

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Brief summary of financial proposals filed with and actions by the S.E.C.

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UNION LIGHT HEAT AND POWER PROPOSES BOND OFFERING. The Union Light, Heat and Power Company, Fourth and Main Sts., Cincinnati, filed a registration statement (File 2-21415) with the SEC on May 10th seeking registration of \$6,500,000 of first mortgage bonds due 1993, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be used to finance a portion of the company's construction program and for other corporate purposes. Construction expenditures are estimated at \$4.7 million in 1963 and \$4.2 million in 1964.

STAUFFER CHEMICAL FILES STOCK PLAN. Stauffer Chemical Company, 380 Madison Ave., New York, filed a registration statement (File 2-21416) with the SEC on May 10th seeking registration of 200,000 common shares, to be offered to executive employees under its 1963 incentive stock option plan.

SHULTON INC. FILES STOCK PLAN. Shulton, Inc., 697 Route 46, Clifton, N. J., filed a registration statement (File 2-21417) with the SEC on May 10th seeking registration of 6,000 shares of Class A and 6,000 shares of Class B common stock, to be offered pursuant to its Employees' Stock Option Purchase Plan.

INTERSTATE SECURITIES CO. FILES FOR RIGHTS OFFERING. Interstate Securities Company, 3430 Broadway, Kansas City, Mo., filed a registration statement (File 2-21418) with the SEC on May 13th seeking registration of 173,433 shares of common stock. It is proposed to offer this stock for subscription by common stockholders at the rate of one new share for each four shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. A. G. Becker & Co., Inc., 120 South LaSalle St., Chicago, is listed as the principal underwriter. The company is engaged primarily in sales financing, direct lending to consumers on both secured and unsecured notes, and commercial financing; and in writing credit life, credit accident and health, and automobile physical damage insurance. In addition to indebtedness and preferred stock, it has outstanding 693,735 shares of common stock. Net proceeds of the sale of additional stock will be added to working capital and will be initially applied to reduction of short term borrowing, or to purchase receivables, or may be advanced to or invested in subsidiaries for direct consumer loans, sales financing, or other purposes. The prospectus lists A. J. Blasco as board chairman and Paul Hamilton, Jr. as president. Management officials own some 18% of the outstanding common stock.

CONTINENTAL RESERVE PROPOSES OFFERING. Continental Reserve Corporation, 114 East 40th St., New York, filed a registration statement (File 2-21419) with the SEC on May 13th seeking registration of 45,000 shares of 50¢ par Class B common stock, to be offered for public sale at \$40 per share. No underwriting is involved. The company was organized under New York law in October 1962 and proposes to acquire, organize and manage life and accident and health insurance companies. It has no operating history and is in the promotional and development stage; and two subsidiary companies are now in the organizational stage (one in New Jersey and one in New York) which, when authorized, will conduct an insurance business in the respective states. Net proceeds of the public offering will be used for investment in the two proposed insurance company subsidiaries. The founders have purchased 500 shares of Class B stock at \$40 per share and have subscribed for an additional 2,000 shares. The prospectus lists Edwin G. Wilken as president. He and four other officials own (in equal amounts) the outstanding 500 Class B shares (plus warrants for 2,500 Class B common shares).

PUBLIC SERVICE (TEX.) TO BE LIQUIDATED. Public Service Corporation of Texas, Dallas subsidiary of High Plains Gas Company ("High Plains Gas"), has joined with the parent and another subsidiary, High Plains Natural Gas Company, in the filing of a proposal with the SEC under the Holding Company Act for the transfer of the properties of Public Service to the Natural Gas Company; and the Commission has issued an order (Release 35-14872) giving interested persons until May 27th to request a hearing thereon. High Plains Gas owns 63,325 of the 63,385 outstanding shares of Public Service, acquired for \$1,643,069, or \$25.95 per share. Of this amount, High Plains Gas paid \$399,625 in cash and \$849,202 by delivery of a note; and the balance of the purchase price will be paid in cash at the time of the proposed liquidation of Public Service.

Under the proposal, Public Service is to be liquidated; and High Plains Gas is to make the same per share payment to holders of the minority shares or deposit \$25.83 per share for retirement thereof. Upon liquidation of Public Service, its properties are to be transferred to the Natural Gas Company in exchange for 400,000 shares of its stock, to be transferred to High Plains Gas and pledged as security for its note indebtedness.

CONSOLIDATED NATURAL GAS FINANCING APPROVED. Consolidated Natural Gas Company, New York holding company, has received an SEC order under the Holding Company Act (Release 35-14873) authorizing bank borrowings of \$35,000,000. The order also authorizes Consolidated to purchase an equal amount of notes from four of its subsidiaries, as follows: East Ohio Gas Company, \$10,000,000; Hope Natural Gas Company, \$6,000,000; New York State Natural Gas Corp., \$18,000,000; and Peoples Natural Gas Company, \$1,000,000. The funds will be used by the subsidiaries to purchase inventory gas for storage.

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The order also authorizes Consolidated to purchase an additional \$6,000,000 notes of Hope, \$3,000,000 of New York State Natural Gas, and \$1,000,000 of Peoples, in exchange for an equal amount of construction notes of the respective subsidiaries issued in 1962. Additional notes of subsidiaries are to be acquired by Consolidated to provide funds for 1963 construction expenditures, as follows: Hope, \$18,500,000; New York State Natural Gas, \$3,500,000; and Peoples, \$2,500,000. Another subsidiary, Lake Shore Pipe Line Company, will issue \$1,000,000 of notes to Consolidated and use the proceeds to redeem \$1,048,000 of outstanding bonds.

ALLEGHENY POWER AND SUBSIDIARIES SEEK ORDER. Allegheny Power System, Inc., New York holding company, has applied to the SEC for an order under the Holding Company Act with respect to the filing of consolidated income tax returns; and the Commission has issued an order (Release 35-14874) giving interested persons until May 31st to request a hearing thereon. It is proposed that the companies utilize a method of tax allocation which will give to each of the companies the full investment credit each company contributes to the total investment credit allowed on the basis of a consolidated return.

SECURITIES ACT REGISTRATIONS. Effective May 13: Southern California Edison Co. (File 2-21346); Standard Oil Co. (New Jersey) (File 2-21313). Effective May 14: Ekco Products Co. (File 2-21348); Holiday Inns of America, Inc. (File 2-20964); Home Entertainment Co. of America, Inc. (File 2-21017). Withdrawn May 13: Hallandale Rock & Sand Co. (File 2-20144); White Photo Offset, Inc. (File 2-20581).

Correction Re Standard Oil. The SEC News Digest of May 9 reported that a registration statement filed by Standard Oil Company (File 2-21312) became effective on that date, whereas it became effective on May 8th.

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