

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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SEC

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POTOMAC EDISON RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15850) authorizing The Potomac Edison Company, Hagerstown, Md. subsidiary of Allegheny Power System, Inc., to issue and sell up to \$7,500,000 of promissory notes to a bank. Net proceeds from the sale of the notes will be used to provide funds for the construction program of Potomac and its subsidiaries, and to repay other short-term bank borrowings incurred therefor. Construction costs for 1967 and 1968 are estimated at \$63,000,000.

PENNSYLVANIA ELECTRIC SEEKS ORDER. The Pennsylvania Electric Company ("Penelec"), Johnstown, Pa. subsidiary of General Public Utilities Corporation ("GPU"), has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell, at competitive bidding, \$10,000,000 of debentures, due 1992; and the Commission has issued an order (Release 35-15851) giving interested persons until October 16 to request a hearing thereon. Net proceeds of its sale of debentures will be used by Penelec for the purpose of financing its business as a public utility, including the reimbursement of its treasury for a portion of expenditures for construction purposes and the payment of its short-term bank loans outstanding at the time of the sale of the debentures. Its 1967 construction program is estimated at \$52,000,000, part of which is to be financed from funds received from the sale of bonds, from funds generated internally, and by a capital contribution from GPU.

CANAL ASSETS SEEKS ORDER. Canal Assets, Inc., New Orleans, which previously applied to the SEC for an order under the Investment Company Act declaring that it is primarily engaged in a business other than that of an investment company (and, therefore, not required to register as such), has filed a further application with the Commission for temporary exemption from the Act pending action with respect to the original application; and the Commission has issued an order (Release IC-5086) giving interested persons until September 29 to request a hearing thereon.

TEL-A-SIGN TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Tel-A-Sign Inc., for the further ten-day period September 14-23, inclusive.

FRIER INDUSTRIES FILES FOR OFFERING AND SECONDARY. Frier Industries, Inc., 527 W. 34th St., New York 10001, filed a registration statement (File 2-27260) with the SEC on September 11 seeking registration of 260,000 shares of common stock. Of this stock, 110,000 shares are to be offered for public sale by the company and 150,000 (being outstanding shares) by the present holders thereof. Putnam, Coffin & Burr, 6 Central Row, Hartford, Conn. 06103 is listed as the principal underwriter. The public offering price (\$9.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of popular priced casual footwear for men, women and children. Its products include soft and hard sole slippers and casual and play shoes for recreational, sports and utility wear. Net proceeds of its sale of additional stock will be applied to the reduction of short-term indebtedness; the balance will be added to working capital. In addition to indebtedness, the company has outstanding 526,000 shares of common stock, of which management officials own 89.6%. The prospectus lists eight selling shareholders. George Frier (board chairman and president) proposes to sell 108,600 of his holdings of 380,828 shares, and Charles Khachian and Berch Khachadourian (vice presidents), 9,600 each of their holdings of 33,746 shares each; the others propose to sell shares ranging in amount from 700 to 6,600 shares.

CAROLINA PIPELINE FILES RIGHTS OFFERING PROPOSAL. Carolina Pipeline Company, P. O. Box 6317, Columbia, S.C., filed a registration statement (File 2-27261) with the SEC on September 12 seeking registration of 10,600 shares of \$6 convertible cumulative preferred stock, Series B. The shares are to be offered for subscription by stockholders at \$100 per share, and at the rate of one Series B preferred share for each 90 common shares held (the record date is to be supplied by amendment). No underwriting is involved. The company also proposes to sell at a later date to the New York Life Insurance Company \$14,526,000 of 6% first mortgage bonds, due 1988, and to Massachusetts Mutual Life Insurance Company \$1,000,000 of 6-1/2% sinking fund notes, due 1988. The sale of both the bonds and the notes is conditional upon the sale by the company of not less than \$1,000,000 of the Series B preferred stock.

The company is engaged in the purchase, transmission, distribution and sale of natural gas in certain portions of South Carolina. It is also engaged in the sale of propane gas and in the sale of certain gas operated household appliances. Net proceeds to be received by the company from its sale of the preferred stock, bonds and notes are estimated at \$16,586,000, representing an estimated \$1,060,000 from the Series B preferred, \$14,526,000 from the bonds, and \$1,000,000 from the notes. Of the proceeds of the bonds, \$11,481,000 will be used to pay and discharge all first mortgage bonds of the company now outstanding, all of which are held by New York Life with the exception of \$75,000; the remaining proceeds of approximately \$5,000,000 will be applied and used for the purpose of financing in part the cost of its construction

program (which on August 14 totaled \$1,000,000) and for the purpose of the construction of additional pipeline and distribution facilities. In addition to indebtedness and preferred stock, the company has outstanding 945,961 common shares, of which J. W. Goodwin (board chairman) owns 12.9%. John A. Warren is president.

SCM CORP. FILES RIGHTS OFFERING PROPOSAL. The SCM Corporation, 410 Park Ave., New York 10022, filed a registration statement (File 2-27263) with the SEC on September 12 seeking registration of 571,685 shares of common stock. The stock is to be offered for subscription by shareholders of record on October 30, 1967, at the rate of one share for each 12 shares then held. The subscription price (\$65 per share maximum*) and underwriting terms are to be supplied by amendment. Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York 10005 is listed as the principal underwriter. The prospectus also covers 192,485 outstanding shares of common stock which may be offered for public sale by the holders thereof, at the then current prices, to or through dealers on an exchange or otherwise. These shares have been or will be acquired by the selling shareholders in connection with various company acquisitions.

The company (formerly "Smith-Corona Inc.") is a manufacturer of typewriters, electrostatic office copy machines, calculators and certain other office equipment, coatings, resins and chemicals, food products, portable electric appliances and certain other housewares, teleprinter communications equipment and certain industrial processing equipment. In 1966 it acquired The Proctor-Silex Corporation, and in 1967, L&W Machine Works, Inc. and The Shetland Co., Inc. On September 22, 1967, The Glidden Company will merge into SCM. Net proceeds of the offering will be applied to reduce the bank loan incurred on August 2, 1967 to finance its purchase, for \$66,867,000, of approximately 30% of the outstanding common stock of The Glidden Company. In addition to indebtedness, the company has outstanding 6,860,216 common shares. Edward H. Litchfield is board chairman and Emerson E. Mead is president. The prospectus lists 13 selling shareholders; the largest block (86,266 shares) may be offered by W. E. Dailey, Jr., who acquired his shares upon the conversion of his holdings of common stock of The Glidden Company.

MAY PETROLEUM FILES. May Petroleum, Inc., 1435 Republic National Bank Bldg., Dallas, Texas, filed a registration statement (File 2-27262) with the SEC on September 12 seeking registration of \$1,000,000 of interests in the "May Petroleum Sixty-Eight Venture," of its oil and gas exploration program. The minimum commitment will be \$12,500; and no commitment will be binding unless at least \$200,000 is committed by January 15, 1968. The offering is to be made through management officials and NASD members (the latter will receive a 5% selling commission).

The company conducts drilling program operations for its own account and for private investors. Its drilling operations have been conducted primarily in the Northwestern Oklahoma-Texas Panhandle area, although it has also participated in drilling operations in Kansas, Mississippi and Wyoming. It currently operates 38 wells and has non-operating interests in 55 additional wells throughout the United States. In addition to indebtedness, it has outstanding 19 shares of common stock. John Edward May is president and board chairman.

STOCK PLANS FILED. The following companies have filed Form S-8 registration statements with the SEC proposing the issuance of stock under employee stock option and related plans:

AlSCO, Inc., New York 10022 (File 2-27255) - 43,050 Class A common shares
Vitro Corporation of America, New York 10016 (File 2-27259) - 26,265 common shares

NEW BRUNSWICK PROPOSES OFFERING. The New Brunswick Electric Power Commission (Agent's address in the United States: 680 Fifth Ave., New York 10019), today filed a registration statement (File 2-27265) with the SEC seeking registration of \$15,000,000 of sinking fund debentures, due 1992. The debentures are to be offered for public sale through underwriters headed by The First Boston Corporation and Harris & Partners, Inc., both of 20 Exchange Pl., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The net proceeds of the sale of the debentures will be added to the general funds of the Commission and will be applied toward the cost of its construction program (estimated at \$52,474,000 for 1968).

SECURITIES ACT REGISTRATIONS. Effective September 12: Burgess-Manning Co., 2-27072 (90 days); Columbia Broadcasting System, Inc., 2-27184; Cooper Tire & Rubber Co., 2-27019 (40 days); Esquire, Inc., 2-26960; Graphic Sciences, Inc., 2-26873 (90 days); The Gray Manufacturing Co., 2-26981 (40 days); Harris-Intertype Corp., 2-27078 (Oct 23); Scovill Manufacturing Co., 2-27130; Superscope, Inc., 2-27060 (40 days).

Withdrawn September 11: Selective Growth Fund, Inc., 2-24476; Silicon Transister Corp., 2-26606.

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.