under its charter to generate electricity by means of water power. For this purpose it organized and proposes to acquire all of the capital stock of Kinzua Water Power Co., a Pennsylvania corporation whose charter includes such right. Penelec proposes to merge with Kinzua; and it will then be in a position to participate with a non-associated company in the construction and operation of a 325,000 kilowatt pumped storage hydro-electric generating station to be located in Warren County, Pa.

**FAIRCHILD CAMERA PROPOSES RIGHTS OFFERING.** Fairchild Camera and Instrument Corporation, 300 Robbins Lane, Syosset, Long Island, N. Y. 11791, filed a registration statement (File 2-24997) with the SEC on May 12 seeking registration of 265,457 shares of common stock. The stock is to be offered for subscription by common stockholders at the rate of one new share for each ten shares held. Any unsubscribed shares are to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 20 Broad St., New York 10005. The record date, offering price (\$148.625 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company produces silicon semiconductor devices, space and defense products, graphic equipment and industrial electronic products. Net proceeds of its stock sale will be used, together with internally generated funds, for general corporate purposes, including capital expansion. The company anticipates that in 1966 its capital requirements will aggregate approximately \$22,000,000 for fixed assets and \$12,000,000 for increased accounts receivable and inventories. In addition to indebtedness, the company has outstanding 2,578,290 common shares, of which management officials own 20% (including 18% owned by Sherman M. Fairchild, chairman of the executive committee). John Carter is board chairman and Richard Hodgson is president.

**KARL H. P. SWENSSON, OTHERS ENJOINED.** The SEC today announced (LR-3505) the entry of a Federal court order (USDC, SDNY) enjoining Karl H. P. Swensson, Kenneth E. Swensson, J. Donald Swensson, and Karl H. P. Swensson & Co., of Seattle, Wash., from further violations of the ownership-reporting provisions of the Securities Exchange Act in connection with their transactions in stock of W. F. Hall Printing Co. The defendants consented to the injunction.

**RECENT FORM 8-K FILINGS.** The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the May 4 News Digest.

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| United Founders Corp<br>Mar 66, (2,7,13)               | 0-974-2   | Movielab, Inc<br>Mar 66, (7)                  | 1-4500-2  |
| John Deere Credit Co<br>Apr 66, (11)                   | 2-17065-2 | Bankers' Fidelity Life Ins Co<br>Mar 66, (11) | 2-13933-2 |
| Inter-County Tel & Tel Co<br>Mar 66, (7,11,13)         | 0-341-2   | J P Burroughs & Son Inc<br>April 66(12,13)    | 1-3890-2  |
| Armstrong Paint & Varnish Works,<br>Inc - Apr 66, (11) | 1-4907-2  | Ajax Magnethermic Corp<br>April 66(11)        | 1-5033-2  |
| Pueblo Supermarkets, Inc<br>Mar 66, (7)                | 1-5160-2  | Sun Oil Co April 66(11,13)                    | 1-2223-2  |
| Northwest Engineering Co<br>Mar 66, (11)               | 0-572-2   | Pearl Brewing Co April 66(11)                 | 0-777-2   |
| Gulf & Western Industries, Inc<br>Mar 66, (4,7,8,13)   | 1-2712 -2 | Bankers Investment Corp<br>April 66(12)       | 0-1317-2  |
| Arthur G. McKee & Co<br>Apr 66, (11)                   | 1-146-2   | Potomac Electric Power Co<br>April 66(3,7,13) | 1-1072-2  |
| Marin County Financial Corp<br>Apr 66, (11)            | 2-20332-2 | Medco Inc<br>Amend #1 for Oct 65(12,13)       | 1-4724-2  |
| Village Super Market, Inc<br>Mar 66, (11)              | 2-23748-2 |   |           |

**SECURITIES ACT REGISTRATIONS.** Effective May 12: Bigelow-Sanford, Inc., 2-24944; Crompton Company, Inc., 2-24625 (90 days); Fine Organics, Inc., 2-24679 (90 days).  
Effective May 13: Michigan Consolidated Gas Co., 2-24841; Polaron Products, Inc., 2-24877.

**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.