

# 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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**INTERNATIONAL UTILITIES OVERSEAS RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4533) exempting International Utilities Overseas Capital Corporation, Claymont, Del., subsidiary of International Utilities Corp., from all provisions of the Act, subject to certain conditions. According to the application, the subsidiary was recently organized to provide assistance in improving the balance of payments position of the United States, in compliance with the voluntary cooperation program instituted by President Johnson in February 1965, while at the same time continuing the expansion and development of the parent company's operations outside the United States. The subsidiary proposes to sell an aggregate of \$15,000,000 of its guaranteed convertible bonds to a group of underwriters for offering abroad. The proceeds thereof are to be invested in or loaned to foreign subsidiaries or affiliates of the parent company.

**CORNING INTERNATIONAL SEEKS ORDER.** Corning International Corporation, Corning, N. Y., subsidiary of Corning Glass Works, has applied to the SEC for an order under the Investment Company Act exempting it from all provisions of the Act; and the Commission has issued an order (Release IC-4535) giving interested persons until March 22 to request a hearing thereon. The application states that the subsidiary was recently organized to provide assistance in improving the balance of payments position of the United States, in compliance with the voluntary cooperation program instituted by the President in February 1965, while at the same time continuing the expansion and development of the parent company's operations outside the United States. The subsidiary intends to borrow \$5,000,000 from the London Branch of First National City Bank, which loan is to be guaranteed as to payment of principal and interest by the parent company. It is also expected that the subsidiary will subsequently borrow additional amounts up to \$10,000,000, possibly in foreign currencies, from one or more banks, which loans are also to be guaranteed by the parent company. It is intended that the proceeds of such loans will be invested in or loaned to foreign subsidiaries or affiliates of the parent company, which is engaged in glass and ceramic products for consumer and industrial uses.

**MONONGAHELA POWER SEEKS ORDER.** Monongahela Power Company, Fairmont, W. Va., electric-utility subsidiary of Allegheny Power System, Inc., has applied to the SEC for an order under the Holding Company Act authorizing proposed charter amendments; and the Commission has issued an order (Release 35-15420) giving interested persons until March 31 to request a hearing thereon. According to the application, the company proposes to amend certain provisions of its charter to conform to the standards set forth in the Commission's Statement of Policy, principally in respect of voluntary liquidation prices of preferred stock, acquisition of preferred stock, and payment of dividends on common stock. It is also proposed to amend the charter to permit the issue of unsecured indebtedness to the maximum authorized under the Commission's Statement of Policy. The proposed amendments will be submitted to stockholders for their approval at Monongahela's annual meeting to be held on April 18, 1966; and the company proposes to solicit approval thereof from shareholders. Allegheny, the holder of all of Monongahela's outstanding common, will vote such stock in favor of the proposed amendments. Monongahela proposes to acquire the preferred stock of any dissenting stockholders.

**MIDDLE SOUTH UTILITIES SEEKS ORDER.** Middle South Utilities, Inc., New York, has applied to the SEC for an order under the Holding Company Act authorizing it to sell at competitive bidding 1,400,000 shares of its common stock; and the Commission has issued an order (Release 35-15421) giving interested persons until March 28 to request a hearing thereon. As reported in the SEC News Digest of February 24, the company will use \$6,750,000 of the net proceeds to purchase additional common stock of its public-utility subsidiary, New Orleans Public Service, Inc., and \$18,650,000 will be used to prepay promissory notes to banks. The remainder of the proceeds will be used from time to time for other corporate purposes.

**CONSOLIDATED OIL & GAS SHARES IN REGISTRATION.** Consolidated Oil & Gas, Inc., 4150 E. Mexico Ave., Denver, Colo. 80222, filed a registration statement (File 2-24587) with the SEC on March 2 seeking registration of 1,466,270 shares of common stock. Of such stock, 160,000 shares are to be offered in exchange for common stock of Cold Lake Pipe Line Co., Ltd., on the basis of one company share for each five shares of Cold Lake stock. The company desires to acquire through the exchange offer <sup>a maximum</sup> of 800,000 shares of such stock (it now owns 1,000,000 shares). The remaining 1,306,270 shares of company stock are to be offered as follows: 489,523 shares upon exercise (at \$4.875 per share) of 489,523 outstanding common stock purchase warrants, 1960 Series; 376,880 shares upon exercise (initially at \$3.45 per share) of a like number of outstanding common stock purchase warrants, 1965 series; 419,867 shares upon conversion of \$3,149,000 principal amount of outstanding 6% convertible sinking fund debentures (due 1980). Such conversion is to be at the option of the debenture holder and at the conversion price of \$7.50 per share. The remaining 20,000 shares are to be issued upon exercise (initially at \$3.45 per share) of a 5-year option granted to an underwriter.

The company is engaged in the production and sale of crude oil, condensate and natural gas. Cold Lake of Calgary, Alberta, Canada, is a pipeline company engaged in the transmission of natural gas from gas fields owned by it and other producers to a Canadian military installation at Cold Lake, Alberta, Canada. In addition to indebtedness, the company has outstanding 2,919,068 common shares, of which management officials (and members of their families and certain affiliated companies) own 24%. Harry A. Trueblood, Jr., is president of the company and of Cold Lake.

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**SUNSET INTERNATIONAL PETROLEUM FILES FOR SECONDARY.** Sunset International Petroleum Corporation, 100 W. Tenth St., Wilmington, Del., filed a registration statement (File 2-24594) with the SEC on March 7 seeking registration of \$4,400,000 of outstanding 5% subordinated debentures (due 1983); \$6,000,000 of outstanding 6 $\frac{1}{4}$ % sinking fund debentures (due 1980); 750,000 outstanding stock purchase warrants (exercisable initially at \$8 per share) covering a like number of shares of common stock; and \$3,352,000 of outstanding 6% subordinated promissory notes. The present holders thereof may offer the securities for public sale from time to time on the American or Pacific Coast Stock Exchanges or in the over-the-counter market, at prices prevailing at the time of sale.

The company is engaged in oil and gas operations and real estate development. In addition to indebtedness and preferred stock, it has outstanding 6,531,449 common shares, of which Allied Products Corp. owns 16.3%. Of the securities covered by this prospectus, \$2,000,000 of the 5% subordinated debentures and \$3,352,000 of the promissory notes were issued in February 1966 to Southwest Amusement Corp. as partial consideration for the purchase by the company of outstanding joint venture interests in certain real estate developments. The remaining \$2,400,000 of the 5% subordinated debentures were issued to University City (a California corporation) as partial consideration for the purchase of unimproved acreage in Southern California. The 6 $\frac{1}{4}$ % debentures and purchase warrants were sold to certain individuals and corporations in November 1965. The prospectus lists 18 sellers of the debentures and warrants, including American National Insurance Co., offering \$1,500,000 of the debentures and warrants covering 187,500 shares; and Saul S. Sherman, \$1,000,000 of debentures and 125,000 warrants. J. D. Sterling is board chairman and Morton A. Sterling is president of the company.

**PRODUCTS RESEARCH & CHEMICAL FILES FOR SECONDARY.** Products Research & Chemical Corporation, 2919 Empire Ave., Burbank, Calif., filed a registration statement (File 2-24595) with the SEC on March 7 seeking registration of 130,000 outstanding shares of common stock, to be offered for public sale by the present holder thereof, Kathryn M. Schien (director). The offering is to be made through underwriters headed by Blalack & Wells, Inc., 2375 Huntington Dr., San Marino, Calif., and three other firms. The public offering price (\$18 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of sealing, coating, caulking and encapsulating materials and compounds. In addition to indebtedness, it has outstanding 688,657 common shares, of which management officials own 38.8% (including 13.33% owned by George Gregory, president). Kathryn Schien, the selling stockholder, owns 137,487 shares.

**ROSEMOUNT ENGINEERING SHARES IN REGISTRATION.** Rosemount Engineering Company, 4900 W. 78th St., Bloomington, Minn. 55424, filed a registration statement (File 2-24596) with the SEC on March 7 seeking registration of 41,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by White, Weld & Co., Inc., 20 Broad St., New York. The public offering price (\$35 per share maximum\*) and underwriting terms are to be supplied by amendment. The company is also registering 31,578 common shares, to be issued upon conversion of subordinated convertible debentures (due 1971) at a conversion price of \$19 per share, and an additional 1,600 common shares, to be issued upon conversion of subordinated convertible debentures (due 1975) at a conversion price of \$22.50 per share.

The company designs and manufactures instrumentation for the aerospace industry. In addition to indebtedness, it has outstanding 325,150 common shares, of which management officials own 51.99%. The prospectus lists four selling stockholders, including Robert E. Keppel, offering 15,000 of 36,436 shares held; and Frank D. Werner (president), 15,000 of 128,358.

**CINCINNATI INTERNATIONAL FINANCE SEEKS ORDER.** Cincinnati International Finance Corporation, Cincinnati, Ohio, subsidiary of Cincinnati Milling Machine Co., has applied to the SEC for an order under the Investment Company Act exempting it from all provisions of the Act; and the Commission has issued an order (Release IC-4536) giving interested persons until March 21 to request a hearing thereon. According to the application, the subsidiary was organized in order to raise funds abroad for use in financing the requirements of the parent company's foreign operations in a manner which will not adversely affect the United States' balance of payments position, in compliance with the voluntary cooperation program instituted by the President in February 1965. The subsidiary intends to issue and sell \$6,000,000 of its guaranteed sinking fund debentures (due 1976) to a group of underwriters, for offering abroad. The parent company purchased all of the subsidiary's outstanding common stock for \$872,222 and will also contribute to that company promissory notes of a foreign subsidiary in the aggregate amount of \$1,627,778. The proceeds of such financing transactions are to be invested in or loaned to foreign subsidiaries or affiliates of the parent company. The parent company is engaged in the manufacture and distribution of machine tools and related machinery and products, and in the manufacture and distribution of certain lines of chemical products.

**SECURITIES ACT REGISTRATIONS. Effective March 7:** Missouri Power & Light Co., 2-24488. Williams Brothers Co., 2-24457 (Apr 16).

**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.