

# 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 May 9, 1963

**COLUMBIA GAS SYSTEM SEEKS ORDER.** The Columbia Gas System, Inc., New York registered holding company, and 15 wholly-owned subsidiaries, have applied to the SEC for an order under the Holding Company Act with respect to certain transactions; and the Commission has issued an order (Release 35-14870) giving interested persons until May 23, 1963 to request a hearing thereon. In order to provide funds for construction programs, 14 of the subsidiaries propose to borrow from Columbia Gas an aggregate of \$58,025,000; and three subsidiaries, The Manufacturers Light and Heat Company, Cumberland and Allegheny Gas Company, and Columbia Gas of New York, Inc., propose to issue to Columbia Gas additional common shares aggregating \$2,063,950, \$204,850 and \$175,000, respectively. To provide funds for five of its subsidiaries to purchase inventory gas for storage, Columbia Gas proposes to borrow from a group of commercial banks an aggregate of \$80,000,000 and to advance such funds on open account to the subsidiaries from time to time as needed during 1963, as follows: United Fuel Gas Company, \$20,000,000; The Ohio Fuel Gas Company, \$37,000,000; The Manufacturers Light and Heat Company, \$14,000,000; Home Gas Company, \$2,500,000; and Atlantic Seaboard Corporation, \$6,500,000.

**TRANSAMERICA FILES STOCK PLAN.** Transamerica Corporation, Montgomery Street at Columbus Avenue, San Francisco, filed a registration statement (File 2-21401) with the SEC on May 7 seeking registration of 312,120 shares of common stock, to be offered pursuant to its 1961 Stock Option Plan.

**CANADIAN RESTRICTED LIST.** The SEC has added Ste. Sophie Development Corp. (Montreal) to its Canadian Restricted List which is comprised of the names of 254 Canadian companies whose securities the Commission has reason to believe 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.

**UNIFIED FUNDS RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-3689) approving a depository agreement between Unified Funds, Inc., a registered face-amount certificate company, and the Merchants National Bank & Trust Company of Indianapolis, wherein Unified undertakes to deposit and maintain with the bank qualified investments and reserves as required by the Act with respect to its Series of Certificates mentioned therein.

**UNLISTED TRADING SOUGHT.** The SEC has issued orders (Release 34-7074) giving interested persons until May 24, 1963 to request a hearing upon an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Metromedia, Incorporated, and a similar application of the Cincinnati Stock Exchange for such privileges in the common stock of Taft Broadcasting Company.

**UNLISTED TRADING GRANTED.** The SEC has granted applications of the Pacific Coast Stock Exchange (Release 34-7074) for unlisted trading privileges in the common stocks of Central and Southwest Corporation, International Business Machines Corporation, and Texas Instruments, Incorporated.

**PACIFIC TELEPHONE PROPOSES SALE OF PACIFIC NORTHWEST BELL STOCK.** Pacific Northwest Bell Telephone Company, 1200 Third Avenue, Seattle, Wash., filed a registration statement (File 2-21402) with the SEC on May 8 seeking registration of 13,013,969 outstanding shares of common stock. The company's outstanding stock (30,460,000 shares) is owned 51% (15,548,140 shares) by American Telephone and Telegraph Company and 42.7% (13,013,969 shares) by The Pacific Telephone and Telegraph Company (AT&T owns 89.6% of the total voting power of PT&T). PT&T proposes to offer the 13,013,969 shares of Pacific Northwest owned by it for subscription by PT&T shareholders of record on June 4, 1963. Each such shareholder will receive a warrant evidencing the total number of rights to purchase Pacific Northwest shares to which he is entitled at the rate of one right for each common share then held, and seven rights for each preferred share (\$100 par) then held. Eight rights will be required to purchase one share. No underwriting is involved. The subscription price is to be supplied by amendment. A plan pursuant to which the business and properties of PT&T in Washington, Oregon and Idaho were transferred to Pacific Northwest in June 1961 provided for a reduced participation on the part of AT&T in offerings of common by PT&T to its shareholders and, in connection with this offering, AT&T has agreed to relinquish rights to purchase 8,829 shares which it otherwise would have been entitled to receive. Shares not purchased under this offering, however, are to be offered to AT&T at the offering price.

**INDICTMENT RETURNED IN MONO-KEARSARGE CASE.** The SEC announced today (LR 2618) the return of a 13-count indictment (USDC, SDNY) against the broker-dealer firms of R. B. Gravis, Inc., and Jean R. Veditz Co., Inc., as well as Benjamin Goldstein, Nathaniel R. Real, James B. Boren, Sidney B. Josephson, Jean R. Veditz, Robert B. Gravis, Jack Ronger, Harold Grill, Matthew Strong, Jerome Gordon, Alexander Brown, John B. Morgan and Arthur George, charging them with violations of the Federal securities laws in the offer and sale of unregistered stock of Mono-Kearsarge Consolidated Mining Co.

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**INDEPENDENT SHOE DISCOUNTERS ASSOCIATION FILES FOR STOCK OFFERING.** Independent Shoe Discounters Association, Inc., 519 West California Ave., Oklahoma City, Okla., filed a registration statement (File 2-21403) with the SEC on May 8 seeking registration of 325,000 shares of common stock, to be offered for public sale at \$1 per share. The offering will be made on a best efforts basis by Parker, Bishop & Hart, Inc., 22 Park Ave., Oklahoma City, which will receive a 12¢ per share selling commission. A \$5,000 fee is payable by the company to the underwriter's counsel.

The company (formerly Frandisco, Inc.) was organized under Oklahoma law in November 1962. It proposes to operate as a shoe distributor supplying (to independent retail shoe stores who are franchised by the company) shoes and related items and advice, ideas and specialized skills which the independent stores would not normally be able to supply themselves. These franchised stores will operate as discount, self-service shoe stores. The company, which has made no sales to date, has franchised two shoe stores located in Shawnee and Stillwater, Okla. The \$272,000 estimated net proceeds from the stock sale will be added to working capital and used for general corporate purposes, including the purchase of a larger inventory of shoes. The company has outstanding 25,750 shares of common stock, of which Floyd C. Cardin, president, and Roy D. Goodner, a director, own 38.8% each and management officials as a group 100%.

**WASHINGTON NATIONAL INSURANCE FILES STOCK PLAN.** Washington National Insurance Company, 1630 Chicago Ave., Evanston, Ill., filed a registration statement (File 2-21404) with the SEC on May 3 seeking registration of 20,000 shares of common stock, to be offered pursuant to its Incentive Stock Option Plan.

**EMPIRE DISTRICT ELECTRIC FILES STOCK PLAN.** The Empire District Electric Company, 602 Joplin St., Joplin, Mo., filed a registration statement (File 2-21405) with the SEC on May 8 seeking registration of 20,000 shares of common stock, to be offered pursuant to its Employee Stock Plan.

**LEASEWAY TRANSPORTATION FILES STOCK PLAN.** Leaseway Transportation Corp., 2111 Chagrin Blvd., Cleveland, filed a registration statement (File 2-21406) with the SEC on May 6 seeking registration of 100,000 shares of common stock, to be offered pursuant to its Restricted Stock Option Plan for Employees.

**COMMONWEALTH TELEPHONE FILES FOR RIGHTS OFFERING.** Commonwealth Telephone Company, 100 Lake St., Dallas, Pa., filed a registration statement (File 2-21408) with the SEC on May 8 seeking registration of 71,460 shares of common stock. It is proposed to offer such stock for subscription by common stockholders at the rate of one share for each 10 shares held of record on the effective date of the registration statement. Unsubscribed shares are to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., Philadelphia National Bank Bldg., Philadelphia. The subscription price (maximum \$29 per share\*) and underwriting terms are to be supplied by amendment.

The company is an independent telephone company serving portions of northeastern Pennsylvania and other sections of the eastern part of that state. The net proceeds from the stock sale will be used to reduce \$3,750,000 of bank loans incurred to finance capital expenditures. During 1962 gross property additions were \$4,780,000 and the construction budget for 1963 calls for gross additions of about \$4,500,000. In addition to certain indebtedness and preferred stock, the company has outstanding 708,300 shares of common stock, of which the Estate of Andrew J. Sordoni, together with his widow, their children (A. J. Sordoni, Jr., president and board chairman, and Mary Sekera), other family members and Public Service Enterprises of Pennsylvania, Inc. (wholly-owned by the Estate) own an aggregate of 48.27%. Management officials as a group own 1.9%.

**TENN-TEX LAND AND CATTLE ENJOINED.** The SEC Fort Worth Regional Office announced April 29 (LR-2619) the entry of a Federal court order (USDC, ND, Texas) permanently enjoining Tenn-Tex Land and Cattle Co., Inc., Leighton G. Dotson, Kathryn Dotson and Ray Ellis, of Dallas, from further violations of the Securities Act registration provisions in the offer and sale of investment contracts and participations in profit sharing agreements in a cattle raising business operated by Tenn-Tex. The defendants consented to entry of the injunction; and upon the Commission's motion the complaint was dismissed as to J. Robert Keegan.

**SECURITIES ACT REGISTRATIONS. Effective May 9:** Caterpillar Tractor Co. (File 2-21283); Central Illinois Public Service Co. (File 2-21345); Interstate Power Co. (File Nos. 2-21187 and 2-21188); John Nuveen & Co. (File 2-19150); Standard Oil Co. (File 2-21312).

\*As estimated for purposes of computing the registration fee.

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