

NEWS DIGEST

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



Washington 25, D.C.

FOR RELEASE October 8, 1957**TEMPLETON & LIDDELL FUND FILES FOR ADDITIONAL SHARES**

Templeton & Liddell Fund, Inc., Englewood, N. J. investment company, filed a registration statement (File 2-13657) with the SEC on October 7, 1957, seeking registration of 8,000 additional shares of its capital stock.

MISSOURI UTILITIES FILES FOR COMMON STOCK OFFERING

Missouri Utilities Company, Cape Girardeau, Mo., filed a registration statement (File 2-13658) with the SEC on October 7, 1957, seeking registration of 25,135 shares of its \$1 par Common Stock. The company proposes to offer these shares for subscription by its common stockholders at the rate of one new share for each 12 shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. Edward D. Jones & Co. of St. Louis is named underwriter.

Net proceeds to the company from the sale of the stock, together with the proceeds of the sale to an institutional investor of \$800,000 of First Mortgage Bonds Series G - 5-3/4%, due June 1, 1979, will be used (1) to retire \$450,000 of short-term bank notes and (2) for property additions and improvements. Expenditures for new construction during 1957 are estimated at \$1,415,057. Also, in 1958 the construction budget is estimated at \$1,300,000.

MONTAUP ELECTRIC PROPOSES SALE OF STOCK AND BONDS

Montaup Electric Company, Fall River, Mass., has filed a proposal with the SEC for the issuance and sale of \$800,000 of additional common stock and \$5,700,000 of 5% Debenture Bonds due 1987; and the Commission has issued an order giving interested persons until October 21, 1957, to request a hearing thereon.

Montaup is owned by Brockton Edison Company, Fall River Electric Light Company, and Blackstone Valley Gas and Electric Company, subsidiaries of Eastern Utilities Associates. It proposes to sell all of the common stock and \$4,200,000 of the debenture bonds to Brockton and \$1,500,000 of the debenture bonds to Fall River. Proceeds thereof will be used to reduce or repay short-term bank indebtedness incurred in the initial steps of Montaup's construction program estimated to cost in excess of \$19,000,000 principally to provide additional capacity in its steam electric generating plant. (See Holding Company Act Release No. 13557.)

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Commonwealth Income Fund, Inc., San Francisco investment company, filed an amendment on October 7, 1957 to its registration statement (File 2-13527) seeking

registration of an additional 750,000 shares of Common Capital Stock, \$1 par value.

McCULLOUGH MOTOR AND TRULY NOLEN PRODUCTS GRANTED HEARINGS

The Securities and Exchange Commission today announced that, at the request of the following companies, hearings have been ordered, at the time and place indicated, for the purpose of determining whether to vacate or make permanent previous orders of the Commission temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of securities by the respective companies:

| | <u>Time and Place</u> |
|---|-------------------------------------|
| McCullough Motor Corporation Philadelphia, Pa. | 10/21/57 SEC Washington Office |
| Truly Nolen Products, Inc. Miami, Fla. | 10/17/57 U.S. Post Office, Miami |

McCullough Motor filed its Regulation A notification with the Commission on October 19, 1955, proposing the public offering of 7,500 Class A and 7,500 Class B shares of common stock, in units of 1 Class A and 1 Class B share and at \$6 per unit. In an order issued August 29, 1957 (Securities Act Release No. 3835) temporarily suspending the Regulation A exemption for this offering, the Commission asserted that the company's notification and offering circular failed to disclose certain material facts.

In its Regulation A notification, filed July 19, 1957, Truly Nolen Products proposed the public offering of 100,000 common shares at \$2 per share. The Commission, in an order dated September 20, 1957, temporarily suspending the Regulation A exemption with respect to such offering, alleged that a Regulation A exemption is not available for the offering, that the terms and conditions of the Regulation have not been complied with, and that the company's offering circular is misleading. (See Securities Act Release No. 3841.)

DAYTON POWER AND LIGHT FILES FOR BOND ISSUE

The Dayton Power and Light Company, Dayton, O., today filed a registration statement (File 2-13659) with the SEC seeking registration of \$25,000,000 of First Mortgage Bonds, Series due 1987, to be offered for public sale at competitive bidding. Net proceeds will be added to the general funds of the company and will be used to repay outstanding bank loans (the proceeds of which were used for construction purposes) and to defray part of the cost of the current construction program. On the basis of present estimates, the construction program for 1957-1958 will aggregate \$67,736,000. Bank loans aggregated \$12,585,000 as of August 31, 1957.

HARTFORD ELECTRIC PROPOSES DEBENTURE OFFERING

The Hartford Electric Light Company, Hartford, Conn., today filed a registration statement (File 2-13660) with the SEC seeking registration of \$2,400,000 of

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3% Secured Debentures 1958 Series A, due August 1, 1967.

According to the prospectus, Hartford Electric and The Connecticut Power Company have entered into an Agreement of Merger. Pursuant thereto, Connecticut Power is to be merged with and into Hartford Electric. Under the merger agreement, the shares of 3.90% Preferred Stock and Common Stock of Hartford Electric will remain outstanding and unchanged in the hands of the holders thereof. Holders of 4.50% preferred stock of Connecticut Power will receive one share of 4.50% preferred stock of the merged company and holders of Connecticut Power common stock (other than Hartford Electric whose Connecticut Power shares will be cancelled) will receive three-fourths of a share of common stock of the merged company for each Connecticut Power share.

Hartford Electric has negotiated with the 19 institutional investors which presently hold all of the outstanding Connecticut Power bonds of series E, F and G, for the exchange of their bonds for a like principal amount of Hartford Electric debentures. The \$2,400,000 of Hartford Electric debentures are to be offered in exchange for a like principal amount of First and General Mortgage 3 per cent bonds due May 1, 1982, Series D, of Connecticut Power.

TIME FINANCE FILES FOR DEBENTURE OFFERING

Time Finance Corporation, Norwood, Mass., today filed a registration statement (File 2-13661) with the SEC seeking registration of \$750,000 of Convertible Subordinated Debentures, Series A, due October 1, 1969. The company proposes to offer these debentures for public sale, at 100% of principal amount, through an underwriting group headed by Coffin & Burr, Inc. The interest rate and underwriting terms are to be supplied by amendment. Net proceeds of the financing are to be added to the company's general funds. It is the company's present intention to use funds substantially equivalent to such net proceeds to reduce temporarily outstanding bank loans. Other or additional loans may be obtained and commercial paper issued in the future as circumstances require in the expansion of its business through existing offices of its subsidiaries or to establish new offices, according to the prospectus.

SEC CAUTIONS AGAINST PUBLICITY WHICH MAY INVOLVE UNLAWFUL OFFERINGS

The SEC today issued a statement discussing the circumstances under which the publication of information by or with respect to a company which has in contemplation a public offering of securities, may contravene the registration and prospectus requirements of the Securities Act of 1933. (See Securities Act Release No. 3844.)

In its statement, the Commission gives specific illustrations of situations in which the publication of information concerning the issuer may be construed as an offer which violates the statutory prohibition against offerings of securities prior to the filing of a registration statement with the Commission, as well as examples of situations in which the publication of information after the filing of the statement but before its effective date may violate the prospectus requirements of the Act.

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The Commission's statement contains an analysis of the provisions of the Securities Act governing the offering and sale of securities. "It follows from the express language and the legislative history of the Securities Act," the Commission stated, "that an issuer, underwriter or dealer may not legally begin a public offering or initiate a public sales campaign prior to the filing of a registration statement. It apparently is not generally understood, however, that the publication of information and statements, and publicity efforts, generally, made in advance of a proposed financing, although not couched in terms of an express offer, may in fact contribute to conditioning the public mind or arousing public interest in the issuer or in the securities of an issuer in a manner which raises a serious question whether the publicity is not in fact part of the selling effort.

"Nor is it generally understood that the release of publicity and the publication of information between the filing date and the effective date of a registration statement may similarly raise a question whether the publicity is not in fact a selling effort by an illegal means; i.e., other than by means of the statutory prospectus. Similar problems will arise from publicity and the release of information after the effective date, but before a distribution is completed.

"Apart from the impropriety of such publicity under the Securities Act, a collateral problem is presented by reason of the fact that the dissemination of information, other than that contained in a prospectus, prior to or during a distribution may tend to affect the market price of the issuer's securities artificially.

"Instances have come to the attention of the Commission in which information of a misleading character, gross exaggeration and outright falsehood have been published by various means for the purpose of conveying to the public a message designed to stimulate an appetite for securities--a message which could not properly have been included in a statutory prospectus in conformity with the standards of integrity demanded by the statute.

"Many of the cases have reflected a deliberate disregard of the provisions and purpose of the law. Others have reflected an unawareness of the problems involved or a failure to exercise a proper control over research and public relations activities in relation to the distribution of an issue of securities."

SAN DIEGO GAS PROPOSES BOND AND PREFERRED STOCK OFFERING

San Diego Gas & Electric Company, San Diego, Cal., today filed registration statements (File 2-13662 and 2-13663) with the SEC seeking registration of \$12,000,000 of First Mortgage Bonds, Series G due 1987, and 375,000 shares of Cumulative Preferred Stock, \$20 par. The company proposes to offer the bonds for public sale at competitive bidding. The preferred stock is to be offered for public sale through an underwriting group headed by Blyth & Co., Inc.; and the dividend rate, public offering price and underwriting terms thereon are to be supplied by amendment.

Net proceeds of this financing, estimated at \$19,300,000 are to be used for the following purposes: (a) to retire \$12,375,000 of bank-loan notes, the proceeds of which were used to finance in part the company's construction program; and (b) to reimburse the company for certain expenditures for the acquisition of property or for the construction, completion, extension or improvement of its facilities. Such amounts so reimbursed will become a part of the treasury funds of the company; and the company intends to use an amount at least equal thereto to finance in part its construction program. Construction expenditures for 1957 are estimated at \$23,877,000; and tentative estimates indicate that 1958 construction expenditures will approximate \$25,700,000.