

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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LILLI ANN CORP. FILES FOR SECONDARY. Lilli Ann Corporation, 2701 Sixteenth St., San Francisco, filed a registration statement (File 2-22090) with the SEC on February 19 seeking registration of 150,000 outstanding shares of its common stock. These shares are to be offered for public sale by the present holders thereof through underwriters headed by Sutro & Co., 460 Montgomery St., San Francisco, and F. S. Smithers & Co., 45 Wall St., New York. The public offering price (\$23 per share maximum*) and underwriting terms are to be supplied by amendment. Also included in the statement are an additional 9,000 common shares of outstanding stock now held by one of the selling stockholders, Adolph P. Schuman, who has or will sell to the managing underwriters for \$4,500, a four-year option for the purchase of such shares.

The company is engaged in the design, manufacture and distribution of women's high fashion suits and coats. In addition to indebtedness, it has outstanding 17,000 shares of \$25 par preferred and 299,000 shares of common. All of the common shares are held by Adolph P. Schuman, members of his family and his associates. Schuman, who owns 180,529 shares, proposes to sell 105,529 shares; and three others propose to sell amounts ranging from 3,000 to 29,160 shares. After this offering, Schuman will continue to own 25.1% of the outstanding shares and he and his family members and associates 50.1%.

MEDICAL SCIENCE FUND SEEKS ORDER. Medical Science Fund International, Inc., 80 Pine St., New York, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-3917) giving interested persons until March 10th to request a hearing thereon. According to the application, the said Fund has not offered or sold its shares to the public, has no assets of any kind, and has not transacted any business.

CENTRAL AND S.W. SUBSIDIARIES RECEIVE ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15015) approving the sale by Southwestern Electric Power Company, Shreveport subsidiary of Central and South West Corporation, to Public Service Company of Oklahoma, a Tulsa subsidiary of Central, of some 127 miles of a 138 Kv transmission line located in Oklahoma. The proposed consideration is \$548,151.

CONTINENTAL VENDING AND TASTEE FREEZ TRADING BAN CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation and Tastee Freez Industries, Inc., for a further ten-day period February 22 to March 2, 1964, inclusive.

NATIONAL MORTGAGE SECURITIES DELISTED. The SEC has granted an application of the Philadelphia-Baltimore-Washington Stock Exchange to delist the common stock, preferred stock and debenture bonds of National Mortgage Corporation, effective at the opening of business March 2, 1964 (Release 34-7245). According to the application, 90.8% of the common and 83.1% of the preferred are owned by Financial General Corporation; and there are only 230 holders of the \$312,739 outstanding debentures.

NATIONAL STEEL FILES FOR SECONDARY. National Steel Corporation, 2800 Grant Bldg., Pittsburgh, today filed a registration statement (File 2-22091) with the SEC seeking registration of 600,000 shares of its capital stock. These shares are part of the holdings of The M. A. Hanna Company, which proposes to offer same for public sale through an underwriting group headed by Goldman, Sachs & Co., 20 Broad St., New York. The public offering price (\$48.625 per share maximum*) and underwriting terms are to be supplied by amendment. National is a major steel producing company. In addition to indebtedness, it has outstanding 15,470,624 shares of capital stock, of which management officials own some 3%. Hanna Company owns 4,002,780 shares, or about 26% of the outstanding shares. It proposes to sell the 600,000 shares "as part of a program to achieve a wider diversification of its portfolio by reducing certain of its concentrated holdings." After such sale, it will continue to own some 22% of the outstanding National shares. National's prospectus lists Thomas E. Millsop as board chairman and Paul H. Carnahan as president.

CONSOLIDATION COAL FILES FOR SECONDARY. Consolidation Coal Company, 436 Seventh Ave., Pittsburgh, today filed a registration statement (File 2-22092) with the SEC seeking registration of 300,000 outstanding shares of its common stock. These shares are part of the holdings of Consolidation Coal common by The M. A. Hanna Company, which proposes to offer same for public sale through underwriters headed by Goldman, Sachs & Co., 20 Broad St., New York. The public offering price (\$52.75 per share maximum*) and underwriting terms are to be supplied by amendment.

Consolidation Coal produces and sells steam coal and metallurgical grade coal to electric utilities, steel producers and general industrial users. It also owns a 7.75% stock interest in Chrysler Corporation. In addition to indebtedness, Consolidation Coal has outstanding 10,458,893 common shares, of which management officials own 4.4%. Hanna Company owns 2,310,000 or 22.1% of the outstanding shares; and it proposes to sell the 300,000 shares (reducing its interest to 19.2%) as part of a program to achieve a wider diversification of its portfolio. Consolidation Coal's prospectus lists G. H. Love as board chairman and G. A. Shoemaker as president.

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INDIAN HEAD MILLS FILES STOCK PLANS. Indian Head Mills, Inc., 111 West 40th St., New York City, 10018, filed a registration statement (File 2-22094) with the SEC on February 19 seeking registration of 606,330 shares of common stock, to be offered under and pursuant to its Restricted Stock Option Plan.

In a separate statement (File 2-22095), the said company seeks registration of \$5,100,000 of participations in its Employees Stock Purchase Plan and 300,000 common shares which may be acquired pursuant thereto.

FLORIDA TELEPHONE PROPOSES RIGHTS OFFERING. Florida Telephone Corporation, 301 East Broadway, Ocala, Fla., filed a registration statement (File 2-22096) with the SEC on February 20 seeking registration of 206,410 shares of Class A common stock. It is proposed to offer this stock for subscription by holders of outstanding Class A common at the rate of one new share for each five shares held of record at the close of business on March 19, 1964. The subscription price (\$27 per share maximum*) and underwriting terms are to be supplied by amendment. Kidder, Peabody & Co., Inc., of 20 Exchange Place, and Merrill Lynch, Pierce, Fenner & Smith, Inc., will serve as the underwriters.

The company is a public utility operating wholly within the State of Florida and rendering local and long distance toll service throughout Lake, Sumter and Osceola Counties and parts of Citrus, Marion, Orange, Pasco and Levy Counties. Net proceeds of this financing will be used, to the extent of \$3,000,000, to pay a portion of outstanding short-term bank loans, and \$1,000,000 to pay accounts payable, all of which indebtedness was incurred in connection with the company's 1963-64 construction program. The remainder of the proceeds will be added to the general funds of the company. Construction expenditures for 1964 are estimated at \$5,000,000. In addition to indebtedness and preferred stock, the company now has outstanding 1,032,050 Class A shares, of which management officials own some 8.6%. The largest stockholder, General Telephone & Electronics Corp., of New York, owns 13%. Lacy D. Edge is listed as board chairman and Max E. Wettstein president.

McCULLOCH OIL MANAGEMENT FILES PROPOSAL. McCulloch Oil Management Company of California, Inc., 1270 Hartford Bldg., Dallas, filed a registration statement (File 2-22093) with the SEC on February 19 seeking registration of \$2,500,000 of Commitments to the 1964 McCulloch Oil Exploration Program, to be offered for public sale in \$10,000 units (or minimum commitments). Under the agreements, McCulloch Oil Corporation of California will be engaged as General Operating Agent to conduct oil explorations on behalf of the management company. Also included are \$1,450,000 of "Additional Interests" in the Program "by Reason of Development Activities," which participants may, but are not obligated, to pay as their proportionate share of developmental expense of apparently productive properties which may be discovered in the exploration program. The exploration activities are to be conducted in California, Louisiana, Mississippi, Texas, West Virginia and the Rocky Mountain area. Robert P. McCulloch is president and sole stockholder of the Management Company and he also is president of McCulloch Oil Corporation.

SECURITIES ACT REGISTRATIONS. Effective February 19: Hooker Chemical Corp. (File 2-22034).
Effective February 20: Kerr-McGee Oil Industries, Inc. (File 2-21975).

ORAL ARGUMENTS, COMING WEEK. February 26, 2:30 P.M., Market Values, Inc.
February 27, 2:30 P.M., Pacific Northwest Power Co.

*As estimated for purposes of computing the registration fee.

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