

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington 25, D.C.

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.)

FOR RELEASE August 10, 1960

TWO DELISTINGS PROPOSED. The SEC has issued orders (Release 34-6344) giving interested persons until August 26, 1960, to request hearings upon (1) an application of the Midwest Stock Exchange to delist the F. E. Myers & Bro. Company common stock, which company is in the process of liquidation, and (2) applications of the Midwest and New York Stock Exchanges to delist the Temco Aircraft Corporation common stock, which is in the process of dissolution following sale of its properties to Ling-Temco Electronics, Inc.

FOUR DELISTINGS GRANTED. The SEC has issued orders (Release 34-6344) granting applications (1) of the New York Stock Exchange to delist the \$2.50 cumulative preferred stock of McCord Corporation and the capital stock of Miami Copper Company, effective at the close of the trading session on August 26 and 24, 1960, respectively, and (2) of the Pacific Coast Stock Exchange to delist the common stocks of Pacific Indemnity Company and Solar Aircraft Company, effective at the close of the trading session on August 24, 1960. Only 8700 shares of McCord preferred remain in the hands of 165 public shareholders; Miami Copper is in the process of liquidation; Pacific Indemnity requested that its stock be delisted because of the small volume of Exchange trading therein; and all but 11,000 shares of Solar Aircraft stock have been acquired by International Harvester Company.

UNLISTED TRADING IN GENERAL MILLS SOUGHT. The Philadelphia-Baltimore Stock Exchange has applied to the SEC for unlisted trading privileges in the common stock of General Mills, Inc., and the Commission has issued an order giving interested persons until August 26, 1960, to request a hearing thereon.

MELPAR FILES STOCK PLAN. Melpar, Inc., 3000 Arlington Boulevard, Falls Church, Virginia, filed a registration statement (File 2-16893) with the SEC on August 9, 1960, seeking registration of 150,000 shares of capital stock to be offered to certain officers and key employees pursuant to its Stock Option Plan.

MOHAWK INSURANCE FILES FOR OFFERING. Mohawk Insurance Company, 198 Broadway, New York, filed a registration statement (File 2-16894) with the SEC on August 5, 1960, seeking registration of 75,000 shares of Class A common stock, to be offered for public sale at \$12.00 per share. A selling commission of \$1.00 per share will be payable to the underwriters headed by R. F. Dowd & Company, Inc.

The company was organized under New York law in 1958, and its business is to write all forms of fire and casualty insurance. According to the prospectus, the company has not written any insurance to date. The net proceeds from the stock sale, expected to amount to \$810,000, will be added to the company's present capital and surplus of \$209,764 and will provide additional capital for conduct of the contemplated insurance business.

The company has outstanding 1,200 shares of Class B common and 20,000 shares of Class A common. Jacob K. Feinstein, president, and John C. Theile, vice-president, own jointly 4,700 Class A shares and Theile owns 2,958 such shares. In addition, Morris Turetzky, an attorney, owns 3,250 Class A shares. Feinstein owns 50% of the outstanding Class B shares. Upon completion of the stock sale, Feinstein and the other directors will purchase an additional 3,800 shares of Class B stock for a total of 5,000 such shares to be held by officers and directors.

ATLANTA GAS LIGHT PROPOSES RIGHTS OFFERING. Atlanta Gas Light Company, 243 Peachtree Street, N.E., Atlanta, Georgia, filed a registration statement (File 2-16895) with the SEC on August 9, 1960, seeking registration of 109,186 shares of common stock, to be offered for subscription by holders of outstanding common stock on the basis of one new share for each ten shares held of record on September 1, 1960. The subscription price and underwriting terms are to be supplied by amendment. The prospectus lists the principal underwriters as The First Boston Corporation, Courts & Co. and The Robinson-Humphrey Company, Inc.

The net proceeds from the stock sale, together with \$6,400,000 of the proceeds from the contemplated sale of first mortgage bonds later this fall, will be applied to the reduction of bank loans made for construction purposes prior to September 30, 1960, which are expected to aggregate \$10,000,000 before such application of

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For further details, call WORTH 3-5526

proceeds. The company estimates that \$8,810,000 will have been expended for construction in the fiscal year ended September 30, 1960, of which approximately \$4,375,000 was expended in the eight months ended May 31, 1960. Construction expenditures for the fiscal year ended September 30, 1961 are expected to approximate \$9,356,000. The company now has outstanding 1,091,852 shares of common stock in addition to various indebtedness and preferred stock.

CORRECTION. In the New Digest of August 3, 1960, under the discussion of the registration statement filed by Wallace Press, Inc., the reference to 205,565 of the outstanding shares should have stated that these shares "are held in trusts under the last will and testament of Walter F. Wallace, deceased, father of the company's president," not by the estate of Lowry K. Grulee.

SALE OF BLACKSTONE VALLEY GAS PROPERTIES APPROVED. In a decision announced today (Release 35-14266), the SEC approved the transfer of the gas properties of Blackstone Valley Gas and Electric Company, Pawtucket, R.I., subsidiary of Eastern Utilities Associates, Boston Holding Company, to another EUA subsidiary, Valley Gas Company, in exchange for securities of the latter company, as the first in a two-step plan for ultimate divestment of the gas properties from the EUA system.

Upon request of the companies, the Commission shortly will apply to the United States District Court in Providence for approval and enforcement of this transaction, which is Step 1 of a plan for compliance by EUA with a 1950 order of the Commission directing severance of its relationship with the gas properties owned by Blackstone. Upon consummation of Step 1, Blackstone will seek Commission approval of Step 2, which contemplates the sale of Valley Gas stock to public common stockholders of Blackstone and the shareholders of EUA.

EUA now owns 99.19% of the outstanding shares of Blackstone common (along with over 97% of the outstanding common stock of Brockton Edison Company and of Fall River Electric Light Company). Blackstone now conducts a combined electric and gas operation in and around the cities of Pawtucket, Woonsocket and Central Falls, Rhode Island. At December 31, 1959, it had 47,650 gas customers (as contrasted with 68,102 electric customers); and at April 30, 1960, its net gas property, plant and equipment, stated at cost, amounted to \$7,940,000 of which \$7,383,000 is applicable to the mortgaged properties. For the twelve months ended April 30, 1960, Blackstone's gas revenues amounted to about \$4,966,000 (as contrasted with \$13,010,000 of electric operating revenues). Gross income (before Federal income taxes) applicable to the gas department was about \$558,000.

Valley Gas was organized in 1956 by a special Act of the Rhode Island Legislature for the purpose of acquiring and operating the gas properties of Blackstone, which owns its three outstanding common shares. Blackstone will deposit with the trustee under its mortgage indenture cash in an amount equivalent to the net book value of the gas properties subject to the lien of the mortgage indenture (amounting to \$7,383,000 as of April 30, 1960), plus \$81,000 representing the redemption premium and one month's duplicate interest on the Blackstone bonds required to be redeemed or otherwise retired, thus obtaining release of the properties from the lien of the indenture. These and the unmortgaged gas properties and other assets, including cash, will be transferred to Valley Gas, in exchange for which Valley Gas will issue to Blackstone \$4,500,000 principal amount of first mortgage bonds due 1985, \$1,500,000 of 15-year promissory notes, and \$3,999,970 par value (399,997 shares, \$10 par) of common stock.

Blackstone will make a private sale of the \$6,000,000 of Valley Gas bonds and notes and deposit the proceeds thereof, together with bank borrowings, with the indenture trustee to effect release of the properties from the lien of the mortgage. The funds so deposited will be used, to the extent necessary, to retire outstanding Blackstone bonds in a principal amount equal to the cash so deposited, including \$3,750,000 of bonds held by EUA.

The Commission ruled that Step 1 of the plan is a necessary step in effectuating compliance with the integration and simplification requirements of the Holding Company Act and the Commission's divestment order of 1950, and that it was fair and equitable to all security holders affected. Transfer of the properties to Valley Gas and the issuance of securities in exchange therefor have previously been approved by the Public Utility Administrator of the State of Rhode Island. (Copies of the full text of the Commission's decision, Release 35-14266, may be obtained upon request).

ADRs FOR BTR INDUSTRIES FILED. Morgan Guaranty Trust Company of New York filed a registration statement (File 2-16896) with the SEC on August 9, 1960, seeking registration of American Depositary Receipts for 80,000 Ordinary Registered Stock of BTR Industries Limited (England).