

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 December 20, 1957

MINNEAPOLIS-HONEYWELL FILES STOCK PURCHASE PLAN

Minneapolis-Honeywell Regulator Company, Minneapolis, Minn., filed a registration statement (File 2-13807) with the SEC on December 19, 1957, seeking registration of 20,000 shares of its \$1.50 par Common Stock, to be issued pursuant to The Honeywell Stock Purchase Plan for employees.

APPALACHIAN ELECTRIC POWER PROPOSES BANK BORROWINGS

Appalachian Electric Power Company, Roanoke, Va. has applied to the SEC for authorization to make \$14,000,000 bank borrowings during the period ending December 31, 1958, over and above \$18,000,000 of borrowings which have been or are to be made pursuant to an exemption provided by the Holding Company Act; and the Commission has issued an order (Holding Company Act Release No. 13633) giving interested persons until January 2, 1958, to request a hearing thereon. Appalachian has already made borrowings of \$15,000,000 and will make an additional \$3,000,000 of exempt borrowings. The funds, together with the additional \$14,000,000 of borrowings, have been or will be used by the company to pay a part of the cost of its construction program, estimated in the amount of \$50,000,000 for 1958.

ALABAMA POWER FILES BOND FINANCING PROPOSAL

Alabama Power Company, Birmingham, has applied to the SEC for authorization to issue and sell at competitive bidding \$23,000,000 of First Mortgage Bonds, Series due 1988; and the Commission has issued an order giving interested persons until January 3, 1958, to request a hearing thereon. An additional \$2,075,000 of bonds, 4-5/8% Series due 1987, are to be issued for sinking fund purposes.

Net proceeds of the sale of the \$23,000,000 of bonds will be used by the company for property additions and improvements. The company estimates that its construction expenditures will amount to \$63,903,000 in 1958. To finance this program, it contemplates the sale of an additional \$8,000,000 stock in 1958 to its parent, The Southern Company

For further details, call ST. 3-7600, ext. 5526

ALABAMA POWER REGISTRATION STATEMENT FILED

Alabama Power Company, Birmingham, Ala., today filed a registration statement (File 2-13811) with the SEC seeking registration of its \$23,000,000 of First Mortgage Bonds, Series due 1988, to be offered for public sale at competitive bidding. As indicated above, Alabama Power proposes to use the net proceeds of this financing, together with \$9,000,000 of additional stock to be sold to its parent in 1958, for construction purposes. The prospectus indicates that the company contemplates expenditures of approximately \$171,000,000 during 1958, 1959 and 1960 for the construction or acquisition of property, exclusive of investments in capital stock of Southern Electric Generating Company.

NEW ENGLAND POWER BANK BORROWINGS CLEARED

The SEC has issued an order (Holding Company Act Release No. 13635) authorizing New England Power Company, Boston, Mass., to make additional bank borrowings during December 1957 which, when added to amounts issued or to be issued under an earlier Commission order, will not exceed \$12,500,000 of borrowings at any one time. Under an order of the Commission dated July 25, 1957, New England Power was authorized to make borrowings up to a maximum of \$9,500,000, of which \$6,000,000 of borrowings have been made. Proceeds of the borrowings will be used to pay for property additions and improvements or to reimburse the treasury therefor.

PENNSYLVANIA BANKSHARES LIQUIDATION APPROVED

The SEC has issued an order (Investment Company Act Release No. 2645) providing an exemption from the Investment Company Act with respect to certain transactions incident to the liquidation and dissolution of Pennsylvania Bankshares & Securities Corporation, of Pittsburgh, Pa. Of the 104,022 outstanding common shares of Bankshares, J. H. Hillman & Sons Company owns 99,217 shares, or 95.4%. The remaining 4,805 shares are said to be owned by 39 other stockholders, ranging in amounts from 1 to 500 shares. Under the liquidation plan, each minority stockholder may elect to receive his distributive share either in cash or in cash and portfolio securities to the extent that portfolio securities can be delivered without the necessity of delivering fractional shares. Hillman & Sons proposes to receive its distributive share in portfolio securities to the extent that such securities are available after elections have been made by minority stockholders.

BRUNSWICK-BALKE-COLLENDER FILES FOR EXCHANGE OFFER

The Brunswick-Balke-Collender Company ("BBC") of Chicago, Ill., today filed a registration statement (File 2-13808) with the SEC seeking registration of 163,500 shares of its no par Common Stock. The company proposes to offer these shares in exchange for the issued and outstanding shares of common stock of MacGregor Sport Products Inc., at the rate of

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one share of BBC stock for one share of MacGregor stock. The offer is conditional upon its acceptance by the holders of at least 90% (147,150 shares) of the outstanding MacGregor common (which condition may be waived by BBC if the offer is accepted by at least 80% of the outstanding MacGregor stock).

According to the prospectus, the purpose of the exchange offer by BBC is to acquire a controlling interest in MacGregor and thus to continue BBC's program of diversification and to expand into the outdoor recreation field. If the exchange becomes effective, it is contemplated that MacGregor will continue in the operation of its business under its present management and will operate as a subsidiary of BBC. The latter does not now own any shares of MacGregor. The prospectus further indicates that the board of directors of MacGregor has adopted a resolution recommending to its shareholders the acceptance of the exchange offer.

ROYAL DUTCH PETROLEUM FILES FOR SHARE OFFERING

N. V. Koninklijke Nederlandsche Petroleum Maatschappij (Royal Dutch Petroleum Company), The Hague, The Netherlands, today filed a registration statement (File 2-13809) with the SEC seeking registration of 7,602,285 shares, to be offered for subscription by holders of outstanding shares at the rate of one additional share for each eight shares outstanding on January 17, 1958. Morgan Stanley & Company heads the list of American underwriters. The subscription price and underwriting terms are to be supplied by amendment.

Royal Dutch is a holding company which, in conjunction with the "Shell Transport and Trading Company, Limited (an English company), also a holding company, directly or indirectly owns securities of and controls the Royal Dutch-Shell Group of companies. Originally Royal Dutch and Shell Transport were separate operating companies, but in 1907, after an association for some years in the marketing field, they amalgamated their interests in the oil industry. The Royal Dutch-Shell Group of companies are said to constitute an integrated group, the members of which are severally engaged throughout the greater part of the world in one or more phases of the oil industry, including the exploration for crude oil and the production, purchase, transportation, refining and marketing of crude oil and oil products and in the manufacturing and marketing of chemicals.

Under arrangements between the two companies, Royal Dutch and Shell Transport share in the aggregate net assets and in the aggregate dividends and interest received from the Group companies in the proportion of 60:40, respectively; any capital to be provided by the two companies is furnished in the same proportion; and the burden of all taxes corresponding to an income tax leviable in respect of such dividends and interests falls in the same proportion.

Net proceeds of this financing will be made available to Group and associated companies for general purposes primarily for their capital and exploration expenditure programs. According to the prospectus, the group companies expended approximately \$4,987,000,000 in the acquisition and replacement of property, plant and equipment and in the search of additional crude oil reserves during the five years and nine months ended

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September 30, 1957. Of these expenditures, approximately 35% was in the United States, 27% in the rest of the Western Hemisphere and 38% in Europe and the rest of the Eastern Hemisphere. Total capital and exploration expenditures for 1957 are estimated to have amounted to approximately \$1,120,000,000; and it is estimated that in expenditures in 1958 will be of the same general order of magnitude, the prospectus states.

"SHELL" TRANSPORT FILES FOR SHARE OFFERING

The "Shell" Transport and Trading Company, Limited, London, today filed a registration statement (File 2-13810) with the SEC covering a maximum of \$12,600,000 of New York Shares (representing a like amount of Ordinary Shares of the company). The company proposes to offer additional shares of its stock to the holders of its Ordinary Stock and Shares, including stock represented by New York Shares. The \$12,600,000 being registered with the Commission represents 10% of the total offering, which 10% is to be offered for subscription by American residents. There are no American underwriters. The rate of subscription, subscription price and underwriting terms are to be supplied by amendment.

As in the case of Royal Dutch Petroleum (see above), net proceeds to be received by Shell from the issue of the new Ordinary Shares will be used to finance Shell's proportion of the amounts to be made available to Group and associated companies for general purposes primarily for their capital and exploration programs, as indicated above.

TRADING IN BELLANCA STOCK SUSPENDED

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, December 21, 1957 to December 30, 1957, inclusive.

The action was based upon 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.

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 ordered a hearing pursuant to Section 19(a)(2) of the Act on the question whether the Bellanca stock should be suspended for a period not exceeding 12 months, or withdrawn, from listing and registration on the Exchange. These proceedings are in progress.

TWO REGULATION A STOCKS SUSPENDED

The Securities and Exchange Commission has adopted orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of securities by the following:

Albuquerque Exploration, Inc., Albuquerque, N.M.

In its Regulation A notification, filed October 8, 1954, this company proposed the public offering of 138,600 preferred shares at \$2 per share

Universal Metals Corporation of Nevada, Reno, Nevada.

Universal's Regulation A notification, filed May 4, 1956 proposed the public offering of 280,000 common shares at \$1 per share.

Regulation A provides a conditional exemption from registration under the Securities Act with respect to public offerings of securities not exceeding \$300,000 in amount. The Commission's suspension orders assert that the respective companies failed to comply with certain provisions of the Regulation; that the Albuquerque Exploration offering circular omitted certain required disclosures; and that the principal underwriter for the offering of Universal stock has been enjoined. The orders provide an opportunity for hearing, upon request, on the question whether the suspensions should be vacated or made permanent.

More particularly, the Commission charges with respect to Albuquerque Exploration that that company failed to file the required semi-annual reports of stock sales and that its offering circular omits to state material facts in showing Richard C. Losh as secretary-treasurer when in fact he had resigned and in failing to make appropriate disclosure concerning a successor. The order with respect to Universal asserts that that company failed to file copies of its definitive offering circular, as required, and that the principal underwriter for its stock offering was enjoined on February 13, 1957, by the U.S. District Court for the Southern District of New York from further violations of Section 17(a) of the Securities Exchange Act of 1934 and Rule X-17A-3 thereunder,

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