

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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Washington 25, D.C.

FOR RELEASE March 18, 1960

WEST PENN ELECTRIC - MONONGAHELA POWER FINANCINGS FILED. The West Penn Electric Company, New York holding company, has joined with its subsidiary, Monongahela Power Company, of Fairmont, W. Va., in the filing of an application with the SEC under the Holding Company Act proposing the sale of stock by West Penn Electric and its purchase of stock of Monongahela; and the Commission has issued an order (Release 35-14192) giving interested persons until April 1, 1960, to request a hearing thereon.

Under the proposal, West Penn Electric will sell at competitive bidding 300,000 additional shares of common stock. The net proceeds thereof (estimated at \$10,000,000) will be used to pay at maturity or acquire the outstanding West Penn Traction Company First Mortgage 5% Bonds, due June 1, 1960 (assumed by West Penn Electric and outstanding in the amount of \$3,155,000 at February 29, 1960); to purchase the additional Monongahela stock; and for other general corporate purposes.

Monongahela proposes to issue and sell 770,000 additional common shares to the parent for \$5,005,000, the proceeds to be used for the construction programs of Monongahela and its subsidiaries or to reimburse its treasury for construction expenditures.

NATIONAL FUEL GAS FILES FOR FINANCING. National Fuel Gas Company, New York holding company, has joined with three of its subsidiaries in the filing of a financing proposal with the Commission under the Holding Company Act; and the Commission has issued an order giving interested persons until April 1, 1960, to request a hearing thereon.

Under the proposal, National will issue and sell at competitive bidding \$18,000,000 of Sinking Fund Debentures due 1985. Net proceeds of the sale of the debentures will be applied to the prepayment of \$10,800,000 of bank loans and the balance will be loaned to the three subsidiaries, Iroquois Gas Corporation, Pennsylvania Gas Company, and United Natural Gas Company. The subsidiaries also propose to re-finance short-term notes payable to National. The subsidiaries will use the additional funds for property additions and underground gas storage inventories.

COURT ORDER RESTRAINS GOLDSMITH & ROSS. The SEC New York Regional Office announced March 15, 1960 (Lit. Release 1617) entry of a Federal court order (USDC SDNY) temporarily restraining Bertram Goldsmith, J. T. Ross, and the firm of Goldsmith & Ross from further violations of the anti-fraud provisions of the Securities Exchange Act.

COURT ORDER ENJOINS PINSKER & CO. The SEC New York Regional Office announced March 15, 1960 (Lit. Release 1618) entry of a Federal court order (USDC SDNY) preliminarily enjoining N. Pinsker & Co., Inc., and Norman Pinsker from further violating anti-fraud provisions of Securities Exchange Act and SEC net capital rule.

PLATTALLOY - NELSON ASSOCIATES ENJOINED. The SEC San Francisco Regional Office announced March 15, 1960 (Lit. Release 1619) entry of a Federal court order (USDC, Los Angeles) preliminarily enjoining Plattalloy Corp., J. B. Nelson & Associates, et al from further violating Securities Act registration requirements in the sale of securities of Plattalloy, Associates, and Mineral Conversion Corporation.

BOSTON EXCHANGES SEEKS TRADING PRIVILEGES. The Boston Stock Exchange has applied to the SEC for unlisted trading privileges in the common stocks of Ampex Corp., Clevite Corp., Colgate-Palmolive Co., Lear, Inc., and J. P. Stevens & Co., Inc., which are listed on one or more other Exchanges; and the Commission has issued an order (Release 34-6213) giving interested persons until April 1, 1960, to request hearings thereon.

DELISTMENTS OF TWO STOCKS SOUGHT. The SEC also has issued orders (Release 34-6213) giving interested persons until April 1, 1960, to request hearings (1) upon an application of Ruud Mfg. Co. to withdraw its capital stock from the Pittsburgh Stock Exchange (Rheem Mfg. Co. owns over 96.8% of the outstanding

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shares); and (2) upon an application of the Midwest Stock Exchange to delist the common stock of The Patterson-Sargent Company (over 98.5% of the shares have been acquired by H. K. Porter Co. Inc.).

NEWARK ELECTRONICS PROPOSES STOCK OFFERING. Newark Electronics Corporation, 223 West Madison St., Chicago, filed a registration statement (File 2-16268) with the SEC on March 17, 1960, seeking registration of 200,000 Class A shares, to be offered for public sale through an underwriting group headed by H. M. Byllesby and Company, Inc. The public offering price and underwriting terms are to be supplied by amendment. The company has agreed to grant Byllesby a five-year option to purchase 25,000 Class A shares, the initial exercise price being the offering price to the public of the 200,000 shares.

Formerly known as Newark Electric Company, the company and its Inglewood, Calif., subsidiary, are engaged in the distribution of electronic parts. It now has outstanding 100,000 Class A shares and 300,000 Class B shares and certain indebtedness. Net proceeds of the sale of the additional Class A shares will be added to working capital, to be used for such corporate purposes as the management may determine, including the increase of inventories, carrying of accounts receivable, and for financing the expansion of the company's business.

All of the presently outstanding Class A and B shares are owned in equal amounts by Sam Poncher, president, and Abu L. Poncher, secretary.

OTT CHEMICAL PROPOSES DEBENTURE OFFERING. The Ott Chemical Company, 500 Agard Road, Muskegon, Mich., filed a registration statement (File 2-16271) with the SEC on March 17, 1960, seeking registration of \$450,000 of Convertible Subordinated Debentures due May 1, 1970. The company proposes to offer the debentures for subscription by common stockholders of record May 1, 1960, at the rate of a \$100 debenture for each 3.11 shares then held. The subscription price is 100% of principal amount, the underwriter H. M. Byllesby and Company, and the underwriting commission 7%.

Organized in November 1956, the company is engaged in the manufacture and sale of synthetic organic chemicals. Of the net proceeds of the debenture sale, \$50,000 will be used to retire a note, \$60,000 for addition and alteration of service building, \$31,500 for extension of warehouse and manufacturing building, \$92,000 for equipment and the balance for working capital and other purposes.

The company now has outstanding 14,000 common shares and various indebtedness. The prospectus lists Luther S. Roehm of Decatur and Arnold C. Ott of Muskegon as board chairman and president, respectively. Management officials own 24.7% of the outstanding stock, while Ott's holdings amount to 17.9%.

MOUNTAIN STATES TELEPHONE PROPOSES DEBENTURE OFFERING. The Mountain States Telephone and Telegraph Company, 931 Fourteenth St., Denver, today filed a registration statement (File 2-16272) with the SEC seeking registration of \$40,000,000 of Forty Year Debentures due April 1, 2000, to be offered for public sale at competitive bidding. Net proceeds of the sale of the debentures will be applied toward repayment of advances from American Telephone and Telegraph Company, parent, which are expected to approximate \$91,000,000 at the time the proceeds are received. Parent company advances are used for general corporate purposes, including property additions and improvements. The parent owns 86.75% of the outstanding stock.

INDICTMENT NAMES SIX IN BELLANCA CASE. The SEC New York Regional Office announced March 16, 1960 (Lit. Release 1620) the return of an indictment (USDC SDNY) charging Sydney L. Albert, Joseph Abrams and four others with manipulating the common stock of Bellanca Corporation and other violations of the Federal securities laws.

LABORATORY FOR ELECTRONICS SHARES IN REGISTRATION. Laboratory for Electronics, Inc., 1079 Commonwealth Ave., Boston, today filed a registration statement (File 2-16273) with the SEC seeking registration of 75,000 shares of common stock. These shares are issued or issuable on conversion or redemption of the outstanding 5½% Convertible Subordinated Debentures due 1973, which are to be called for redemption in May 1960. An underwriting group headed by Palma, Webber, Jackson & Curtis has agreed to purchase from the company at \$20 per share any shares reserved for issue on conversion of debentures not converted on or before the redemption date.

The company's principal business is the research, development and production of electronic equipment for aviation and other military use. According to the prospectus, the company believes that it will be advantageous to raise new capital in the near future to finance expansion and to reduce bank loans; and it contemplates the filing of a new registration statement in April 1960 covering an offering of new common stock, which will be offered for subscription by stockholders. The company now has outstanding 542,112 common shares, of which management officials own 11.8%.

RAP-IN-WAX PROPOSES OFFERING AND SECONDARY. The Rap-In-Wax Company, 150 - 26th Ave., S. E., Minneapolis, today filed a registration statement (File 2-16274) with the SEC seeking registration of 107,920 shares of common stock, of which 70,000 shares are to be offered for public sale by the issuing company. The remaining 37,920 shares are now outstanding and are to be offered by the present holders thereof. The public offering price and underwriting terms are to be supplied by amendment. Dean Witter

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& Co. is listed as the principal underwriter.

The company is engaged primarily in the business of manufacturing and printing a broad line of flexible packaging materials. Net proceeds of its sale of the 70,000 common shares will be added to its working capital; and a portion of such proceeds will replace about \$337,500 of cash paid in December 1959 for the purchase of a new factory building for its operations in New Jersey and the balance will replace or provide a substantial part of the funds expended or required for expansion of operations by the purchase, for about \$465,000, of an extrusion-laminator, a rotogravure printer-laminator, an embosser and laboratory pilot extruder. Additional funds for these purposes are expected to be derived from operations and from the sale of a factory building no longer necessary for operations in New Jersey.

In addition to certain indebtedness, the company now has outstanding 190,875 common shares and 190,810 shares of Class A stock. Principal stockholders are John J. Ahern, Jr., of Excelsior, Minn., president (49,513 common and 49,510 Class A shares) and Mrs. Laura Benz Ahern, Ahern's mother, (50,202 common and 50,200 Class A shares). Ahern proposes to sell 9,110 common shares and his mother 9,240 shares; five other stockholders propose to sell 2,330 shares each; and the estate of H. H. Hughes, deceased, proposes to sell all its holdings of 7,920 shares.

RAMEY KELLY DENIED REGISTRATION WITH SEC. In a decision announced today (Release 34-6209) the Securities and Exchange Commission denied an application of The Ramey Kelly Corporation, 1670 Wisconsin Ave., N.W., Washington, D. C., for registration as a broker-dealer for violation of the fraud prohibitions of the Federal securities laws. Robert L. Ramey, president and controlling stockholder, was held to be a cause of the order.

According to the Commission's decision, Ramey in early 1958 induced a "Mrs. B" to liquidate her entire portfolio holdings, consisting principally of listed stocks and mutual fund shares, and to apply the proceeds thereof to the purchase of 140 shares of the preferred stock of Stanford Corporation (a broker-dealer) for \$14,000, an 8% debenture of Thirteen Hundred Corporation (a real estate company) for \$25,000, and 1,600 shares of common stock of the latter at \$10 per share, or \$16,000. Ramey was an officer and stockholder of both Stanford and Thirteen Hundred Corp. He and another person received a 5% commission from the latter on Mrs. B's purchase of its securities, and he received a 10% commission from Stanford on her purchase of Stanford stock.

The Commission ruled that Ramey had made material misrepresentations to Mrs. B and thereby induced her to sell her investment portfolio and purchase speculative securities of doubtful value and which were not adapted to her needs, including statements that the investments in Stanford and Thirteen Hundred were safe and would yield her a better return than the securities she then owned, failure to state that the two companies had never made any profit and were operating at a loss, failure to advise Mrs. B that the new securities offered only a speculative possibility of realization of her objectives of "no fluctuation" and greater income, and failure to disclose his commissions.

Observing that Ramey occupied a position of "trust and confidence" with Mrs. B and acted as her agent, the Commission stated that he was under a duty to make "full and meticulous" disclosure of all pertinent information and furnish advice with a view solely to her interest, particularly in view of the fact that he had substantial personal interests in the two companies whose securities she was induced to purchase. His conduct, the Commission stated, "violated elemental standards of fair treatment" required of persons in the securities business; and denial of his registration is necessary in the public interest.

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