

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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FOR RELEASE September 30, 1960

FENNEKOHL & CO, INC, HEARING SET. The SEC has scheduled a hearing for October 24, 1960, in its New York Regional Office in the proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registrations of B. Fennekohl & Co. and Fennekohl and Company, Incorporated, of 205 E. 85th St., New York, and/or whether to suspend or expel the latter company from membership in the National Association of Securities Dealers, Inc.

In its order of August 1, 1960, authorizing these proceedings, the Commission charged that B. Fennekohl & Co. and certain individuals defrauded investors in the sale of stock of Allied Mission Oil Company.

VIBRATION MOUNTINGS AND CONTROLS PROPOSES OFFERING. Vibration Mountings and Controls, Inc., 98-25 50th Ave., Corona, L. I., N. Y., filed a registration statement (File 2-17135) with the SEC on September 29, 1960, seeking registration of 150,000 shares of common stock, to be offered for public sale at \$3.50 per share by underwriters headed by Michael G. Kletz & Co., Inc. The underwriters will receive a \$.385 per share commission plus \$10,000 for expenses; and Michael G. Kletz has purchased 10,000 common shares from the principal stockholders at 25¢ per share (of which 2,500 will be sold at the same price to Thomas R. Finn as a finder's fee), which shares also are included in the statement.

The company is engaged in the manufacture and sale of vibration control and shock absorption devices for air-conditioning, heating, industrial and defense applications. It has outstanding 280,000 common shares and certain indebtedness. Net proceeds of the sale of additional stock will be used as follows: \$175,000 for the purchase of additional machinery and equipment for the manufacture of many of the components presently being purchased by the company from others; \$30,000 for enlargement of its executive offices and engineering facilities and for the purchase of laboratory test equipment; \$30,000 for research and development of new types of vibration and shock control products; \$35,000 for expansion of sales and promotional programs; \$50,000 for the purchase of additional inventory; and the balance for working capital and other corporate purposes.

Of the outstanding common stock, 135,000 shares each are held by Bernard A. Ross and Jack Spachner, president and executive vice president, respectively.

RIEDEL PAPER PROPOSES DEBENTURE OFFERING. Riepel Paper Corporation, 260 Madison Ave., New York, filed a registration statement (File 2-17136) with the SEC on September 29, 1960, seeking registration of \$10,000,000 of Sinking Fund Debentures due 1985, to be offered for public sale through underwriters headed by Morgan Stanley & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company manufactures and sells paper, paperboard and pulp, is a converter of paper and paperboard and other basic packaging materials, and fabricates cartons and manufactures packaging machinery. Net proceeds of the sale of debentures will be added to the general funds of the company and used for general corporate purposes, including (a) prepayment of a \$3,850,000 term bank loan, (b) prepayment of current bank loans incurred for the purpose of prepaying obligations of Lassiter Corporation and Bloomer Bros. Company in the aggregate amount of \$2,500,000, including about \$1,000,000 of current bank debt, and (c) to pay or reimburse the treasury for the cost, estimated at \$2,500,000 of a new plant now under construction in Atlanta, Ga., for its Quality Lithographing Division.

CENTURY ACCEPTANCE PROPOSES OFFERING. Century Acceptance Corporation, 1334 Oak St., Kansas City, Mo., filed a registration statement (File 2-17137) with the SEC on September 29, 1960, seeking registration of \$1,000,000 of 6½% Junior Subordinated Debentures due 1975 (with five-year warrants for the purchase of 80,000 shares of Regular Common Stock, the warrants being exercisable initially at \$6 per share). It is proposed to offer the debentures for sale at their principal amount, and in units of \$500 (with warrants for 40 shares). A. G. Edwards & Sons is listed as the principal underwriter. The underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in the consumer finance business in the South and South Midwest areas of the United States. Net proceeds of the sale of the debentures (and of any stock issued upon exercise of the warrants) will be added to the company's working funds and will be used primarily to provide the company and its subsidiaries with working capital for general operations, to supply funds to lend to

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borrowers and, if favorable opportunities arise, to acquire or open additional loan offices.

According to the prospectus, the company now has outstanding, in addition to various indebtedness and issue of preferred stock, 228,532 shares of Regular Common Stock and 215,474 shares of Class "B" common stock. Robert F. Brozman, president, owns all of the Class "B" stock; and management officials own an aggregate of 31,819 shares of the Regular Common Stock.

PROCTER & GAMBLE FILES STOCK PLAN. The Procter & Gamble Company, Cincinnati, filed a registration statement (File 2-17138) with the SEC seeking registration of participations in its Profit Sharing Dividend Plan and Stock Purchase Plan, together with 110,000 shares of common stock which may be purchased by the trustees of the plans for the participants therein.

A T & T PROPOSES DEBENTURE OFFERING. American Telephone and Telegraph Company, 195 Broadway, New York, today filed a registration statement (File 2-17139) with the SEC seeking registration of \$250,000,000 of Thirty-Two Year Debentures, due 1992, to be offered for public sale at competitive bidding. The company intends to use the net proceeds of the sale of the debentures for advances to subsidiary and associated companies; for the purchase of stock offered for subscription by such companies; for property additions and improvements; and for general corporate purposes.

TRADING SUSPENDED IN SKIATRON STOCK. The SEC has ordered the further suspension of trading in the common stock of Skiatron Electronics and Television Corporation, of New York, on the American Stock Exchange and over-the-counter market, for an additional ten-day period October 3 to October 12, 1960, inclusive (Release 34-6380).

CANADIAN RESTRICTED LIST. The SEC today announced (Release 33-4280) the addition of the following to its Canadian Restricted List: Fairmont Prospecting Syndicate, Guardian Explorations Ltd., Missile Metals and Mining Corp. Ltd., and Native Minerals Ltd. (the latter is the new name for New Spring Coulee Oil and Minerals Ltd., previously carried on the list). The list now comprises the names of 227 Canadian companies whose securities recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

MERRIMACK-ESSEX ELECTRIC FILES FINANCING PROPOSAL. Merrimack-Essex Electric Company, Salem, Mass., has joined with its parent, New England Electric System, in the filing of a proposal with the Commission for the issuance and sale of additional common stock to the parent and the issuance and sale of preferred stock at competitive bidding; and the Commission has issued an order under the Holding Company Act (Release 35-14292) giving interested persons until October 24, 1960, to request a hearing thereon. Under the proposal, Merrimack-Essex would issue and sell an additional 125,000 common shares to the parent at \$20 per share. It also proposes to issue and sell 75,000 shares of \$100 par preferred stock at competitive bidding. Net proceeds of this financing will be applied to the payment of Merrimack-Essex of some \$12,275,000 of short-term indebtedness.

COLUMBIA GAS SUBSIDIARIES PROPOSE PROPERTY TRANSFER. The Columbia Gas System, Inc., New York holding company, has joined with two subsidiaries in the filing of a proposal with the Commission for the transfer of certain properties of one subsidiary to a new company; and the Commission has issued an order under the Holding Company Act (Release 35-14291) giving interested persons until October 24, 1960, to request a hearing thereon.

According to the application, Cumberland and Allegheny Gas Company, which is engaged in the production, transmission and sale of natural gas at wholesale in interstate and intrastate commerce and the distribution of natural gas at retail in West Virginia and Maryland. It proposes to transfer to a newly-created company, Columbia Gas of Maryland, Inc., all of Cumberland's assets and properties in the State of Maryland which it uses in connection with the retail distribution of natural gas, together with cash and other current assets allocable and related to such distribution. The new company will assume various obligations and issue to Cumberland its promissory notes equal to 50% of the original cost of the properties less related reserves and liabilities assumed, and shares of its \$25 par common stock for the balance (as of May 31, 1960, the new company would have issued \$2,346,000 of notes and 70,156 shares of common stock). The proposals are said to be an integral part of the overall program of Columbia of minimizing problems of rate regulation within the system by realigning the natural gas properties of the system in such a manner that all natural gas production, storage and transmission properties used in the wholesale operations will, to the extent possible, be owned and operated by one corporation subject to the jurisdiction of the Federal Power Commission, and the retail gas distribution facilities owned and operated in each State will be owned by a single company subject to the jurisdiction of the appropriate State commission.