

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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**TOWER APARTMENTS ASSOCIATES FILES FOR OFFERING.** Tower Apartments Associates, 342 Madison Avenue, New York, filed a registration statement (File 2-21019) with the SEC on January 16 seeking registration of \$790,000 of limited partnership interests, to be offered for public sale at \$1,000 per interest. The offering will be made by Tucker Investment Plan, Inc., of the Madison Avenue address, which will receive a \$79,000 commission.

Associates is a limited partnership organized under New York law in December 1962 with Gerald J. Tucker (president and sole stockholder of the underwriter), Edward A. Sobin and Henry Conan Caron as general partners and (together with Selma Frank) as original limited partners. The partnership was formed for the purpose of acquiring fee title to the land and building known as the Ritz Tower Apartments, located in Philadelphia, for a total price of \$1,250,000. Of such price, \$550,000 is payable in cash at the time of settlement in May, and the balance will be secured by a first mortgage held by the American National Insurance Company, which will amount to \$485,719.79 at the time of closing, and a \$214,280.21 non-interest bearing purchase money second mortgage payable within two years. A \$50,000 deposit has been made by the general partners (and additional deposits of up to \$25,000 may be made). All deposits will be credited to the purchase price and will be returned by the partnership to the general partners, who have assigned all of their interest in the purchase agreement to the partnership. The partnership agreement contemplates refinancing by a new mortgage to replace the first and second mortgages. The \$790,000 proceeds from the sale of interests, together with \$10,000 received from the general partners (and Selma Frank), will be used as follows: \$550,000 for payment of the cash portion of the purchase price; \$137,000 to pay the general partners for expenses (including the underwriter's commission); \$100,000 to renovate the property; and the balance to pay realty transfer taxes. The general partners have received \$5,000 in general partnership interests for payment by them of \$5,000 in cash; and as original limited partners, they have received \$350,000 of subordinated limited partnership interests in return for their assignment of the purchase agreement and their undertaking with respect to refinancing of the property.

**LACLEDE GAS FILES FINANCING PLAN.** Laclede Gas Company, 1017 Olive St., St. Louis, Mo., filed a registration statement (File 2-21023) with the SEC on January 17 seeking registration of (1) \$10,000,000 of sinking fund debentures due 1983, to be offered for public sale at competitive bidding, and (2) 200,000 shares of \$25 par preferred stock (series C), to be offered for public sale by Lehman Brothers, One William St., Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., both of New York, and Reinholdt & Gardner, 400 Locust St., St. Louis. The dividend rate of the preferred shares and the public offering price (maximum \$25 per share\*) and underwriting terms of the preferred offering are to be supplied by amendment.

The company is an operating gas utility engaged in the distribution and sale of natural gas throughout the City of St. Louis and its adjacent suburban areas. The net proceeds from the sale of debentures and preferred stock, together with other funds, will be used to repay \$19,200,000 of bank loans incurred in connection with the company's construction program (estimated at \$54,300,000 for the five fiscal years ending September 1967). In addition to certain indebtedness and preferred stock, the company has outstanding 3,624,217 shares of common stock, of which Stupp Bros. Bridge and Iron Company (75% owned by Erwin P. Stupp, a director) owns 7.25%. H. Reid Derrick is president.

**BLACK HILLS POWER & LIGHT PROPOSES RIGHTS OFFERING.** Black Hills Power and Light Company, 621 Sixth St., Rapid City, South Dakota, filed a registration statement (File 2-21024) with the SEC on January 17 seeking registration of 22,516 shares of common stock. It is proposed to offer such stock for subscription by common stockholders at the rate of one share for each 19 shares held. Eastman, Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York, will form and manage a group of soliciting dealers. The record date, subscription price (maximum \$44.40 per share\*) and amount of commissions payable to the soliciting dealers are to be supplied by amendment. The net proceeds from the stock sale will be used for construction purposes and to repay bank loans obtained therefor. Construction expenditures for the fiscal year ending October 31, 1963 are estimated at \$3,398,100. In addition to certain indebtedness and preferred stock, the company has outstanding 427,805 shares of common stock, of which management officials as a group own 1.4%. J. B. French is board chairman and Neil G. Simpson is president.

**CISCO VALLEY SUSPENSION MADE PERMANENT.** The SEC today announced the issuance of a decision under the Securities Act (Release 33-4576) making permanent its January 25, 1962 order temporarily suspending a Regulation A exemption from registration with respect to a proposed public offering by Cisco Valley Corporation, Auburn, Wash., of 65,000 common shares at \$4 per share. In its decision, the Commission held that Cisco Valley failed to comply with certain terms and conditions of the Regulation and that the company's offering circular was false and misleading in respect of certain material facts, particularly with respect to its failure to disclose that the company's properties were subject to \$150,000 of indebtedness (and royalty claims) or to disclose the unfavorable record of earnings from the properties. In addition, the Commission ruled that the mining information presented in the offering circular, the statement that the property was operating, and the prediction of anticipated revenues were misleading in view of the failure to disclose the exploratory nature of the operations, the absence of any significant ore reserves, and other facts adversely affecting the

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potential profitability of uranium oxide production of the type contemplated by the issuer. Moreover, the offering circular failed to properly describe the dilution of the stock covered by the proposed offering resulting from the presence of the outstanding stock held by insiders (and the issuer's notification failed to state the amount and basis of computation of the consideration paid by management officials and promoters who received stock, the fact that in most instances the consideration paid was services performed or to be performed, or the number of shares received by such persons).

**NORTH AMERICAN ORDERS.** The SEC has issued an order under the Holding Company Act (Release 35-14789) releasing jurisdiction over efforts made to locate public stockholders of North American Utility Securities Corporation, subsidiary of The North American Company (succeeded by Union Electric Company), which jurisdiction the Commission reserved by order dated July 23, 1952 directing that The North American Company take appropriate steps to liquidate and dissolve said subsidiary. In a separate order (Release 35-14790), the Commission also released its jurisdiction over efforts made to locate common stockholders of The North American Company, which jurisdiction the Commission reserved by order dated October 31, 1952 directing that North American take appropriate steps to liquidate and dissolve.

**UNLISTED TRADING SOUGHT.** The SEC has issued an order under the Securities Exchange Act (Release 34-6992) giving interested persons until February 1 to request a hearing upon an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks of Laboratory for Electronics, Incorporated and Crown Zellerback Corporation.

**GAMBLE-SKOGMO-I.D.S. SEEK ORDER.** Gamble-Skogmo, Inc. and Investors Diversified Services, Inc. have filed applications with the SEC under the Investment Company Act (Release IC-3618) requesting on behalf of themselves and all other persons named in an application recently filed by Randolph Phillips (a shareholder of Investors Mutual, Inc., Investors Stock Fund, Inc., Investors Selective Fund Inc. and Investors Variable Payment Fund, Inc.) an exemption from that part of the Act which provides that if an application pursuant to Section 2(a)(9) thereof is not granted or denied by the Commission within 60 days after its filing, the determination sought by the application shall be deemed to have been temporarily granted pending final determination of the Commission thereon, and that such exemption remain in effect until the Commission determines all issues before it in the proceeding relating to the application of Phillips. Phillips' application seeks a Commission determination as to whether a group consisting of Bertin C. Gamble, Gamble-Skogmo, Inc. and other acting collectively and/or in concert with a group consisting of John D. and Clint W. Murchison, Jr. and others, control or have acquired the power to exercise a controlling influence over the management or policies of Alleghany Corporation and of IDS.

The applications of Gamble-Skogmo and IDS assert, among other things, that the issues presented in the Phillips application involve difficult and complex questions of law and that the presentation of evidence and the rendering of a decision by the Hearing Examiner and/or the Commission will necessarily require more than 60 days. The new applications also assert that the questions of law are of vital importance not only to each of the registered investment companies which has IDS as its adviser and principal underwriter and to the other persons named in the application (by Phillips) but, as well, to many other investment companies, advisers, other persons subject to the provisions of the Act, and to the Commission. The Commission has scheduled oral argument on the applications filed by Gamble-Skogmo and IDS to be held at 2:30 P.M., on January 31, in its Washington Office. In addition, the Commission has invited interested persons to submit briefs on or before January 25 setting forth reasons as to whether IDS and the other persons named in the Phillips application be exempt from Section 2(a)(9) of the Act pending final determination by the Commission of the issues in that proceeding.

**ARKANSAS POWER & LIGHT PROPOSES BOND OFFERING.** Arkansas Power & Light Company, Little Rock subsidiary of Middle South Utilities, Inc., a registered holding company, has applied to the SEC for an order under the Holding Company Act authorizing its sale at competitive bidding of \$15,000,000 of first mortgage bonds due 1993; and the Commission has issued an order (Release 35-14791) giving interested persons until February 7 to request a hearing thereon. As previously reported (News Digest of January 11), the net proceeds from the bond sale, together with other funds, will be used to redeem \$15,000,000 of 5-5/8% first mortgage bonds due 1989, at an aggregate redemption price of \$16,102,500 (plus accrued interest).

**DAVID SIEGEL PLEADS GUILTY IN FIRST DISCOUNT CASE.** The SEC New York Regional Office announced January 16 (LR-2483) that David Siegel (of Pearl River, New York), cashier and office manager of the First Discount Corporation, entered a guilty plea (USDC, SDNY) to 18 counts of an indictment charging him with transporting and conspiring to transport securities in interstate commerce which were converted and obtained by fraud.

**SECURITIES ACT REGISTRATIONS.** Effective January 17: Georgia-Pacific Corp. (File 2-20946).  
 Withdrawn January 17: Gemco-Ware Corp. (File 2-19915); Mon-Dak Feed Lot, Inc. (File 2-18515).  
 Withdrawn January 18: Cameron Iron Works, Inc. (File 2-20720); Sperti Products, Inc. (File 2-19387).

**ORAL ARGUMENTS, COMING WEEK.** January 24, 2:30 P.M., S. P. Levine & Co., Inc. - Michael Gail & Co., Inc.

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