

Yesterday, on the New York Stock Exchange, Crane Co. closed at \$48.50, off 25 cents, while American Standard dropped 75 cents to \$37.75. American Standard's new \$4.75 convertible preference stock, which Crane sold at \$104.25, closed as the most active stock at \$106, up \$1.75, on a volume of 782,100 shares.

Crane's \$76 million transaction was the largest single block trade in dollar volume by a large margin. The previous record holder was 1,153,700 shares of Alcan Aluminium Ltd. valued at about \$26.5 million last Oct. 31. The American Standard preferred block is the third largest in terms of share volume.

Crane's Key Card

Crane's holding of the large Westinghouse Air Brake block became its key card after a Federal judge two weeks ago dismissed Crane's attempt to invalidate proxies voted in favor of the merger with American Standard. In exchange for its Westinghouse Air Brake holdings, Crane received a block of American Standard preferred stock convertible into almost two million shares of the company's common. Thus, even after complete conversion of the preferred issue, Crane could have owned 11% of the outstanding common stock of American Standard its largest competitor in the plumbing-supply field.

The antitrust implications of this situation drew inquiries from the Justice Department. Presumably, Crane had hoped the department would move to block the American Standard-Westinghouse Air Brake merger and eliminate the antitrust problem. But American Standard was contemplating eliminating it in another way—by filing suit to force Crane to divest itself of its American Standard holdings.

One Crane suit against the merger still remains pending in Federal court in Pittsburgh. Mr. Evans said yesterday Crane hadn't decided whether to drop the court action.

[From the New York Times, June 14, 1968]

MARKET PLACE: TOES BRUISED IN GIANT TRADE

(By Robert Metz)

What more fitting day for it to happen? The same day the Big Board tore up the record book as volume pushed through the roof to 21.35 million shares, brokers put together the biggest deal in the history of the exchange.

There was competitive spirit and flamboyance in abundance surrounding the transaction and not a few toes were bruised at Walter Frank's post on the floor where 730,312 shares of American Standard preferred stock sold in a single massive trade for \$76 million.

The biggest previous trade was almost puny by comparison. While more shares were involved then—1,153,700—those Alcan Aluminum ducats were valued at just \$26,535,100 last October. So yesterday's deal was nearly three times as big.

Tied up in the tidy \$76 million was a profit estimated at \$9 million for the Crane Company which got the 4.75 percent preferred shares after the company's ardently sought bride, Westinghouse Air Brake, merged instead with American Standard, the rival plumbing company.

Thomas Mellon Evans, the colorful man behind Crane's attempted take-over of Wabco, evidently paid \$65.88 million in cash and securities and perhaps \$2 million more for expenses to establish his position in the Pittsburgh industrial giant. He still owns about 10,000 of the American Standard preferred shares which closed yesterday well above the 104¼ he got for them—specifically at 106, up 1¼.

But informed Wall Street sources were guessing that Mr. Evans would be challenged for his profits. American Standard would not comment as to whether it intended to battle for return of the profits, but others with a grasp of the situation did. One legal expert said that as an insider—an owner of more than 10 percent of Wabco's shares—Crane would have to return all the profits to American Standard.

On the other hand, there was a "question of law as to whether profits on all the shares or just on those in excess of 10 percent would have to be returned. If the court ruled that the first 10 percent was exempt from the insider rule, Crane Company would have \$5 million in profits. If not, Crane would get nothing for its efforts.