

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.

(In ordering full text of Releases from Publications Unit, cite number)

FOR RELEASE November 25, 1960

PUBLIC SERVICE ELECTRIC AND GAS FILES FOR OFFERING. Public Service Electric and Gas Company, 80 Park Place, Newark, New Jersey, filed a registration statement (File 2-17326) with the SEC on November 23, 1960, seeking registration of 250,000 shares of \$100 par cumulative preferred stock, to be offered for public sale through a group of underwriters headed by Merrill Lynch, Pierce, Fenner & Smith. The dividend rate, public offering price, and underwriting terms are to be supplied by amendment.

The net proceeds from the stock sale will be added to the company's general funds and will be used for general corporate purposes, including the payment of a portion of the cost of its current construction program and repayment of \$15,000,000 to \$20,000,000 of unsecured short-term bank loans. The proceeds of such loans were added to the company's general funds and used for general corporate purposes including payment of a portion of its construction program. As of September 30, 1960, the estimated cost of the current construction program amounted to \$180,000,000, of which \$44,000,000 has been or will be expended in the last three months of 1960 and the remainder in subsequent years.

REEVES SOUNDCRAFT CORP. FILES FOR SECONDARY. Reeves Soundcraft Corp., 15 Great Pasture Road, Danbury, Connecticut, filed a registration statement (File 2-17327) with the SEC on November 23, 1960, seeking registration of 150,000 shares of common stock to be offered for public sale through an underwriting group headed by Emanuel, Deetjen & Co. The shares being offered will be purchased by the underwriters from The Prudential Insurance Company of America. They will be acquired by Prudential from the company through the exercise of warrants issued to Prudential by the company pursuant to an agreement dated March 25, 1958, in connection with the sale of \$600,000 principal amount of secured promissory notes by the company to Prudential. These warrants entitled Prudential to purchase 150,000 shares of common stock of the company at a price of \$3.00 per share, the warrants to become void after April 1, 1968. The offering price of the 150,000 shares to be sold to the public, and the underwriting terms, are to be supplied by amendment. No underwriting discounts or commissions will be payable by the company and the company will receive no part of the proceeds from the public sale. However, upon the purchase by Prudential from the company of the 150,000 shares being offered upon the exercise of the warrants, the company will receive \$3.00 per share, or an aggregate of \$450,000 if all the warrants are exercised, before deducting the expenses of registration, which are to be borne by the company.

The company manufactures and distributes recording media such as magnetic tape, film and recording discs. It also leases to motion picture producers and motion picture production studios patented machines utilized in the application of magnetic oxide recording stripes on motion picture film of all sizes and produces and sells magnetic oxide formulations to be used for that purpose. It also produces, distributes and sells a diversified line of instantaneous sound recording discs.

In addition to indebtedness and the 150,000 outstanding purchase warrants owned and to be exercised by Prudential, the company has outstanding 3,054,815 shares of common stock, of which management officials as a group own 324,538 shares. Hazard E. Reeves is listed as president.

HUDSON & MANHATTAN RAILROAD SEEKS ORDER. The Hudson & Manhattan Railroad Company, 30 Church Street, New York City, filed with the SEC on November 22, 1960, an application under the Trust Indenture Act seeking an order qualifying an indenture pursuant to which \$10,038,100 of First Mortgage 6% Bonds are to be issued. The bonds are to be issued pursuant to a plan of reorganization of the company which was confirmed by an order of the United States District Court for the Southern District of New York dated June 29, 1960, in proceedings pursuant to Chapter X of the Bankruptcy Act. By the terms of the plan, two corporations will succeed to the business and property of Hudson & Manhattan Railroad Company. One of these will be the same corporate entity as that company, which will change its name to Hudson and Manhattan Corporation. The other will be a newly-formed wholly-owned subsidiary of the company to be known as Hudson Rapid Tubes Corporation. The new Hudson & Manhattan Corporation, in exchange for each \$1,000 original principal amount of Hudson & Manhattan Railroad Company First Mortgage 4-1/2% Gold Bonds or First Lien and Refunding Mortgage 5% Bonds outstanding in the hands of the public, will issue \$340 principal amount of bonds and 20 shares of its Class A stock.

OVER

For further details, call Worth 3-5526

BATTEN & CO., MUTUAL FUNDS OF AMERICA HEARING POSTPONED. At the request of Batten & Co., Inc., and Mutual Funds of America, Inc., both of Washington, D.C., the Commission has postponed to December 5, 1960, the hearing heretofore scheduled to be held on November 28, 1960, on the question of suspension of the broker-dealer registrations of the said corporations.

COLUMBIA GAS APPLIES FOR SEC ORDER. The Columbia Gas System, Inc., New York holding company, has applied to the SEC for an order authorizing the company to execute a surety bond for its wholly-owned gas utility subsidiary company, United Fuel Gas Company, and the Commission has issued an order (Release 35-14316) giving interested persons until December 5, 1960, to request a hearing on the proposal.

United Fuel Gas Company has filed with the Public Service Commission of West Virginia an application for increased gas rates estimated to produce increased annual revenues of approximately \$4,682,000. Under applicable West Virginia law, United is collecting the higher rates provided for in the rate filing subject to the obligation to refund, with interest, any portion of the higher rates which may ultimately be determined to be excessive. This refund obligation is now guaranteed by two bonds in the amounts of \$1,600,000 and \$100,000, executed by United with Columbia as surety. On November 2, 1960, the West Virginia Commission issued an order requiring the posting of an additional bond of \$1,000,000 as security for the obligation to refund. Columbia proposes to act as surety on said bond without fee or other charges to United in order to relieve United of paying the customary fee of an insurance company.

MISSISSIPPI POWER PROPOSES BANK BORROWINGS. Mississippi Power & Light Company, Jackson, Miss., has applied to the SEC for authority to make bank borrowings of \$2,000,000 in January 1961 and \$1,000,000 in March 1961 to meet temporary cash needs, and the Commission has issued an order giving interested persons until December 12, 1960, to request a hearing on the proposal.

KEYSTONE CUSTODIAN FUNDS SEEKS ORDER. Keystone Custodian Funds, Inc., Boston investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed purchase of substantially all of the cash and securities of Holzworth Corporation, and the Commission has issued an order (Release 40-3143) giving interested persons until December 7, 1960, to request a hearing on the proposal.

Holzworth Corporation, a New York corporation, is an investment company which engages in the business of investing and reinvesting its funds. Under an agreement between the two companies, substantially all of the cash and securities of Holzworth, with a total value of \$587,494 as of September 30, 1960, will be transferred to Keystone in exchange for shares of the latter at their net asset value. The shares acquired by Holzworth are to be distributed immediately to its shareholders, who intend to take such shares for investment.

SHORE-CALNEVAR FILES FOR OFFERING AND SECONDARY. Shore-Calnevar, Inc., 7701 East Compton Boulevard, Paramount, Calif., today filed a registration statement (File 2-17328) with the SEC, seeking registration of 200,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 100,000 shares, being outstanding stock, are to be offered by the present holders thereof. The prospectus lists J. Hentz & Co. and Federman, Stonehill & Co. as the principal underwriters. They are to purchase from the company 25,000 warrants to purchase a like amount of the company's common stock. The public offering price and underwriting terms are to be supplied by amendment.

The company designs and manufactures automobile wheel discs (hub caps) and office and washroom dispensers, receptacles and other janitorial supplies. Sportsways, Inc., of California, a wholly-owned subsidiary, manufactures skin diving equipment and accessories, and Champion Exercisers, Inc., of California, manufactures physical exercise equipment. Of the net proceeds from the company's sale of additional stock, \$525,000 will be used to repay outstanding short-term bank loans, of which \$450,000 was used to increase raw materials and parts inventories for manufacturing Sportsways' line of skin diving equipment, and \$75,000 was used to increase the company's inventories. The balance of the net proceeds will be used to increase the capital of Sportsways, by way of investment in additional shares of Sportsways stock, in order to develop new products in Sportsways' line of skin diving equipment, and the remainder will be used for the company's general corporate purposes. The company intends, in order to increase Sportsways' capital, to exchange its outstanding loans to Sportsways for additional stock in Sportsways, so that the sum of loans so exchanged and additional stock purchased will equal about \$650,000 in additional capital to Sportsways.

In addition to certain indebtedness, the company has outstanding 425,000 shares of common stock, of which Philip Shore, president, owns 176,845.6 shares and proposes to sell 41,660 shares, Ruth B. Shore owns 35,654.4 shares and proposes to sell 8,340 shares, and Fred Plotkin, executive vice president, owns 212,500 shares and proposes to sell 50,000 shares. Management officials as a group own all of the outstanding common stock of the company.

COURT ORDER ENJOINS WILLIAM C. KARAL. The SEC Boston Regional Office announced on November 21, 1960, the entry of a court order (USDC Mass.) permanently enjoining William C. Karal, 649 Wellesley Street, Weston, Mass., from further violations of the anti-fraud provisions of the Securities Exchange Act. (LR-1840)