

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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NORTHEASTERN PENNSYLVANIA BROADCASTING SEEKS EXEMPTION. Northeastern Pennsylvania Broadcasting, Inc., 70 Niagara St., Buffalo, N. Y., has filed an application with the SEC under the Securities Exchange Act of 1934, for exemption from the registration provisions of Section 12(g) of the Act; and the Commission has issued an order giving interested persons until December 17, 1965, to request a hearing upon the application.

According to the application, Northeastern's shareholders at a special meeting held on October 19, 1965, approved a July 1965 agreement for the sale of Northeastern's assets to Westchester Corporation consisting primarily of Northeastern's radio stations located in Cleveland, Ohio. The Federal Communications Commission on October 6, 1965, had consented to the transfer to Westchester of authorizations for the operation of said stations. Northeastern will carry on no further activities other than those required to effect its voluntary dissolution and the distribution of cash, pro rata, to its shareholders in the near future; and it has agreed to send to stockholders, and to file with this Commission, financial information showing the basis upon which its liquidating distribution is made.

NATIONAL FUEL GAS SEEKS ORDER. National Fuel Gas Co., New York registered holding company; its gas utility subsidiary, United Natural Gas Co.; and two of its wholly-owned, non-utility, gas-producing subsidiaries, Empire Gas and Fuel Co. and Jefferson County Co., have applied to the SEC for an order under the Holding Company Act authorizing proposed transactions related to the merger of Empire Gas into United and the transfer of Jefferson's assets to United. The Commission has issued an order (Release 35-15355) giving interested persons until December 17 to request a hearing thereon. According to the application, United is engaged in the business of producing, purchasing, storing, transporting and selling natural gas at wholesale and retail in western and northwestern Pennsylvania and a small section of eastern Ohio. Its principal wholesale customer is Iroquois Gas Corp., a public-utility subsidiary of National. United's total assets as of August 31, 1965, were recorded at \$60,076,114. Empire produces natural gas from its own wells in Potter County, Pa., and as of August 31, 1965, had assets recorded at \$284,804. To effectuate corporate simplification of the National holding-company system, it is proposed that Empire be merged into United effective December 31, 1965. In connection therewith, United will issue 6,802 shares of its no par value capital stock to National upon the latter's surrender of the 2,000 shares of Empire's \$100 par capital stock which it now holds. It is also proposed that United acquire for cash from Jefferson all of the latter's assets and other debits (except organization costs, cash, and United States Government obligations) and assume all liabilities as of December 31, 1965. Jefferson is a producer of natural gas in Pennsylvania and sell substantially all of its production to Pennsylvania Gas Co., a subsidiary of National. Jefferson's assets were valued at \$826,372 on August 31, 1965.

MISSISSIPPI POWER SEEKS ORDER. Mississippi Power & Light Co., Jackson, Miss., electric-utility subsidiary of Middle South Utilities, Inc., has applied to the SEC for an order under the Holding Company Act authorizing it to sell at competitive bidding \$25,000,000 of first mortgage bonds (due 1996) and 100,000 shares of preferred stock; and the Commission has issued an order (Release 35-15356) giving interested persons until December 21 to request a hearing thereon. As reported in the SEC News Digest of November 18, the company will use the net proceeds of this financing (together with \$4,000,000 to be derived from a sale of common stock to Middle South Utilities and other funds) to repay bank borrowings incurred to complete its 1965 construction program. The balance will be applied to the company's 1966 construction program (estimated at \$49,000,000) and used for other corporate purposes.

OHIO EDISON SEEKS ORDER. Ohio Edison Company, Akron, Ohio, has applied to the SEC for an order under the Holding Company Act authorizing it to acquire from the Village of Lowellville, Ohio, the electric distribution system (exclusive of land and buildings) presently owned and operated by the Village, for \$258,560; and the Commission has issued an order (Release 35-15357) giving interested persons until December 17 to request a hearing thereon. According to the application, Ohio Edison presently supplies power to Lowellville for distribution over its system under a municipal resale power contract, which the parties will terminate at the time of the transfer of the property. The filing states that upon the consummation of the acquisition, the property will be operated as a part of the Ohio Edison integrated system, and that application of Ohio Edison's rates will result in an over-all reduction in the bills of Lowellville's present customers.

CAPITAL EXCHANGE FUND SEEKS ORDER. Capital Exchange Fund, Inc., Boston, has applied to the SEC for exemption from the \$100,000 minimum net worth requirement of the Act; and the Commission has issued an order (Release IC-4419) giving interested persons until December 6 to request a hearing thereon. The Fund previously filed a Securities Act registration statement proposing the offering of 1,152,074 shares of its stock in exchange for investor holdings of securities of the character of those set forth in its prospectus.

VTR SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in stock of VTR, Inc., for a further ten-day period, November 28-December 7, 1965, inclusive.

OVER

M.I.T. SEEKS ORDER. Massachusetts Investors Trust, Boston, has applied to the SEC for an exemption order permitting the issuance of its shares at their net asset value in exchange for substantially all the cash and securities of Kinco, Incorporated; and the Commission has issued an order (Release IC-4420) giving interested persons until December 10 to request a hearing thereon. Kinco's net assets approximate \$4,040,000.

SIPPERT SECURITIES ENJOINED. The SEC Denver Regional Office announced November 22 (LR-3373) the entry of a Federal court order (USDC, SD) permanently enjoining Sippert Securities Co., Inc., and Albert Sippert from further violations of the anti-fraud provisions of the Federal securities laws in the sale of securities of The South Dakota Corp. and from engaging in business as a broker-dealer in violation of the registration requirements of the Securities Exchange Act.

JOSEPH G. ASHER SENTENCED. The SEC San Francisco Regional Office announced November 22 (LR-3374) that Joseph G. Asher of North Hollywood had received a five-year prison sentence following conviction of violating the Securities Act registration and anti-fraud provisions in the sale of stock of Star Chemical Laboratories Inc.

HORACE MANN LIFE INSURANCE PROPOSES OFFERING. Horace Mann Life Insurance Company Separate Account (Separate Account), 216 E. Monroe St., Springfield, Ill., filed a registration statement (File 2-24256) with the SEC on November 22 seeking registration of \$10,000,000 of equity funded annuity contracts. The said Separate Account was organized by the Horace Mann Life Insurance Company of Springfield, primarily to permit benefits under so-called tax-sheltered annuities, purchased by public school systems and other tax exempt organizations for teachers and other employees, to be funded by the purchase of shares of stock of Horace Mann Fund, Inc., a diversified, open-end investment company. The Separate Account is registered as a unit investment trust under the Investment Company Act. The Insurance Company will hold the assets of the Separate Account for the exclusive benefit of the holders of Annuity Contracts, but all obligations arising under the contracts, including the promise to make annuity payments, are general corporate obligations of the Insurance Company, which performs or provides all services necessary for the administration of the Separate Account and the distribution and sale of annuity contracts.

FRANCHARD FILES PROPOSAL. Franchard Corporation, 501 Fifth Ave., New York, filed a registration statement (File 2-24257) with the SEC on November 23 seeking registration of \$12,000,000 of 8% subordinated debentures (due 1986) and 31,069 outstanding shares of Class A common stock. The company proposes to exchange the debentures for shares of its Class A common stock, on the basis of \$2.50 principal amount of debentures for each share so exchanged. The present holders of the outstanding stock being registered have advised the company that they may offer such shares for public sale from time to time over-the-counter at prices prevailing at the time of such sale (\$2.50 per share maximum*).

Organized under Delaware law in 1960, the company is engaged in the business of buying, improving and developing real property and interests therein. In addition to indebtedness, it has outstanding 5,889,389 Class A and 100,171 Class B common shares, of which management officials own 12.6% and 99.8%, respectively. Francis S. Levien (board chairman) owns 49.9% of the outstanding Class B stock. The prospectus lists 48 selling stockholders. They acquired such shares upon conversion of Class B common stock which the company sold to underwriters of a prior offering of securities. Louis A. Siegel is president.

SWINGLINE FILES FOR SECONDARY. Swingline Inc., 32-00 Skillman Ave., Long Island City, N. Y. 11101, filed a registration statement (File 2-24258) with the SEC on November 24 seeking registration of 250,000 outstanding shares of common stock, to be offered for public sale by the present holder thereof, Belle Linsky (treasurer). Paine, Webber, Jackson & Curtis, 25 Broad St., New York 10004, is listed as the principal underwriter. The public offering price (\$65 per share maximum*) and underwriting terms are to be supplied by amendment.

The company designs, manufactures and sells stapling machines, staples and related products. In addition to indebtedness, it has outstanding 1,337,828 common shares, of which management officials own 549,560 shares. The selling stockholder owns 260,982 shares. Jack Linsky is president and board chairman.

ORAL ARGUMENT, COMING WEEK. December 1, 2:30 P.M. - V. Lester Yuritch (NASD case)

SECURITIES ACT REGISTRATIONS. Effective November 24: Xerox Corp., 2-24129.
Withdrawn November 24: Scott-Mattson Farms, Inc., 2-23002.

*As estimated for purposes of computing the registration fee.

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