

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.

FOR RELEASE April 18, 1957

Securities Exchange Act Release No. 5490

The Securities and Exchange Commission today announced the issuance of a decision denying an application for broker-dealer registration filed by Otto Arthur Waldinger, doing business as American Securities Co., Las Vegas, Nevada, based upon a state court injunction decree issued against him and his disclaimer thereof in his application for registration.

According to the decision, Waldinger's application gave a negative answer to the question whether he had been enjoined from engaging in any conduct or practice in connection with the purchase or sale of any security. However, he was permanently enjoined from engaging in the securities business in New York by a November 1, 1935, decree of the Supreme Court of the State of New York, County of New York. The complaint in that action alleged, among other things, that Waldinger, who was president, treasurer and a director of a corporation offering its securities to the public, was inducing others to purchase that company's stock through false and misleading representations as to its assets and operations.

Waldinger admitted that he was served and appeared in the injunction proceedings and that he signed and filed an affidavit in defense. However, he asserted that he left New York shortly after the institution of such proceedings and that he was subsequently advised by the attorney representing him in related criminal proceedings that such proceedings had been dismissed; and that he assumed that the dismissal related to the civil injunction action as well as the criminal proceedings.

The Commission observed that this explanation does not justify Waldinger's unqualified denial in his application that he was enjoined from engaging in the sale of securities; and it concluded that, in view of the injunction and the failure to disclose same in his application, Waldinger's application for broker-dealer registration should be denied.

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Mexico Refractories Company, Mexico, Mo., filed a registration statement (File 2-13257) with the SEC on April 17, 1957, seeking registration of 90,000 shares of its \$5 par Common Stock. Of this stock, the company proposes to offer 80,000 shares for public sale through an underwriting group headed by Reinholdt & Gardner. The public offering price and underwriting terms are to be supplied by amendment. The remaining 10,000 shares are to be offered for subscription by certain employees.

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The company is a producer of high grade refractories material, used to line industrial furnaces and in other applications where high temperatures are encountered. Proceeds of this financing are to be used as follows: approximately \$300,000 to pay, or to reimburse the company's treasury for expenditures already made, for constructing and equipping grinding facilities at its Mexico plant; approximately \$200,000 to pay for new warehouse facilities at Elizabeth, N. J. The company also is considering construction or acquisition of retail warehouse facilities in two other cities, the estimated cost of establishing such warehouses being \$300,000. Proceeds not applied for the foregoing purposes will be added to the working funds of the company and will be available for improvement of existing plants and general corporate purposes.

Holding Company Act Release No. 13451

General Public Utilities Corporation, New York holding company, and Colver Electric Company, Colver, Penna., have joined in the filing of an application with the SEC with respect to GPU's purchase of Colver stock and related matters; and the Commission has issued an order giving interested persons until May 3, 1957, to request a hearing thereon.

More particularly, GPU has entered into an agreement with Eastern Gas and Fuel Associates to acquire the 245 outstanding common shares of Colver for a base purchase price of \$150,000, subject to adjustments which will result in additional payments of from \$27,746.54 to \$108,740.34. Upon consummation of this agreement, Colver proposes to purchase from Eastern certain property owned by Eastern but used or useful in Colver's utility operations, the purchase price of which will not exceed \$20,000. The maximum adjusted purchase price of the Colver stock to GPU will be reduced by the amount paid by Colver for these properties.

Colver is an electric utility company serving the township of Cambria, Cambria County, Penna. Its service area is surrounded by, and is included in, the service area of Pennsylvania Electric Company, another subsidiary of GPU, from which it acquires its electric energy requirements. As soon as feasible, Colver is to be merged into Pennsylvania Electric. Colver proposes to enter into an agreement with Eastern Gas and Fuel whereby Colver will make available to Eastern at an annual license fee of \$10,000 the use of Colver's transmission system for deliveries to Eastern of certain of the latter's electric energy requirements purchased by it from Pennsylvania Electric.

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Collins Radio Company, Cedar Rapids, Iowa, filed a registration statement (File 2-13258) with the SEC on April 17, 1957, seeking registration of \$7,917,000 of Convertible Subordinated Debentures, due June 1, 1977. The company proposes to offer these debentures for subscription by holders of its Class A and Class B common stock at the rate of \$100 of debentures for each 19 shares of such stock held. The record date, subscription price and underwriting terms are to be supplied by amendment. Kidder, Peabody & Co. and White, Weld & Co. are listed as the principal underwriters.

Net proceeds of this financing will be added to the general funds of the company to meet its increased working capital requirements. Initially, a portion of the proceeds will be used to reduce bank loans incurred for working capital purposes,

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and up to \$3,500,000 may be advanced to subsidiaries from time to time to reduce their loans and for other requirements.

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Academy Life Insurance Company, Colorado Springs, Colo., today filed a registration statement (File 2-13259) with the SEC seeking registration of 750,000 shares of its Common Stock, to be offered for sale at \$1 per share. No underwriting is involved. The company proposes to offer the shares only to military and National Guard, active, retired or reserve, personnel and not to the public at large. Eligible purchasers are officers and the top three pay grades of enlisted personnel of all United States uniformed services. The company plans to sell the securities directly, not through underwriters.

Organized in February, 1957, under Colorado law, the company will engage in the direct selling of policies to military personnel. Net proceeds of the stock sale will be used to establish the reserves required of a life insurance business, to become the operating capital of the company and, in part, to meet current and preparatory expense.

The promoters and directors of the company are Henry I. Szymanski, president, Alexander R. Ormond, executive vice-president, Frank W. Renwick, secretary-treasurer, Ralph W. Adams, and Arthur L. Weir, Jr. For their legal, investment and insurance counseling in connection with its organization and planning, the company issued to the five individuals an aggregate amount of 110,000 common shares.

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Holding Company Act Release No. 13450

The Securities and Exchange Commission today announced the issuance of its Findings and Opinion in support of the March 21, 1957, order of the Commission permitting effectiveness of a proxy declaration filed by Union Electric Company (St. Louis) under the Public Utility Holding Company Act of 1935, pursuant to which that company proposed the solicitation of proxies to be voted at the April 20, 1957, annual meeting of its stockholders for election of the management's slate of nominees to the company's Board of Directors.

The proxy declaration also related to certain proposals which Union had been informed were to be presented at such meeting by J. Raymond Dyer, one of its stockholders. After consideration of the record of a two-day hearing upon the declaration and a brief filed by Dyer, the Commission on March 21, 1957, issued an order permitting the declaration to become effective, subject to certain conditions and reservations. Due to the exigencies of the situation, particularly the fact that the proxies proposed to be solicited by Union were for use at its April 20, 1957, meeting, issuance of the order preceded the preparation and issuance of the Commission's decision in order not to delay the commencement of the solicitation.

In its decision, the Commission analyzed the various objections made by Dyer to Union's declaration and proxy material. Upon the basis thereof, it observed "no objections for requiring any changes in Union's proxy material" and permitted the declaration to become effective, subject to the filing of a further amendment thereto reflecting certain information specified by the Commission and the reservation of jurisdiction with respect to the allocation by Union of expenses incident to such solicitation.

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Public Service Company of Colorado (Denver) today filed a registration statement (File 2-13260) with the SEC seeking registration of \$30,000,000 of First Mortgage Bonds, due 1987, to be offered for public sale at competitive bidding. Net proceeds thereof are to be used to retire short-term bank loans of \$10,580,000 and the balance added to general funds of the company, to be applied toward its construction program. The company estimates a gross construction program during the 3 years 1957-59 of \$93,500,000.

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Sun Oil Company (Philadelphia) today filed a registration statement (File 2-13261) with the SEC seeking registration of 15,000 Memberships in the Stock Purchase Plan for the Employees of Sun Oil Company and its subsidiaries; 161,000 shares of the company's no par common stock, representing the maximum number of shares which it is anticipated may be purchased by the Plan Trustees during the year ended June 30, 1958, with respect to the 1957 plan; and 228,904 common shares, representing the maximum number of shares which it is anticipated may be offered for possible public sale by certain Selling Stockholders during the same period. The company would receive no part of the proceeds of any such sale of the 228,904 shares by selling stockholders; and no underwriting is involved, any such shares to be sold through brokerage houses on the New York Stock Exchange and the Philadelphia-Baltimore Stock Exchange. The prospectus lists 18 selling stockholders, who own in the aggregate 3,172,520 shares of the outstanding Sun Oil stock. The selling stockholders include J. Howard Pew and family, who may sell 20,000 of 786,862 shares held; Joseph N. Pew, Jr., and family, who may sell 77,000 of 769,997 shares held; and Mr. and Mrs. H. A. W. Myrin, who may sell 20,000 of 643,133 shares held. Additional blocks may be sold, as follows: 50,000 of 309,875 shares held by Walter C. Pew and family; 20,000 of 430,923 shares held by Mary Ethel Pew; and 20,000 of 47,837 shares held by Arthur E. Pew, Jr., and wife.

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Du Mont Broadcasting Corporation, New York, today filed a registration statement (File 2-13262) with the SEC seeking registration of 596,701 shares of its \$1 par Capital Stock. The company proposes to offer 314,812 shares of such stock for subscription by holders of its outstanding capital stock, at the rate of one new share for each three shares held. Paramount Pictures Corporation has agreed to purchase at the subscription price the 83,800 shares of Du Mont common being offered to it in its capacity as holder of 251,400 or 26.6% of the outstanding stock. The subscription price and underwriting terms are to be supplied by amendment; and Kuhn, Loeb & Co. and Carl M. Loeb, Rhoades & Co. are listed as the principal underwriters.

The balance of the shares of Du Mont stock are to be issued in exchange for property or securities. For the purchase of all the common stock of WNEW Broadcasting, Inc., Du Mont will issue 270,147 shares of its stock and pay \$2,932,087.25 in cash. Du Mont also will cause certain of WNEW's liabilities to be paid; and a portion of such liabilities will be discharged by the issuance of the 11,742 balance of the Du Mont stock being registered. The cash proceeds to Du Mont from its sale of the 314,812 shares will be used to pay a portion of the cash requirements under the agreement to purchase WNEW.