

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

May 3, 1957

Holding Company Act Release No. 13460

Consolidated Natural Gas Company, New York holding company, has joined with its subsidiaries in the filing of an application with the Securities and Exchange Commission proposing the sale of \$50,000,000 of debentures by Consolidated at competitive bidding, and other related transactions; and the Commission has issued an order giving interested persons until May 16, 1957, to request a hearing thereon.

According to the application, Consolidated proposes to provide funds to meet the construction and other financial requirements of its subsidiaries for 1957 by means of two debenture issues and through bank loans. To meet the construction requirements, it proposes to sell two \$25 million issues of twenty-five year sinking fund debentures at competitive bidding, one in June and the second being tentatively scheduled for October. Pending such sale, Consolidated proposes to make open account advances of \$50,800,000 to the subsidiaries for financing plant construction and other purposes, as follows: \$23,000,000 to The East Ohio Gas Company, \$15,000,000 to Hope Natural Gas Company, \$6,000,000 to New York State Natural Gas Corporation, \$6,500,000 to The Peoples Natural Gas Company, and \$300,000 to The River Gas Company. Following the sale of the debentures by Consolidated, the subsidiaries will issue long-term serial notes to Consolidated in replacement of the open account advances.

Consolidated also proposes to make bank borrowings of \$30,000,000 during the remainder of 1957 to provide funds to finance seasonal storage gas purchases by its subsidiaries; and these funds will be loaned against notes of the subsidiaries, as follows: East Ohio, \$5,000,000; Hope, \$6,000,000; New York State, \$18,000,000; and Peoples, \$1,000,000. Consolidated also has arranged for a one-year extension of its outstanding one-year \$30,000,000 bank loan maturing July 1, 1957.

Holding Company Act Release No. 13461

Central Vermont Public Service Corporation (Rutland) has received Securities and Exchange Commission authorization to acquire 1,730 shares of the common stock of Vermont Electric Power Company at \$100 per share. Vermont Electric is a newly organized company. It proposes to construct, own and operate transmission facilities for the delivery of power to be produced by the St. Lawrence River Project. The State of Vermont, acting through the Public Service Commission of Vermont, has contracted with the Power Authority of the State of New York for the purchase of up to 100,000 KW of firm power to be produced by the St. Lawrence River Project and to be delivered at three points on the New York-Vermont State line.

Vermont Electric was organized by Central Vermont, Green Mountain Power Corporation, and Citizens Utilities Company. It will enter into contract with the State of Vermont, acting through the Public Service Commission of Vermont, to transmit

within Vermont the St. Lawrence power from the New York-Vermont State line to point of delivery to various electric distribution companies and agencies within Vermont, in accordance with allocations thereof by the Public Service Commission of Vermont.

Initially, Vermont Electric proposes to issue and sell 2,000 shares of its \$100 par common stock to provide funds to enable it to complete engineering studies initiated by Central Vermont and the other participating companies, to negotiate the transmission contract with the State of Vermont, to conduct negotiations with respect to the financing of Vermont Electric and the sale of debt securities thereof, and the acquisition of materials and supplies necessary for the construction of the new transmission facilities. In addition to the purchase of 1,730 of its shares by Central Vermont, 180 shares are to be acquired by Green Mountain and 90 shares by Citizens. Additional purchases of Vermont Electric will be acquired in the same proportions, subject to provisions permitting other electric distributing companies to participate in the ownership of Vermont Electric; but any such purchases will be the subject of a further application to and approval by the Commission.

Investment Company Act Release No. 2520

Atomic Development Mutual Fund, Inc., Washington, D. C., investment company, has applied to the Securities and Exchange Commission for authorization to acquire \$25,000 of securities of Nuclear Development Corporation of America; and the Commission has issued an order giving interested persons until May 17, 1957, to request a hearing thereon.

Nuclear Development acts as technical adviser for Atomic Development. It has operated primarily as a research and development organization in the nuclear engineering field. It is now entering into development and fabrication of nuclear reactors, having been awarded a contract by the Atomic Energy Commission for the design and construction of a 10,000 KW sodium-deuterium nuclear reactor. It proposes the sale of stock and debentures to finance expansion required in connection with this contract.

The financing consists of the sale through financial agents to a small group of investors of 40,000 common shares and \$500,000 of 5% Subordinated Convertible Debentures, due March 31, 1967. The stock was sold at \$12.50 per share and the debentures at 100% of their principal amount. Atomic Development has agreed, subject to Commission authorization, to purchase 1,000 common shares and \$12,500 of debentures.

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First National Mutual Fund, Inc., San Francisco investment company, filed an amendment on May 2, 1957, to its registration statement (File 2-12618) seeking registration of an additional 100,000 shares of its common stock.

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Securities Exchange Act Release No. 5513

The Securities and Exchange Commission today announced the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934 suspending trading on the American Stock Exchange in the \$1 par Capital Stock of Bellanca Corporation, New Castle, Delaware, for a further ten-day period, May 5 to 14, 1957, inclusive.

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The action was taken on the basis of Bellanca's failure to comply with the reporting requirements of Section 13 of the Act and the disclosure requirements of the Commission's proxy rules under Section 14, as well as its failure to file an annual report for the year ended December 31, 1956, due on or before April 30, 1957.

Upon the basis of a finding by the Commission that such suspension is necessary to prevent fraudulent, deceptive, or manipulative acts or practices in connection with trading in Bellanca stock, trading by brokers and dealers in such stock in the over-the-counter markets also is prohibited during the period of the suspension.

The Commission previously scheduled a hearing for May 8, 1957, pursuant to Section 19(a)(2) of the Act, on the question whether Bellanca stock should be suspended for a period not exceeding 12 months, or withdrawn from listing and registration on the Exchange.

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General Telephone Company of California, Santa Monica, Calif., today filed a registration statement (File 2-13316) with the Securities and Exchange Commission seeking registration of \$20,000,000 of First Mortgage Bonds, Series K, due June 1, 1987, to be offered for public sale at competitive bidding. Net proceeds will become a part of the treasury funds of the company and will be used by it for property additions and improvements and/or to discharge in whole or in part any short term bank loans (used for said purposes and estimated at \$16,000,000) owing by the company. According to the prospectus, the company has made application to the Public Utilities Commission of the State of California for authority for the issuance and sale of an additional \$10,000,000 par value (500,000 shares) of the company's 5% Cumulative Preferred Stock, to be issued shortly after the sale of the new bonds if market and other conditions are favorable. The company estimates that gross property additions for the nine months ending December 31, 1957, and for the year 1958 will amount to \$53,200,000 and \$83,500,000, respectively.

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Comico Corporation, Memphis, Tenn., filed a registration statement (File 2-13315) with the Securities and Exchange Commission on May 2, 1957, seeking registration of 750,000 shares of its Common Stock, to be offered for public sale at \$2 per share. The offering is to be made on a "best efforts" basis by Southeastern Securities Corporation, of New York, for which it will receive a selling commission of 15% plus expenses of not to exceed \$100,000.

Comico was organized under Delaware law in February, 1957. It has received an assignment from its promoters of a mining lease on properties located near Glenwood, Arkansas. Its charter authorizes the company to engage in all phases of the mining, chemical and oil business, but its primary purpose is to exploit by mining, milling and marketing products developed from the said properties. Of the proceeds of the financing, \$75,000 will be used to conduct an intensive marketing survey and chemical research into the uses of silica flour; upon completion of such research, a mill will be constructed at a cost of some four to six hundred thousand dollars; and the balance of the proceeds will be used for payments of minimum royalties pursuant to the mining lease and royalty agreement.

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The company now has outstanding 770,000 shares of common stock. Of this stock, 165,000 shares each (21.43%) are held by H. E. Phillips, of Osceola, Arkansas, president and director; C. V. Goodwin, of Marion, Arkansas, vice-president and director; C. W. Beale, Sr., of Memphis, Tenn., director and second vice-president; and Gus R. Camp, of Piggott, Arkansas, a director.

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