

NEWS DIGEST



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A brief summary of financial proposals filed with and actions by the S.E.C.

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FOR RELEASE May 21, 1965

AMOSKEAG COMPANY ADVISORY REPORT. The SEC today announced the issuance of an advisory report (Release IC-4250) regarding a proposed plan of reorganization and liquidation of Amoskeag Company, Boston, Mass., a trust registered as a closed-end, non-diversified management investment company under the Investment Company Act of 1940. The report was issued on request of the trust's management under Section 25(b) of the Act. The plan proposes the transfer of the assets of the trust to a newly created corporation, in exchange for all of the debentures and common stock to be issued by the new corporation; the transfer of the said debentures or cash to the preferred shareholders of the trust; the transfer of the common stock of the new corporation to the common shareholders of the trust; and the liquidation of the trust. If the plan is adopted, the holders of the trust's preferred shares will have the election of receiving for each share held either \$100 in cash or \$100 principal amount of 10-year, 5% redeemable debentures of the new corporation. Accrued dividends on the preferred shares will be paid in cash. The holders of the common shares of the trust will receive three shares of common stock of the new corporation for each share presently held.

The Commission stated that the purpose of the report is to assist the security holders of the trust in determining whether or not to accept the plan, that the Commission has no statutory power to approve or disapprove the plan, and that in no sense is the report to be deemed a recommendation, endorsement or approval of the plan. However, the report states that it is the Commission's opinion that the terms of the proposed plan are within the limits of fairness, which justify its submission to security holders of the trust for their consideration.

The trust was created under New Hampshire law in 1911, and in recent years its assets have consisted primarily of investments in subsidiaries and other affiliated companies and investments in securities of unaffiliated issuers, primarily marketable common stocks of corporations.

Among the reasons for the plan given by the trust in its request for the advisory report were: (1) the new corporation will have perpetual existence in contrast to the limited term of the trust; (2) the trust form of organization deprives management and counsel of the relative legal certainty and flexibility of operation available to corporations; (3) dividends on preferred shares are not deductible by the trust for Federal income tax purposes (in the opinion of counsel, interest paid on the proposed debentures will be deductible); and (4) holders of preferred shares will have the election of receiving in cash the full liquidation preference of \$100 per share plus accrued dividends for their holdings, which is in excess of the over-the-counter market bid quotations for the shares ranging from 82 to 95 during the five years 1960 to 1964, inclusive.

The favorable vote of the holders of two-thirds of the outstanding shares of each class is required to effectuate the plan.

MENDEL EMPLOYMENT CLEARED. The SEC has issued an order under the Securities Exchange Act (Release 34-7606) granting an application of the NASD for continuance of a firm in membership while employing Werner Mendel of New York City, as a registered representative. Mendel was subject to a disability by reason of prior action of the Commission in its decision of August 7, 1964 (Release 34-7383).

AUTOMATION INVESTMENTS TO BE DE-REGISTERED. The SEC has issued an order under the Investment Company Act (Release IC-4252) giving interested persons until June 11 to request a hearing on a motion to declare that Automation Investments Company, Washington, D. C., has ceased to be an investment company. The Secretary of State of Delaware has informed the Commission that the company was dissolved in March 1958.

UNITED INTERNATIONAL FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4253) declaring that United International Fund, Ltd., Hamilton, Bermuda, has ceased to be an investment company.

REGISTERED EXCHANGE FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4254) granting an application of Registered Exchange Fund, Inc., of New York, for exemption from the minimum net capital requirements of Section 14(a) thereof. The Fund proposes to exchange 1,500,000 shares of common stock for certain securities held by investors who may accept the exchange offer.

DOW THEORY INVESTMENT RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4251) declaring that Dow Theory Investment Fund, Inc., Boston, has ceased to be an investment company. The application states that in December 1964 the Fund, a Delaware corporation, was merged into a Massachusetts corporation by the same name.

SKYSCRAPER CO. PROPOSES OFFERING. The Skyscraper Company, c/o Feuer & Martin Productions, Inc., 505 Park Ave., New York 10022, filed a registration statement (File 2-23610) with the SEC on May 17 seeking registration of 50 units of pre-formation limited partnership interests, to be offered for public sale at \$10,000 per unit (plus a possible 10% involuntary overcall). The offering is to be made by Feuer & Martin Productions, Inc., the general partner.

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The partnership is to be formed under New York law for the purpose of producing a dramatico-musical play tentatively entitled "Skyscraper". The general partner has acquired the right to produce a musical version of "Dream Girl" by Elmer Rice and has contracted with Peter Stone for the book of the play, and Sammy Cahn and James Van Heusen for the music and lyrics. The plot centers around a young girl's combative encounters with a construction company which tries to purchase her property on Third Avenue for the purpose of building a skyscraper. The general partner, whose capital stock is owned by Cy Feuer and Ernest H. Martin, will produce the play.

COPPER RANGE FILES STOCK PLAN. Copper Range Company, 630 Fifth Ave., New York 10020, filed a registration statement (File 2-23615) with the SEC on May 19 seeking registration of 92,812 shares of common capital stock, to be offered pursuant to its Key Employees' Stock Option Plan.

WESTERN RESERVE LIFE ASSURANCE OF OHIO FILES STOCK PLANS. Western Reserve Life Assurance Co. of Ohio, 335 Euclid Ave., Cleveland, Ohio 44114, filed a registration statement (File 2-23616) with the SEC on May 19 seeking registration of 115,800 shares of capital stock, to be offered under the company's Incentive Stock Option Plan and General Agents' Stock Option Plan.

GAS SERVICE PROPOSES OFFERING. The Gas Service Company, Scarritt Bldg., Kansas City, Mo. 64142, filed a registration statement (File 2-23617) with the SEC on May 20 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., 570 Broad St., Newark, N. J. 07102, and Stern Brothers & Co., 1109 Baltimore Ave., Kansas City, Mo. 64105. The public offering price (\$45 per share maximum*) and underwriting terms are to be supplied by amendment.

The company's principal business is the distribution and sale of natural gas for residential, commercial and industrial purposes. Net proceeds from its stock sale (together with funds from a proposed private sale of \$7,000,000 of first mortgage bonds) will be used to prepay \$15,000,000 of bank loans incurred to finance construction expenditures and acquisition of gas distribution systems. Any remaining proceeds will be applied to the company's 1965 construction program, estimated to cost \$10,300,000. In addition to indebtedness and preferred stock, the company has outstanding 1,500,000 common shares, of which management officials own 1.123%. R. M. Power is board chairman and I. W. McKee is president.

CARBORUNDUM FILES FOR SECONDARY. The Carborundum Company, Buffalo Ave., Niagara Falls, N. Y., filed a registration statement (File 2-23613) with the SEC on May 20 seeking registration of 152,431 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The First Boston Corporation, 20 Exchange Pl., N. Y. 10005, is listed as the principal underwriter. The public offering price (\$77.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the production and sale of fabricated abrasive products and abrasive crudes and grains which are used by industries in the shaping and finishing of metals, stone, wood and other materials. In addition to indebtedness, the company has outstanding 1,831,962 common shares, of which management officials own 1.39%. The prospectus lists four selling stockholders, including Sarah Mellon Scaife, offering her entire holdings of 139,781 shares. Two Mellon trusts and one estate are also offering their entire holdings, ranging in amounts from 2,000 to 5,325. Certain members of the Mellon family, including Sarah Mellon Scaife, certain charitable foundations and trusts established by members of that family, and certain personal trusts in which they are interested own about 29% of the company's outstanding stock. Upon completion of the proposed stock sale, they will own approximately 21%. William H. Wendel is president of the company.

ECKERD DRUGS FILES FOR SECONDARY. Eckerd Drugs, Inc., 1111 Hawthorne Lane, Charlotte, N. C., filed a registration statement (File 2-23618) with the SEC on May 20 seeking registration of 350,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005, and R. S. Dickson & Co., Inc., 1500 Wachovia Bank Bldg., Charlotte, N. C., are listed as the principal underwriters. The public offering price (\$23 per share maximum*) and underwriting terms are to be supplied by amendment.

The company operates a chain of retail drug stores located in North Carolina and three other southern states. In addition to indebtedness and preferred stock, it has outstanding 366,000 common and 723,188 Class B common shares, of which management officials own 168,000 and 333,530 shares, respectively. The prospectus lists three selling stockholders, as follows: Edward M. O'Herron, Jr., president, offering 161,000 of 168,000 shares held; and Betty O'H. Sullivan and Nancy O'H. Rankin, each offering 94,500 of her holdings of 99,000 shares. Immediately after the stock offering, the selling stockholders expect to make gifts of the remaining 16,000 common shares to certain long-time employees of the company.

TILECAST CORP. PERMANENTLY SUSPENDED. The SEC today announced a decision under the Securities Act (Release 33-4782) making permanent its November 1964 order temporarily suspending a Regulation A exemption from registration with respect to a public offering by Tilecast Corporation, Two Penn Center Plaza, Philadelphia, Pa., of 43,000 shares of common stock at \$4 per share. According to the order, Tilecast's offering circular, dated February 4, 1964, contained false and misleading statements with respect to the underwriting and terms of an agreement for the escrow and return of funds to subscribers. The circular stated that the company's business, to be financed by the proceeds of the offering, was contingent upon the confirmation of a plan of arrangement in a bankruptcy proceeding involving a predecessor company from which Tilecast planned to acquire machinery, equipment and the rights to a special formula process for its products. Representation was also made that the proceeds from the sale of the first 6,000 shares sold pursuant to the offering were to be placed

in escrow with a bank, and that if the plan were not confirmed, the escrow agent within 90 days of the date of the offering circular would refund to investors all proceeds from the offering, less underwriting commissions and expenses. The underwriter withdrew from the offering on April 24, 1964. A report of stock sales dated September 3, 1964, showed that 1,685 shares had been sold by that time; however, the only funds received by the escrow agent were the proceeds from the sale of 100 shares, the only sale made by the underwriter. The bankruptcy arrangement plan had not been confirmed by the court, and after the intervention of the former underwriter, the escrow agent in July 1964 refunded the amount due the purchaser of the 100 shares. The withdrawal of the underwriter, the failure to escrow the proceeds from the sale of all the 1,685 shares reported sold, and the failure to achieve a confirmation of the bankruptcy arrangement plan within 90 days made the offering circular materially false and misleading in the absence of an appropriate amendment to reflect these facts.

INDICTMENT NAMES M F DERMER. The SEC New York Regional Office announced May 13 (LR-3230) the return of an indictment (USDC SDNY) charging that Michael F. Dermer, president of Charters & Co. of Miami, Inc., committed perjury in testifying before a Federal grand jury concerning transactions by Charters & Co. in stock of Florida Patsand Corp.

UNITED STATES PLASTICS FILES RIGHTS OFFERING AND EXCHANGE PROPOSAL. United States Plastics, Inc., 750 W. 18th St., Hialeah, Fla., filed a registration statement (File 2-23611) with the SEC on May 19 seeking registration of 93,820 shares of common stock, to be offered for subscription by common stockholders at the rate of one new share for each four shares held on the effective date of the registration statement. Any unsubscribed shares are to be offered for public sale through underwriters headed by Nolting, Nichol & O'Donnell, Inc., Brent Bldg., Pensacola, Fla. The offering price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment.

The registration statement also includes \$383,400 of 4½% promissory notes, due 1967. The company proposes to acquire up to 45,000 common shares of Watsco, Inc., through the exchange of such notes and cash, at the rate of \$3.48 in cash and \$8.52 in the 4½% notes for one Watsco share. On March 11, 1965, the company entered into an option agreement with William Wagner, president and controlling stockholder of Watsco, to acquire approximately 45.7% of Watsco's outstanding stock, and in May 1965, it acquired options to purchase an additional 5.7%. Such options are exercisable at \$12 per share. In the event the company exercises all of the options acquired, it will own approximately 51.4% of Watsco's stock and intends to merge Watsco into the company. The option agreements are conditioned upon the company's offer to acquire Watsco stock from the remaining stockholders.

The company is engaged primarily in the distribution and sale of Consoweld laminated plastic sheets and related items, the manufacture and sale of laminated plastic postformed countertops, plastic faced doors, and similar type products, and the sale of plastic sheets under the company's trade name of Plasticor. The company acquired Panelfab Products, Inc., in September 1964, at which time it became engaged in the manufacture and sale of prefabricated, pre-engineered, relocatable structures. Watsco manufactures valves and other products for the air-conditioning and refrigeration industries and manufactures a compressor spray system for use by beauty parlors. Of the net proceeds from the company's stock sale, \$598,817 will be used to exercise its options to acquire Watsco stock; \$418,877 to acquire bank certificates of deposit required under the Watsco options; \$156,000 will be allocated for the purposes of the Exchange Offer, such Watsco stockholders; and the balance will be added to working capital. The company intends to apply \$425,000 of certain indebtedness. In addition to indebtedness and preferred stock, the company has outstanding 521,531 common shares, of which management officials own 31%, including 30% owned by Edward R. Scharps, president.

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "**"):

File No.	O- Registrant	Location
964	American Precision Industries, Inc. **	Buffalo, N.Y.
959	Baystate Corp. **	Boston, Mass.
1028	Biochemical Procedures Inc.	N. Hollywood, Cal.
965	Bogue Electric Mfg. Co. **	Paterson, N.J.
962	Chicago Aerial Industries, Inc. **	Barrington, Ill.
960	Scantlin Electronics, Inc. **	L. A., Cal.
961	Southern Gas & Water Co. **	Savannah, Ga.

SECURITIES ACT REGISTRATIONS. Effective May 20: Indian Head Mills, Inc., 2-23525 (June 29); Northwest Natural Gas Co., 2-23524 (June 29); The Pacific Telephone & Telegraph Co., 2-23518 (June 30); Riegel Paper Corp. (File 2-23394). Effective May 21: Emhart Corp. (File 2-23529).

NOTE TO DEALERS. The last date or 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.

ORAL ARGUMENT, COMING WEEK. May 26 - 2:30 P.M. - Salinger Investment Co.

*As estimated for purposes of computing the registration fee.