

# 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 August 6, 1958

## SEC CHALLENGES FORT PIERCE PORT FILING

The Securities and Exchange Commission has instituted "stop order" proceedings against a registration statement filed by Fort Pierce Port & Terminal Company, Fort Pierce, Fla., which proposed a public offering of 2,138,500 shares of its \$1 par Common Stock at \$1.25 per share.

The Commission's order challenges the accuracy and adequacy of various informational disclosures contained in the company's registration statement and prospectus and schedules a hearing in Washington on August 19, 1958, for the purpose of taking evidence with respect thereto. If, after opportunity for hearing, the Commission issues a stop order suspending the effectiveness of the registration statement, such order will bar the public offering and sale of stock by the company until and unless the registration statement is corrected to comply with the disclosure requirements.

The registration statement was filed May 23, 1958. It proposed the public offering of the 2,138,500 shares at \$1.25 per share, the offering to be made on a "best efforts" basis by Atwill and Company, Inc., of Miami, for which the latter would receive a selling commission of \$.1875 per share. The company was organized October 16, 1956, primarily for the purpose of acquiring harbor front property at Fort Pierce which would be developed and operated as a deep-water port facility, including stevedoring and ship agencies. Of the \$2,239,000 estimated net proceeds of the stock offering, \$69,000 would be used to pay an installment on indebtedness secured by mortgages on the properties, \$105,000 to pay short term promissory notes, and the balance to complete the first phase of the company's proposed port development plan, estimated to cost \$1,425,248.

The company's properties, consisting of 3,000 feet of harbor front and certain other properties on nearby Causeway Island and on the mainland, were acquired on August 19, 1956, by promoters of the company (including Joseph C. Mackey, board chairman, and M. A. Ramsey, president) with the intention of selling same to the company. Their cost was \$155,000 in cash and the assumption of mortgages aggregating \$608,750. The properties were transferred by the promoters to the company on February 25, 1957, at an appraised value of \$1,838,500, the company assuming the \$608,750 of mortgages and issuing \$1,229,500 par value of stock to the promoters. Subsequently, the company acquired 64.4 acres of submerged lands from the State of Florida for \$3,220.

Various references in the prospectus to the appraised value of the company's properties are questioned by the Commission, including the \$430,000 appraised value of the property acquired from the State of Florida for \$3,220. According to the Commission, there appears to be a lack of adequate basis for the values determined by the appraisal. Furthermore, the properties acquired from the promoters are carried in the company's balance sheet at the appraised valuation (\$1,838,250), which is contrary to generally accepted accounting principles.

In addition, according to the Commission's order, the prospectus fails to contain proper disclosures with respect, among other things, to (1) the competitive traffic situation in relation to the port development project, including the results of a study of the facilities made in 1957 by the U. S. Army District Engineer; and (2) the speculative features of the proposed offering.

OVER

For further details, call ST. 3-7600, ext. 5526

## CENTRAL PUBLIC UTILITY FILES FOR EXEMPTION

Central Public Utility Corporation, of St. Louis, has applied to the SEC for an order exempting it and each of its subsidiary companies from the Holding Company Act; and the Commission has scheduled the application for hearing on September 10, 1958.

The application further requests that the Commission's 1952 order directing Central to terminate the existence of its subsidiary, The Islands Gas and Electric Company, be modified to eliminate such requirement.

According to the application, Central has 14 subsidiaries, all of which are exclusively operating companies, except Islands Gas and Carolina Coach Company, both of which have subsidiaries. The subsidiaries operate in eight states as well as Puerto Rico, Canary Islands, Haiti and the Philippine Islands. Central has outstanding a single class of capital stock of 1,000,100 shares, \$6 par. The application further states that in February 1957 N. V. Amsterdamsche Bankierskantoor V/H Mendes Gans Co., through Burnham and Company, as agent, purchased 259,492 shares; and that, subsequently, Burnham became the record holder of 431,924 shares including 29,750 shares purchased by Altay Corporation, 56,210 shares purchased by Melosine Corporation, and 85,472 shares purchased by Schuyler Corporation. Burnham is said to hold these shares subject to any voting instructions that may be given to it by the beneficial owners thereof; that all but 1,000 of the 431,924 shares are now subject to commitments of sale in blocks varying in size from 2500 to 40,000 shares to approximately 33 Dutch and Belgian investors. Mendes Gans is engaged in the banking business in The Netherlands. It further appears from the application that an agreement providing for the merger of Central and two or more other corporations (unnamed) is in the course of negotiation, which, if effectuated, would be governed by the laws of Delaware.

## BORROWINGS BY NEES SUBSIDIARIES CLEARED

The SEC has issued an order authorizing borrowings by 21 subsidiaries of New England Electric System, Boston, in the aggregate amount of \$59,684,000. The borrowings would be made in the principal amount of \$34,234,000 from banks and \$25,450,000 from NEES during the period ending December 31, 1958, for which the subsidiaries would issue their promissory notes. The maximum amount of notes to be outstanding at any one time during the period is stated at \$47,094,000. Proceeds of the borrowings are to be used to pay then outstanding notes due to banks and/or NEES (amounting to \$33,979,000 at July 1, 1958) and to provide new money (estimated at \$13,115,000 for the period) for construction expenditures or to reimburse treasuries therefor.

## CANADA DRY FILES FOR RIGHTS OFFERING

Canada Dry Corporation, New York, today filed a registration statement (File 2-14287) with the SEC seeking registration of 392,611 shares of Common Stock, to be offered for subscription by stockholders of record August 26, 1958, at the rate of one new share for each five shares then held. The subscription price and underwriting terms are to be supplied by amendment. Eastman Dillon, Union Securities & Co., Hornblower & Weeks, and Winslow, Cohe & Stetson are listed as the principal underwriters.

Of the net proceeds of the stock sale, \$2,000,000 will be used to prepay outstanding short-term bank loans incurred to finance increases in inventory of alcoholic beverages and carbonated beverage raw materials and increases in accounts receivable. \$900,000 will be used for the purchase and installation of equipment in a carbonated beverage plant presently under construction in Waltham, Mass., and which has been leased by the company. This plant is scheduled for completion in March 1959 and will replace the present plants in Boston and Chelmsford, Mass. The balance of the proceeds will be available for additional working capital and, to a lesser extent, for capital expenditures, including the purchase of trucks and vending machines.