Meanwhile, back on the floor there was at least one company that evidently thought it had been setting up the biggest cross in history. The firm—Tyne, Kendall & Hollister—hoped to make the commissions on both the buy and sell sides. No comment came from Tyne, Kendall.

In fact, Blyth got the seller's commissions. Tyne, Kendall shared the buyer's commissions with Salomon Brothers & Hutzler, and, to a smaller extent, with Blyth.

Wall Street sources said, Tyne, Kendall had been "up night and day working on the deal since the beginning of last week" and thought it was theirs.

The firm reportedly found out during actual negotiations on the floor that the pie was being sliced into several pieces. The floor discussion lacked some of the diplomatic niceties—or so an observer said. "It was certainly not a nursery school tea party," he commented. There was a lot to fight over. The commissions totaled $750,000—half on the buy side and half on the sell.

[From the Wall Street Journal, June 17, 1968]

AMERICAN STANDARD SET TO SUE CRANE, ASKING FOR RETURN OF PROFIT

GAIN CAME ON CRANE'S DISPOSAL OF STOCK RECEIVED IN RETURN FOR WESTINGHOUSE AIR HOLDING

NEW YORK.—American Standard Inc. plans to sue Crane Co. this week, asking for the return of Crane's profit on the disposal of its holding of Westinghouse Air Brake Co. stock, William D. Eberle, president of American Standard, said in an interview.

Last Thursday, Crane sold a block of 730,312 shares of American Standard $4.75 convertible preference stock for $76 million, the largest single-block trade in dollar value in history on the New York Stock Exchange. Crane had received the stock in exchange for its holding of 31% of the outstanding common stock of Westinghouse Air Brake, which has merged into American Standard.

Because Crane owned more than 10% of Westinghouse Air it qualified as a corporate insider. Insiders who sell their stock within six months after purchase must return the profit to the issuing corporation.

However, the Crane transaction is complicated by several questions: Can the company keep its profit on the portion of Westinghouse Air Stock bought more than six months before the merger? Can it keep all its profit because it exchanged Westinghouse Air for American Standard preferred rather than selling it? Can it keep the profit on the shares it bought before it had acquired a 10% interest and become an insider?

Mr. Eberle said the questions didn't have any clear answers and that "probably the only way it can be clarified is through court action."

Thomas Mellon Evans, chairman of Crane, declined to say how much profit the company actually made. But he said a published figure of $9 million was too high.

According to Mr. Eberle, court testimony showed that Crane paid slightly less than $66 million for its Westinghouse Air holdings. But Crane's additional expenses—including the cost of selling, brokerage fees, and financing costs are an unknown factor, he stated. "Their profit could be anything from nothing to $9 million," Mr. Eberle said.

In another area, Mr. Eberle predicted that the acquisition of Westinghouse Air Brake would add 15 cents a share to American Standard's net income this year. But he said he felt that Wabco in future years could do at least as well as its record $16.8 million earnings in 1966, which would have added more than 50 cents to American Standard's net.

American Standard manufacturers plumbing and heating supplies and, through it Mosler Safe division, security equipment. Westinghouse Air Brake is a Pittsburgh-based producer of braking equipment, railway signal and control gear, heavy equipment for construction and mining, and electronic gear for defense uses.

Mr. Eberle said Westinghouse Air's earnings would be consolidated with American Standard's for the second quarter on a pooling-of-interest basis.

The American Standard executive, who has pledged to embark on a diversification program that will produce sales of $2 billion in 10 years and lessen the company's dependence on housing, said sales this year, including Westinghouse Air, should approach $1 billion, with only about 60% tied to the housing market.