

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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SEC

(Issue No. 67-132)

FOR RELEASE July 12, 1967

AMERICAN GAS STOCK ACQUISITION CLEARED. The SEC has issued an decision under the Holding Company Act (Release 35-15784) authorizing American Gas Company, Omaha holding company, to purchase 400,000 shares of the common stock of its sole subsidiary, American Gas Company of Wisconsin, Inc., at \$1 per share. The Wisconsin subsidiary in August 1966 commenced construction on distribution systems to serve a group of eight towns in Wisconsin ("Black River Falls group"). Completion of these facilities is scheduled for the summer of 1967 and full service to these communities is scheduled to commence in the fall of 1967, with the total construction cost estimated at \$1,000,000. Wisconsin has secured a commitment from a commercial bank for a construction loan of \$600,000 to complete the Black River Falls group system, on the express condition that an additional \$400,000 of equity money be obtained by Wisconsin. American, as a holding company owning 88% of Wisconsin's outstanding common stock, seeks to meet this condition by purchasing an additional 400,000 shares of Wisconsin's common stock at \$1 per share. The issue and sale of such shares has been authorized by the Public Service Commission of Wisconsin. The State of Wisconsin Investment Board, a State agency and the holder of the remaining 12% of Wisconsin's outstanding common stock, has advised American that it does not wish to exercise its right to purchase 48,000 of such additional shares and approves American's proposal to purchase the 400,000 shares.

Walston & Co., Inc., a record holder of debentures and stock of the parent (American), opposed the proposed acquisition on the ground that the debenture holders of American should receive as large a percentage of American's available cash as feasible to satisfy the principal amount of their claims, even though under Part II of American plan for liquidation and dissolution, now pending before the Commission, the debenture holders would receive for their claims approximately 42% in cash and 58% in Wisconsin stock if the purchase were not made (24% in cash and 76% in stock assuming such purchase). Walston's arguments were rejected by the Commission, which concluded that it is in the interest of all security holders of American, including the debenture holders, to allow American to make this necessary equity investment in its subsidiary company so as to enhance the overall future value of the common stock of the subsidiary company.

AMERICAN GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15785) authorizing American Gas Company of Wisconsin, Inc., public-utility subsidiary of American Gas Company, to renew or extend \$450,000 of outstanding 6-1/4% promissory notes for 180 days from June 30, 1967, and to sell additional notes to banks in an amount not exceeding \$100,000 to be outstanding at any one time. The application states that the additional notes are to provide funds for property additions, operating expenses, and the payment of interest on outstanding debt.

CENTRAL INDIANA GAS SEEKS ORDER. Central Indiana Gas Company Inc., Muncie, Ind. subsidiary of the American Natural Gas Company, has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell up to \$5,000,000 of unsecured promissory notes to a bank; and the Commission has issued an order (Release 35-15786) giving interested persons until August 14 to request a hearing thereon. Net proceeds from the sale of the notes will be used to pay Central's presently outstanding \$4,000,000 of notes and to finance, in part, its 1967 construction program, estimated at \$2,800,000.

MONONGAHELA POWER SEEKS ORDER. Monongahela Power Company, Fairmont, W. Va. holding company and an electric utility subsidiary of Allegheny Power System, Inc., has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell up to \$15,000,000 of first mortgage bonds, due 1997, to a bank; to amend its charter to increase its authorized cumulative preferred stock from 190,000 to 240,000 shares; and to sell the 50,000 new shares of cumulative preferred stock at competitive bidding. The Commission has issued an order (Release 35-15787) giving interested persons until August 1 to request a hearing thereon. The net proceeds from the sale of the bonds and preferred shares will be used to finance in part the 1967 construction program of Monongahela and its subsidiary company (estimated at \$31,000,000) and to pay \$13,500,000 of short-term notes incurred therefor.

IDS SEEKS ORDER. Investors Mutual, Inc. ("Mutual"), Investors Selective Fund, Inc. ("Selective"), Investors Stock Fund, Inc. ("Stock"), Investors Variable Payment Fund, Inc. ("Variable"), all open-end investment companies, and their investment adviser, Investors Diversified Services, Inc. ("IDS") and Alleghany Corporation ("Alleghany"), a controlling person of IDS, have applied to the SEC for an exemption order under the Investment Company Act to permit IDS to act as investment adviser of the funds pursuant to re-executed advisory contracts between IDS and the funds without stockholder approval. The Commission has issued an order (Release IC-5029) giving interested persons until July 31 to request a hearing thereon.

The application states that Mr. Allan P. Kirby, Sr., beneficial owner of approximately 60.63% of the outstanding common stock of Alleghany, has been incapacitated by illness and on June 8, his sons, Messrs. Allan P. Kirby, Jr. and Fred M. Kirby, filed an application for appointment of themselves as guardians of the property of their father. An assignment of the existing advisory contracts will be occasioned by the transfer from Kirby, Sr. to his sons of 60.63% of the outstanding common stock of Alleghany, which owns 46.76% of the outstanding voting stock of IDS. IDS proposes to act as investment adviser to the Funds

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pursuant to the re-executed advisory contracts between IDS and the Funds, in accordance with resolutions of the boards of the Funds adopted on June 15, 1967. The application states that the advisory contracts will be submitted to the stockholders of the Funds at their next annual meetings to be held on May 15, 1968.

PASADENA HYDRAULICS SEEKS ORDER. Pasadena Hydraulics Incorporated ("Pasadena"), El Monte, Calif., a non-utility subsidiary of Pennzoil Company, has applied to the SEC for an order under the Holding Company Act with respect to certain proposed transactions involving the disposition of Pasadena's assets; and the Commission has issued an order (Release 35-15788) giving interested persons until July 27 to request a hearing thereon.

Pasadena was incorporated in 1953 and manufactures and sells hydraulic presses. It has outstanding 70 shares of \$100 par capital stock, of which Pennzoil owns 47 shares and Mr. William H. Hutchison (president) and his wife own 23 shares. The proposed transactions involve (1) the sale by Pasadena of its business and properties to The Rucker Company ("Rucker"), a nonaffiliated California corporation, in exchange for 39,000 shares of common stock of Rucker (or approximately 3% of Rucker's outstanding common stock) and the assumption by Rucker of substantially all of Pasadena's liabilities; and (2) the dissolution of Pasadena under California law and the distribution to Pasadena's stockholders (including Pennzoil) in accordance with their respective interests of all shares of common stock of Rucker received by Pasadena in the proposed sale. Incorporated in California in 1950, Rucker is engaged in the design, development, manufacture and sale of electronic, electric, hydraulic and pneumatic control systems and components, safety electrical equipment, and drilling equipment for the petroleum industry, as well as distribution of hydraulic control system components manufactured by others.

INVESTMENT CO. RULES ADOPTED. The SEC has adopted a new Rule 11a-1 (Release IC-5024) and Rule 11b-1 (Release IC-5025) under the Investment Company Act. Rule 11a-1 defines the term "exchange" for purposes of Section 11 of the Act; and its adoption "removes any previous uncertainty and makes clear that with respect to the proceeds of any terminable redeemable security issued after the effective date of the rule, the issuance of a new security under the circumstances discussed above will be considered an "exchange" within the meaning of that term as used in Section 11 of the Act so as to preclude the imposition of a new sales load. The rule does not apply to the reinvestment of proceeds upon the repurchase, termination, retirement or cancellation of any terminable redeemable security outstanding on the effective date of the rule or issued pursuant to a subscription agreement or other plan of acquisition in effect on such date.

Rule 11b-1 defines the term "class or series of securities issued by the same company" for purposes of Section 11(b)(2) of the Act. The purpose of 11b-1 is to specify that the exemption provided by Section 11(b)(2) is available only to the type of "series company" described in Section 18(f)(2). Accordingly, Rule 11b-1 defines the term "class or series of securities issued by the same company" as used in Section 11(b)(2) to mean all securities issued by a registered open-end investment company which are preferred over all other classes or series in respect of assets specifically allocated to that class or series.

NATIONAL FUEL GAS FILES FOR OFFERING. National Fuel Gas Company, 30 Rockefeller Plaza, New York 10020, filed a registration statement (File 2-26898) with the SEC on July 11 seeking registration of \$18,000,000 of sinking fund debentures, due 1992, to be offered for public sale at competitive bidding.

Net proceeds to be received from this financing will be used to prepay some \$11,900,000 of bank loans, due December 1967; and the balance, together with some \$12,600,000 of new bank loans, will be used to finance, in part, the 1967 construction program of the company's public utility subsidiaries, estimated at \$20,000,000.

ELECTRONIC SPECIALTY PROPOSES DEBENTURE OFFERING. Electronic Specialty Co., 4561 Colorado Blvd., Los Angeles, Calif. 90039, filed a registration statement (File 2-26899) with the SEC on July 11, seeking registration of \$12,000,000 of convertible subordinated debentures, due 1987. The debentures are to be offered for public sale through underwriters headed by Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York 10004. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is a diversified manufacturing company and its activities and products fall into four major categories: electronic components and systems; "space conditioning" systems for heating, cooling and environmental comfort control; structural and mechanical components primarily for aircraft; and power generation and conversion equipment primarily for aircraft and missiles and transmission structures for the electric utility industry. Of the net proceeds from the debenture sale, \$8,650,000 will be applied to reduce the company's indebtedness to banks, of which \$2,000,000 was borrowed during the past year for additional working capital, and the balance will be retained for working capital to support increased inventories and receivables and for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 1,649,540 common shares, of which management officials own 10%. William H. Burgess is board chairman, and Frederic E. Crist is president.

STANDARD INTERNATIONAL PROPOSES DEBENTURE OFFERING. Standard International Corporation, Elm Square, Andover, Mass. 01810, filed a registration statement (File 2-26900) with the SEC on July 11, seeking registration of \$10,000,000 of convertible subordinated debentures, due 1987. The debentures are to be offered for public sale through underwriters headed by the New York Hanseatic Corporation, 60 Broad St., New York 10004. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is a diversified manufacturing and marketing corporation organized under Ohio law. Its products include surgical instruments and hospital supplies; religious periodicals and educational and teaching materials; commercial printing; household cleaners and detergents; engraved and etched rolls and molds; and packaging materials. As a result of the merger with Todd Steel, Inc. in June 1967, the company also produces long span steel joists used in commercial construction. Of the net proceeds received from the

debenture sale, (1) approximately \$1,100,000 will be applied to the purchase price of the H. E. Dickerman Mfg. Co., of Springfield, Mass. and Doubleday Bros., of Kalamazoo, Mich. Doubleday is a regional producer of election supplies and printed materials and will complement the business of the Standard Publishing Division. Dickerman manufactures patented automatic strip feed devices for metal stamping operations as well as contract precision stampings. The companies are to be acquired for an aggregate purchase price of \$2,062,200, of which \$930,000 will be represented by notes and \$1,132,000 will be paid in cash; (2) approximately \$2,500,000 will be applied to the repayment of borrowings incurred in connection with recent acquisitions; (3) approximately \$2,000,000 will be used for expansion of plant and product lines, primarily of the Standard Publishing Division, the Todd Steel Division, and the eye, ear, nose and throat instrument division of Edward Weck & Company Inc. (a subsidiary); and (4) the remainder will be available for the acquisition of other companies and for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 2,108,623 common shares, of which John Bolten, Sr. (board chairman) owns 10.0%, Daniel E. Hogan, Jr. (president), 7.5%, and management officials, 37.5%.

STOCK PLANS FILED. Form S-8 registration statements have been filed with the SEC proposing the offering of securities under employee savings, stock option and other plans, as follows:

Hydrometals, Inc., Dallas, Tex. 75235 (File 2-26901) - 94,875 shares
Electronic Specialty Co., Los Angeles, Calif. 90039 (File 2-26902) - 50,000 shares

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the July 7 News Digest.

Alaska Interstate Co		City Fiance Co Inc	
May 67 (11,13)	2-25477-2	Amend #1 for Nov 66 (11,13)	2-19497-2
Alphanumeric Ind May 67 (7)	2-24071-2	Radio Corp of America	
American Automatic Vending Corp		Amend #1 for May 67 (7)	1-978-2
June 67 (11)	0-1507-2	Allied Stores Corp June 67 (11,13)	1-970-2
American Life Companies Inc		Alpha Portland Cement Co June 67 (7)	1-954-2
May 67 (11,13)	0-1283-2	Aluminum Specialty Co June 67 (13)	0-829-2
Bishop Industries Inc		Atlas Chemical Ind Inc June 67 (12,13)	1-177-2
May 67 (2,4,11,13)	1-3829-2	Berns Air King Corp June 67 (12)	2-21239-2
Brandywine Raceway Association Inc		Buffalo Forge Co June 67 (7,13)	1-3165-2
June 67 (11)	1-4510-2	Caribbean Cement Co Ltd May 67 (6K)	2-19155-2
Congoleum Naim Inc		Carolina Pipeline Co Mar 67 (7,13)	0-1597-2
June 67 (11)	1-1073-2	L E Carpenter & Co June 67 (7,12,13)	1-4943-2
Dumont Corp Mar 66 (11)	1-5123-2	City Finance Co Inc June 67 (4,7,13)	2-19497-2
First Lincoln Financial Corp		Clear Creek Corp June 67 (6)	0-1379-2
June 67 (11)	0-198-2	Duffy-Mott Co Inc June 67 (12,13)	1-4888-2
A C Gilbert Co June 67 (2,13)	0-2627-2	Eastern Properties Improvement Corp June 67	(12) 2-20468-2
Helene Curtis Industries Inc		Fifth Avenue Coach Lines Inc May 67 (2,13)	0-2579-2
June 67 (11)	1-4429-2	Filmways Inc Dec 66 (9,11,13)	1-4159-2
Horn & Hardart Baking Co		Foodmaker Inc June 67 (1,2,12,13)	0-2152-2
June 67 (7,13)	1-5230-2	General Instrument Corp June 67 (11,13)	1-3406-2
Keyes Fibre Co June 67 (7)	0-1092-2	Great Lakes Natural Gas Corp June 67 (11)	2-13476-2
Lamb Industries Inc		Greenbelt Consumer Services Inc May 67	(2,7,13) 0-1608-2
May 67 (1,2,3,7,11,12,13)	1-712-2	HM Liquidating Corp June 67 (11)	0-1628-2
Lee National Life Insurance Co		Handleman Co June 67 (12,13)	1-4808-2
Apr & May 67 (11,12)	2-15229-2	Hycon Mfg Co June 67 (13)	1-4375-2
Liggett & Myers Tobacco Co		IMC Magnetics Corp June 67 (12)	1-4251-2
May 67 (2,13)	1-535-2	IRC Inc June 67 (7,13)	1-3768-2
Medco Inc June 67 (7,13)	1-4724-2	Interphoto Corp June 67 (11)	1-4864-2
New York Shipbuilding Corp		Interstate Power Co June 67 (7,13)	1-3632-2
June 67 (2,13)	0-2127-2	Iowa Business Inv Corp May 67 (2,8,12,13)	0-1550-2
Playskool Mfg Co		Jefferson Stores Inc June 67 (2,12,13)	2-19676-2
June 67 (11)	0-1382-2	The Longchamps Corp June 67 (1)	2-24472-2
Preway Inc May 67 (2,11,13)	0-948-2	May Dept Stores Co June 67 (11)	1-79-2
Ryerson & Haynes Inc		McDonald's Corp June 67 (12)	1-5231-2
June 67 (4,7,13)	1-2740-2	Mercantile-Safe Deposit and Trust Co	June 67 (13) 0-388-2
Simplex Paper Corp		Modine Mfg Co June 67 (12,13)	1-1373-2
June 67 (11,13)	0-363-2	Morrison-Knudsen Co Inc June 67 (11,13)	0-880-2
Stop & Shope Inc Apr 67 (7,13)	1-1722-2	National Banner Corp May 67 (2,9,8,11,13)	0-2312-2
Todd Shipyards Corp June 67 (11)	1-5109-2		
Uniservices Inc			
Apr 67 (6,7,8,12,13)	0-77-2		
May 67 (6,7,8,12,13)	0-77-2		
Upjohn Co (Del) May 67 (11,13)	1-4147-2		
White Cross Stores Inc			
June 67 (7,11,13)	1-5140-2		

Neisner Bros Inc June 67 (7) 1-607-2
 N Y Susquehanna & Western RR Co June 67 (8)
 1-807-2
 Nippon Electric Co Ltd June 67 (6K) 2-20940-2
 North Penn Gas Co June 67 (4,7,13) 0-1886-2
 Northern & Central Gas Co Ltd
 Mar 66 (11,13) 2-13342-2
 Apr 66 (7) 2-13342-2
 July 66 (2,7,11,13) 2-13342-2
 Oct 66 (7) 2-13342-2
 Apr 67 (11,13) 2-13342-2
 June 67 (7,13) 2-13342-2

Northern Illinois Gas Co June 67 (11,13) 1-3821-2
 Olson Bros Inc June 67 (3,11,12) 0-1042-2
 Paddington Corp May 67 (1,8,12,13) 1-4226-2
 Pennsylvania Power Co June 67 (7) 1-3491-2
 Phoenix Steel Corp June 67 (7,13) 1-2908-2
 Pinkerton's Inc June 67 (11) 2-26019-2
 Plantation Pipe Line Co June 67 (8)
 Redman Ind Inc June 67 (11) 1-4998-2
 Robert Reis & Co June 67 (6) 0-2175-2
 San Diego Gas & Electric Co June 67 (13) 1-3779-2
 Shelby Williams Ind Inc June 67 (11) 0-2176-2
 Sola Basic Ind Inc June 67 (7,11,13) 1-343-2
 Southern Ind Corp June 67 (7) 0-1251-2
 Southern Ry Co June 67 (11) 1-4793-2

Stainless Steel Products Inc June 67 (11,12,13)
 0-1506-2
 Stanrock Uranium Mines Ltd June 67 (2,7) 1-4036-2
 Sterchi Bros Stores Inc June 67 (13) 1-2504-2
 Strouse Inc June 67 (13) 0-2304-2
 Sun Finance & Loan Co June 67 (11,13) 0-2469-2
 Thrift Plan of Reda Pump Co June 67 (7)
 2-13744-2
 Universal Leaf Tobacco Co Inc June 67 (13)
 1-652-2
 Ward Foods Inc June 67 (6,7,8) 1-1042-2
 Westec Corp May 67 (3,13) 1-4371-2
 Sept 66 (3,13) 1-4371-2
 Oct 66 (3,13) 1-4371-2
 Nov 66 (3,13) 1-4371-2
 Dec 66 (3,13) 1-4371-2
 Jan 67 (3,13) 1-4371-2
 Feb 67 (3,13) 1-4371-2
 Mar 67 (3,13) 1-4371-2
 Apr 67 (3,13) 1-4371-2
 Empire Life Ins Co Amend #1 to 8K for May 66
 (2,7,9,13) 2-20749-2
 Fifth Avenue Coach Lines Inc Amend #1 to 8K
 for May 67 (2,13) 0-2579-2
 First Equity Security Inv Corp Amend #1 to 8K
 for May 67 (13) 2-23333-2
 Maryland Cup Corp Amend #1 to 8K for May 67
 (12) 1-4430-2

SECURITIES ACT REGISTRATIONS. Effective July 11: Corinthian Broadcasting Corp., 2-26671 (90 days); Dallas Airmotive, Inc., 2-26622 (40 days); FMC Corp., 2-26776 (Aug 21); Natural Gas Pipeline Co. of America, 2-26786; Robins Industries Corp., 2-26657 (Aug 21); Saunders Leasing System, Inc., 2-26660 (40 days); Texaco Inc., 2-26807; Vogt Manufacturing Corp., 2-26713.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

CORRECTION RE JIM WALTER CORPORATION. The file number of the registration statement filed by the Jim Walter Corporation is 2-26887 (not as stated in the SEC News Digest of July 10).

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