

# 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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FOR RELEASE December 8, 1959

**SEC ISSUES FURTHER RULING ON UNITED FEES.** The Securities and Exchange Commission today announced the issuance of a decision with respect to petitions for rehearing upon an earlier decision of the Commission in which it ruled upon applications of petitioners for fee allowances in proceedings under the Holding Company Act upon a plan of The United Corporation for its transformation into an investment company.

Upon the basis of further showings by the firms of Whitman, Ransom & Coulson and Burns, Blake & Rich that their services were performed primarily for United and not in support of earlier fee applications of the two firms, the Commission authorized allowances of \$65,000 and \$7,500 to the respective firms, subject to U. S. District Court approval.

The Commission rejected the petition of the firm of Berlack, Israels & Liberman, who represented certain holders of warrants of United. The Commission reiterated its previous conclusion that it would not be fair to the stockholders of United to require United to compensate representatives of the warrant holders for their unsuccessful activities after a Court of Appeals ruling in support of the cancellation of the warrants and the denial by the Supreme Court of a petition to review the merits of that ruling.

Chairman Gadsby and Commissioner Sargent dissented from the denial of the rehearing petition of the Berlack firm.

(A copy of the full text of the Commission's decision, Release 35-14110, may be obtained upon request.)

**CITIZENS FINANCIAL FUND FILES FOR OFFERING.** Citizens Financial Fund, Inc., Sacramento, Calif., filed a registration statement (File 2-15904) with the SEC on December 7, 1959, seeking registration of 100,000 shares of capital stock. A newly-organized company, Citizens anticipates that its original minimum capital (not less than \$100,000) will be raised by investors exchanging their marketable securities for Fund shares. The prospectus lists Deno & Co. Incorporated as the principal underwriter; Securities Supervision Corporation as investment adviser; and Deno Evangelista as president and treasurer. He is also president of the investment adviser and president and principal stockholder of the underwriter.

**INTERNATIONAL ASPIRIN FILES FOR STOCK OFFERING.** International Aspirin Corporation, 1700 Broadway, Denver, Colorado, filed a registration statement (File 2-15905) with the SEC on December 7, 1959, seeking registration of 600,000 shares of common stock, to be offered for public sale at \$3.00 per share. The offering is to be made on a "best efforts" basis by Speculative Securities Corporation, for which a selling commission of 60¢ per share is to be paid.

The company was incorporated under Delaware law in February, 1959, for the purpose of acquiring the U. S. automatic merchandising rights to the Aspirin Plus a Cup package from Empire Securities Corporation. Empire received in exchange 40,000 shares of the company's \$1 par value common stock and is to receive \$1 for each International Automatic Merchandiser (dispenser) manufactured, operated, bought or sold by the company. Of the 100,000 shares of common stock now outstanding Empire owns 40%, Lauren Burt, president, 20%, and other officers and directors of the company, 40%.

Proceeds from the sale of the stock will be used to finance the company's operations.

**COASTAL CHEMICAL FILES FOR OFFERING AND SECONDARY.** Coastal Chemical Corporation, Yazoo City, Miss., filed a registration statement (File 2-15906) with the SEC on December 7, 1959, seeking registration of 111,729 shares of Class A common and 70,000 shares of Class C common. All of the Class A common and 20,000 shares of the Class C common are to be offered for sale for the account of the issuing company, at \$30 and \$25 per share, respectively. The remaining 50,000 Class C shares are owned and are to be offered by the Mississippi Chemical Corporation, also at \$25 per share. The

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offering is to be made through company employees and Mississippi Chemical as underwriter on a best efforts basis, for which a 33¢ per share selling commission is payable.

Coastal was organized to construct and operate facilities for the manufacture of high analysis water soluble fertilizers, the facilities being located on Bayou Casotte, near Pascagoula, Miss. Mississippi Chemical has voting control by ownership of 1,000,000 Class B shares, which has equal voting rights per share with the Class A and Class C stock. Mississippi Chemical also has purchased and now owns 392 Class A and 74,710 shares of Class C stock. The ownership of Class A and Class B stock gives the holder thereof the preferred patronage right to purchase products manufactured by Coastal other than straight nitrogen fertilizer. Ownership of Class C stock entitles the holder to purchase anhydrous ammonia or straight nitrogen products. Substantial operating losses have accrued on Coastal's operations from its organization through September 30, 1959; some facilities have only recently been in operation.

Net proceeds to Coastal from its sale of the 20,000 Class C shares are to be added to the general funds of the company and used for working capital requirements. Proceeds of the sale of Class A shares are to be used for the construction of additional facilities, including additional storage for bagged fertilizer, additional wharf and dock facilities, additional raw products storage for mixed fertilizer plant, and additional phosphoric acid unit, as well as for working capital and repayment of loans.

NORTHERN ILLINOIS GAS FILES FOR STOCK OFFERING. Northern Illinois Gas Company, 50 Fox St., Aurora, Illinois, filed a registration statement (File 2-15907) with the SEC today seeking registration of 150,000 shares of cumulative preferred stock, \$100 par value, to be offered for public sale through underwriters headed by The First Boston Corporation and Glore, Forgan & Co. The dividend rate, offering price and underwriting terms are to be supplied by amendment.

The company was organized in 1953 and in February 1954 it acquired all of the gas utility properties of Commonwealth Edison Company. Proceeds from the sale of the preferred stock will be used to retire about \$10,000,000 of bank loans obtained in connection with the company's new construction program. The balance will be used to increase working capital for application to construction expenditures. The company estimates its construction expenditures for the five-year period 1960-1964 to be approximately \$180,000,000, most of which will be expended for gas distribution facilities.

STAR MARKET FILES FOR OFFERING AND SECONDARY. Star Market Co., 297 Walnut Street, Newton, Mass., today filed a registration statement (File 2-15908) with the SEC seeking registration of 200,000 shares of common stock, of which 50,000 shares are to be offered for public sale for the account of the issuing company and 125,000 shares, representing outstanding stock, by Stephen P. Mugar, president. The public offering price and underwriting terms are to be supplied by amendment. Hamphill, Noyes & Co. is listed as the principal underwriter. Concurrently with this offering, Mugar will offer an additional 25,000 shares for sale to certain officers and employees of the company and its subsidiaries.

The company operates eighteen supermarkets, of which eleven are located in suburban Greater Boston and are operated under the name of "Star Market." The remaining seven stores are operated by United Public Markets, Inc., 94.2% of the stock of which is owned by Star Market. These latter stores, of which six are located in Rhode Island and one in Whitinsville, Mass., are operated under the name "United Star Market." The company now has outstanding 399,000 common and 582,656 Class B shares in addition to certain indebtedness. Net proceeds to the company from its sale of the additional 50,000 common shares will be used in part to reimburse it for costs incurred in connection with its supermarket in Woburn, Mass., now under construction, which the company expects to open for business early in 1960. The balance of the proceeds will be added to the general funds of the company for eventual application to meet, in part, the cost of its expansion and improvement program.

NOTICE OF GENERAL PUBLIC UTILITIES STOCK OFFERING ISSUED. The SEC has issued an order (Release 35-14113) giving interested persons until December 22, 1959, to request a hearing upon the common stock financing proposal of General Public Utilities Corporation, New York holding company. As previously reported (News Digest of November 23, 1959), GPU proposes to offer for subscription by its stockholders an additional 1,087,071 shares of common stock, on the basis of one new share for each twenty shares held on December 30, 1959, or such later date as GPU's Securities Act registration statement may become effective. No underwriting is involved, but GPU will utilize the services of security dealers to solicit the exercise of subscription rights; and it may sell unsubscribed shares to dealers. An exemption from the Commission's competitive bidding rule is requested. Net proceeds of the stock sale will be used by GPU to repay \$4,500,000 of outstanding bank loans and to make additional investments in its domestic subsidiaries to carry out their construction programs.