

# 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.

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## NEW ORLEANS PUBLIC SERVICE PROPOSES RIGHTS OFFERING

New Orleans Public Service, Inc., New Orleans, La., has applied to the SEC for authorization to issue and sell an additional 157,851 shares of its common stock to its stockholders; and the Commission has issued an order (Holding Company Act Release No. 13582) giving interested persons until November 20, 1957, to request a hearing thereon.

The additional shares are to be offered for subscription at \$25 per share, and on the basis of one new share for each eight shares held on the record date (to be supplied by amendment). Middle South Utilities, Inc., as holder of 1,215,089 shares (96.22%) of the outstanding common stock, proposes to acquire its pro rata share of the additional stock. Net proceeds will be used by Public Service to pay the cost of its 1957-1958 construction program.

## SEC AMENDS ITS RULE U-70 RE BANK CONNECTIONS OF UTILITY DIRECTORATES

The SEC today announced the adoption of an amendment to its Rule U-70 under the Holding Company Act (Release No. 13585) governing connections with financial institutions of officers and directors of registered holding companies and their subsidiaries.

Rule U-70 heretofore provided that no registered holding company or subsidiary thereof shall have as many as one-half of its directors, persons with a connection with any bank, trust company, investment banker, or banking association or firm. Requests for modification of the rule were received from a number of holding companies and their subsidiaries, who urged that the rule be liberalized so as to permit, among other things, companies subject to the rule to have a greater percentage of persons with financial connections than the rule permitted. These companies are desirous of appointing as directors additional persons within their respective service areas; but such persons as have the most desirable qualifications are said to have connections with commercial banks and are, therefore, ineligible under the rule.

Prior to today's amendment, the rule permitted a person whose only financial connection is with one or more commercial banking institutions each having a combined capital and surplus not in excess of \$2,500,000 to be a director of a registered holding company or subsidiary thereof. The amended rule exempts from the less than "one-half" limitation a person whose only financial connection is that of a director, but not as an officer or employee, of one or more commercial banks each having combined capital and surplus not in excess of \$2,500,000 and who proposes to act as a director, but not as an officer or employee, of a registered holding company or subsidiary which is a public utility company. However, in no event shall the number of directors with financial connections proscribed in the Act exceed two-thirds of the total.

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

(OVER)

## OHIO EDISON PROPOSES BOND ISSUE

Ohio Edison Company, Akron, has applied to the SEC for authorization to issue and sell \$2,743,000 of First Mortgage Bonds, 3½% Series due 1985, for sinking fund purposes; and the Commission has issued an order (Holding Company Act Release No. 13581) giving interested persons until November 19, 1957, to request a hearing thereon.

## AMERICAN HARDWARE FILES FOR COMMON OFFERING

The American Hardware Corporation, New Britain, Conn., today filed a registration statement (File 2-13733) with the SEC seeking registration of 125,000 shares of its \$12.50 par Common Stock. The company proposes to offer these shares in exchange for not to exceed 250,000 shares of the common stock of Savage Arms Corporation, on the basis of ½ share of American common, plus cash (in an amount to be supplied by amendment) for each share of Savage Arms common. American will pay 30¢ per share to NASD members who obtain the deposit of Savage Arms stock in acceptance of the offer. The offer is conditioned upon its acceptance by the holders of not less than 100,000 shares of the Savage Arms common not later than December 17, 1957. American may, entirely at its option, elect to accept up to 250,000 shares of Savage Arms common. In the event the stockholders of Savage Arms fail to reject the proposal of its management, to be considered at a special stockholders meeting called for November 15, 1957, to issue additional shares of Savage Arms common stock in exchange for the capital stock of Aircraft Armaments, Inc., on or before December 16, 1957, American may, at its option, withdraw this offer.

American is said to be making the exchange offer to acquire a sufficient percentage of Savage Arms stock to give American control of Savage Arms for the ultimate purpose of effecting a merger, consolidation or other corporate affiliation between the two companies. If American accepts 250,000 shares of Savage Arms stock under the offer, these shares, together with 62,500 shares now owned by American, will give the latter ownership of 40.8% of Savage Arms stock outstanding as of June 30, 1957. This, together with the 37,500 shares of Savage Arms owned by B. S. F. Company, would represent 45.7% of Savage Arms stock under affiliated control of American and B. S. F. Company. Both American and B. S. F. Company propose to vote their 100,000 shares of Savage Arms stock against the latter's proposal to issue 110,000 additional shares in exchange for the capital stock of Aircraft Armaments, Inc.

## WISCONSIN PUBLIC SERVICE PROPOSES BOND OFFERING

Wisconsin Public Service Corporation, Milwaukee, today filed a registration statement (File 2-13734) with the SEC seeking registration of \$7,000,000 of First Mortgage Bonds, Series due December 1, 1987, to be offered for public sale at competitive bidding. Net proceeds thereof will be used to pay outstanding short-term bank loans incurred for construction purposes and for construction during the remainder of 1957. Bank loans amounted to \$6,600,000 at September 30, 1957. Upon completion of the sale of 253,494 common shares in the first half of October 1957, these loans were reduced to \$2,300,000. Construction expenditures for 1957 and 1958 are estimated at \$12,000,000 and \$19,500,000.

## SUBURBAN ELECTRIC PROPOSES BOND OFFERING

Suburban Electric Company, Malden, Mass., today filed a registration statement (File 2-13735) with the SEC seeking registration of \$4,500,000 of First Mortgage Bonds, Series B, due 1987, to be offered for public sale at competitive bidding. Net proceeds will be used to retire short-term indebtedness, and the balance applied to the reimbursement of the company's treasury for the cost of, or to the payment of indebtedness incurred for, property additions to August 31, 1957. At November 1, 1957, the company has outstanding \$4,500,000 of short-term indebtedness. The amount thereof to be retired under this financing is to be supplied by amendment. Gross property additions during the first eight months of 1957 amounted to \$9,211,000.