

# 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 March 5, 1957

Metro, Inc. (Baltimore), filed a registration statement (File 2-13132) with the SEC on March 4, 1957 seeking registration of \$600,000 of 6% Convertible Subordinated Debentures, due March 31, 1967. The debentures are to be offered for public sale at 100% of principal amount, with a 7% commission to the underwriters (headed by Auchincloss, Parker & Redpath).

Metro is engaged in the business of financing of automobiles and durable consumer goods, in the small loan business, and in the credit life and health and accident insurance business. Net proceeds will be used to increase or maintain the working capital of the company, thereby increasing and sustaining the base of borrowing from banks and other lending institutions.

\* \* \* \*

John Morrell & Co., Chicago, filed a registration statement (File 2-13133) with the SEC on March 4, 1957, seeking registration of 22,584 shares of its \$10 par Capital Stock, issuable upon exercise of options granted to its key management personnel pursuant to the company's Restricted Stock Option Plan.

The registration statement also covers \$5,000,000 of Employee Savings Notes to be issued and sold at 100% of their principal amount under Morrell's Savings Plan for Employees of the company and its domestic subsidiaries.

Proceeds of the sale of stock will be added to the general corporate funds of the company and used to maintain larger bank balances, to reduce the necessity for bank borrowings, and for general corporate purposes. Proceeds of the sale of notes will be used for any corporate purposes incident to carrying on and expanding the company's business.

\* \* \* \*

Florida Trust, Pompano Beach, Florida, filed a registration statement (File 2-13134) with the SEC on March 4, 1957, seeking registration of 850 Certificates of Beneficial Interest in the Trust, to be offered for public sale at \$1,000 per certificate. The trust organization is to acquire by purchase, lease or otherwise, and to hold, own, subdivide, lease, mortgage, sell and convey lands and every character of real property; to farm, cultivate, develop, and in any manner improve the same, to lay out, plat, and subdivide lands into building lots, townsites, farm lots, parks, streets, etc., and to engage generally in the business of subdividing, farming, developing, improving, colonizing and selling lands. Larry R. Tunison is listed as Chairman of the board of trustees. The Trust proposes to use the funds received from the sale of the trust certificates to acquire by purchase, lease or

otherwise, and to hold, own, subdivide, lease, mortgage, exchange, bargain, sell and convey lands and every character of real property.

\* \* \* \*

Diversified Investment Fund Inc., Elizabeth, N. J. investment company, filed an amendment on March 4, 1957 to its registration statement (File 2-10730) seeking registration of an additional 500,000 shares of Capital Stock, \$1 par value.

Holding Company Act Release No. 13402

West Penn Power Company, Pittsburgh subsidiary of The West Penn Electric Company, has applied to the SEC for authorization to issue and sell to its stockholders, including West Penn Electric, additional common shares sufficient to produce proceeds of approximately \$12,000,000; and the Commission has issued an order giving interested persons until March 18, 1957, to request a hearing thereon.

West Penn Electric now owns 3,346,367 shares, or approximately 95%, of the outstanding common stock of West Penn Power; and it has agreed to purchase all of the additional shares not subscribed by the public stockholders. Based on present market conditions, it is estimated that the offering price of the additional West Penn Power stock will be not less than \$48 nor more than \$53 per share, and that the number of shares will be not more than 251,606 (1 for 14) nor less than 234,832 (1 for 15). The record date will be on or about March 19, 1957.

West Penn Power proposes to use the proceeds of the stock sale, together with treasury cash and the proceeds from a later (1957) issue of about \$20,000,000 of senior securities, in financing the 1957 and 1958 construction requirements of itself and its subsidiaries, estimated at \$61,000,000.

Holding Company Act Release No. 13403

Worcester County Electric Company, Worcester, Mass.) subsidiary of New England Electric System, has applied to the SEC for authorization to issue and sell an additional 87,696 shares of its \$25 par capital stock to its stockholders, at a subscription price of \$55 per share on the basis of one new share for each six shares held; and the Commission has issued an order giving interested persons until March 18, 1957, to request a hearing thereon. NEES, as owner of 522,533 shares (99.318%) of the outstanding stock, proposes to exercise its rights to subscribe for 87,088 shares; and it further proposes to purchase at the end of the subscription period all unsubscribed shares.

Worcester will apply the proceeds from the sale of the additional stock, amounting to \$4,822,730, to the discharge of a like amount of promissory notes payable to NEES.

Holding Company Act Release No. 13404

New Orleans Public Service Inc., New Orleans, La. subsidiary of Middle South Utilities, Inc., has applied to the SEC for authorization to issue and sell at

(Continued)

competitive bidding \$6,000,000 of First Mortgage Bonds due April 1, 1987; and the Commission has issued an order giving interested persons until March 18, 1957, to request a hearing thereon.

Net proceeds of the sale of the bonds will be applied by Public Service toward financing its construction program and, if circumstances warrant, toward partial payment, prior to maturity of its outstanding nine-month 4% bank notes due October 2, 1957.

Holding Company Act Release No. 13405

The SEC has issued an order authorizing the sale of additional stock by Central and South West Corporation (Chicago) and its acquisition of additional stock of three subsidiaries. More particularly, Central proposes to offer for public sale at competitive bidding an additional 600,000 shares of its \$5 par common stock. Net proceeds thereof will be applied to the prepayment of \$7,500,000 principal amount of 3½% bank loan notes due March 1, 1958, and to the purchase of \$2,500,000, \$4,000,000 and \$4,000,000, respectively, of additional common stock of Central Power and Light Company, Public Service Company of Oklahoma, and Southwestern Gas and Electric Company. The subsidiaries will use the proceeds of their sale of stock to finance in part the cost of their construction programs.

\* \* \* \*

The Stouffer Corporation, Cleveland, today filed a registration statement (File 2-13135) with the SEC seeking registration of 245,270 shares of its \$1.25 par Common Stock. Of this stock, 90,000 shares represent new stock to be issued and sold by the company and 155,270 shares are now outstanding and are to be offered for sale by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Glore, Forgan & Co. and Fulton Reid & Co., Inc. are listed as principal underwriters.

Stouffer operates 18 restaurants in six major cities in the United States. Net proceeds of its sale of the 90,000 shares will be used in part to pay off notes aggregating \$500,000. The proceeds of the notes were used to reimburse the company's treasury, in part, for the cost of expanding and improving existing restaurants. The balance of the net proceeds of this offering, together with a portion of the proceeds of the sale and lease back of certain properties, will be applied to the cost of equipping and decorating three new restaurants. The company has signed leases for new restaurants to be opened in the Fall of 1957 and Spring of 1958 at 666 Fifth Avenue, New York, Garden City, Long Island, New York, and Eastland Shopping Center, Detroit.

The selling stockholders are Vernon Stouffer, President (16,410 shares); Gertrude D. Stouffer, Lakewood, O. (68,860 shares); and the Estate of Gordon Stouffer, Cleveland (70,000 shares). After the sale of these shares, they will continue to hold 199,802, 55,942 and 85,930 shares, respectively. The company now has outstanding 881,478 shares.

\* \* \* \*

(Continued)

Western Massachusetts Electric Company, Greenfield, Mass., today filed a registration statement (File 2-13136) with the SEC seeking registration of \$12,000,000 of First Mortgage Bonds, Series C, due April 1, 1987, to be offered for public sale at competitive bidding. Net proceeds will be applied principally to the payment of temporary bank loans in the total amount of \$12,000,000. This bank debt was incurred in connection with the company's construction program. The construction program for the year 1957 is expected to cost \$12,142,000.

\* \* \* \*

American Telephone and Telegraph Company, New York, today filed a registration statement (File 2-13137) with the SEC seeking registration of \$250,000,000 of Twenty-eight Year Debentures, due April 1, 1985, to be offered for public sale at competitive bidding. The company intends to use the proceeds from the sale of the debentures for advances to subsidiary and associated companies; for the purchase of stock offered for subscription by such companies; for extensions, additions and improvements to its own telephone plant; and for general corporate purposes.

\* \* \* \*

-----0000000-----