

# 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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**MID-CONTINENT FILES FOR STOCK OFFERING.** Mid-Continent Corporation, 997 Monroe Avenue, Memphis, Tenn., filed a registration statement (File 2-18246) with the SEC on June 5th seeking registration of 140,000 shares of common stock, to be offered for public sale at \$7.50 per share. The offering will be made on a best efforts basis through James N. Reddock & Company, which will receive a 75¢ per share selling commission and \$12,000 for expenses.

Organized under Tennessee law in April 1960, the company is engaged, directly and through its subsidiaries, in all phases of real estate operations, including the acquisition of land for investment purposes, the construction of homes and other buildings, real estate and insurance brokerage, real estate management, the development and sale of properties owned by it, and other related activities. The estimated \$904,845 net proceeds from the stock sale will be used as follows: \$150,000 to provide additional working capital for a subsidiary, Mid-Continent Building Corp., which is engaged in building homes; \$275,000 for development of two subdivisions; \$250,000 for initial capital for purchase, acquisition or organization of a subsidiary real estate mortgage and loan company, Mid-Continent Mortgage Co.; \$100,000 to provide additional working capital for the operation of a subsidiary, Mid-Continent Land Investment Corp.; and \$75,000 to exercise an option to purchase all of the stock of Raleigh-Bartlett Acres, Inc. a company which owns 487 acres of land near Bartlett, in Shelby County, Tenn.

In addition to certain indebtedness, the company has outstanding 283,386.5 shares of common stock, of which Morris H. Mills, president, and Bill Van Hersh, executive vice president, own 24.08% and 5.22%, respectively, and management officials as a group 48.91%. According to the prospectus, purchasers of the new shares will acquire a 33.07% interest in the company for an aggregate investment of \$1,050,000, while holders of the outstanding shares will have a 66.93% interest representing an investment of cash or property aggregating \$1,133,546.

**ASSOCIATED FUND SEEKS ORDER.** Associated Fund, Inc., of St. Louis, sponsor-depositor of the Accumulative Plan for Shares of Associated Fund Trust ("Registrant"), St. Louis unit investment trust, has applied to the SEC for an exemption order under the Investment Company Act with respect to its offering of monthly purchase plans for the accumulation of shares of Associated Fund Trust; and the Commission has issued an order (Release IC-3265) giving interested persons until June 20th to request a hearing thereon. Applicant is sponsor-depositor of Associated Fund Trust ("Fund"), which is currently offering and selling its shares through accumulative plans similar in nature to the type of plan to be issued by Registrant. However, under the accumulative plans offered and sold by the Fund, the Accumulative Payment Plan Certificates represent the interests of the investors in the Fund, and Fund shares are not held in a separate trust for the benefit of the investors. Registrant has been organized as a separate unit investment trust and upon the commencement of the offering of its securities the Fund will discontinue the offering and sale of Fund shares pursuant to its accumulative plan except for the purpose of servicing the presently outstanding Accumulative Payment Plan Certificates. Applicant seeks an exemption from the provisions of the Act requiring that no registered investment company and no principal underwriter for such a company shall make a public offering of securities of which such company is the issuer unless such company has a net worth of at least \$100,000.

**POTOMAC EDISON SYSTEM FINANCING APPROVED.** The SEC has issued an order under the Holding Company Act (Release 35-14458) authorizing two subsidiaries of The Potomac Edison Company, Hagerstown, Md., to issue and sell additional stock to the parent, as follows: Potomac Light and Power Company, 2,000 common shares for \$200,000; and Northern Virginia Power Company, 4,000 common shares for \$400,000. The sale of the stock will enable the subsidiaries to provide for necessary property additions and improvements.

**HAZELTINE INVESTMENT SHARES IN REGISTRATION.** Hazeltine Investment Corporation, 660 Grain Exchange, Minneapolis, Minn., filed a registration statement (File 2-18247) with the SEC on June 5th seeking registration of 13,000 5% preferred shares, \$100 par, non voting (conditionally cumulative), and 13,000 shares of common stock, to be offered for public sale in units, each consisting of one preferred and one common share. The units are to be offered at \$101 each through company officers, and no underwriting discounts or commission will be paid.

The company was organized under Minnesota law in 1960 but took no other steps to organize as such until March 1961 when it was reorganized to engage in the business of acquiring and developing real estate. Subject to sale of a minimum of 9,901 of the units, the company intends to exercise options for the purchase from its promoters of about 1,045 acres of rural lands near Chaska in Carver County, Minnesota, and to develop and resell the same primarily as residential property. The average purchase price to the company is \$1,500 per acre which, according to the prospectus, is more than the land is presently worth for any present use. The company believes that such purchase price is not excessive in view of the proposed development of the lands for residential and related shopping center purposes upon completion of a 18-hole golf course which is being constructed on adjacent lands. Of the net proceeds from the sale of the units, \$925,000 will be used to make the cash payments to promoters upon exercise of the land options, and to pay 1962 principal and interest

installments on the purchase money mortgage and purchase contracts applicable to the Partnership property, which consists of 670 acres of the land. The balance will be added to general funds and will be available for use as working capital, for the deferred portion of the land payments and for development of such lands.

The company has outstanding 13,950 shares of common stock, of which Hazeltine Land Co. and F. H. Peavey & Company own 6,700 and 6,530 shares, respectively, and management officials as a group 120 shares. Robert W. Fischer, board chairman, is a general partner of Hazeltine Land Co., and Robert W. Kemerer, president, is vice president of F. H. Peavey. After the sale of the units, the public will own 100% of the preferred and 48.23% of the common stock of the company for which they will have paid \$1,313,000 or about 98.95% of the aggregate cash investment in company shares, and the promoters will have paid \$13,950 for a 51.77% interest.

**FUND CORPORATION FILES FOR OFFERING.** Fund Corporation, 523 Marquette Avenue, Minneapolis, Minn., filed a registration statement (File 2-18248) with the SEC on June 5th seeking registration of \$10,500,000 of investment plans for the accumulation of shares of Apache Fund, Inc. Such plans include \$10,000,000 of Systematic Payment Plans (with and without insurance) and \$500,000 of Single Payment Investment Plans.

**TRESCO FILES FOR STOCK OFFERING.** Tresco, Inc., 3824-28 Terrace Street, Philadelphia, filed a registration statement (File 2-18249) with the SEC on June 5th seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. The offering will be made through underwriters headed by Amos Treat & Co. Inc., which will receive \$.625 per share commission and \$10,000 for expenses. The registration statement also includes 10,000 additional common shares which the company sold Amos S. Treat at 85¢ per share.

The company is engaged in the manufacture and sale of specially designed and engineered transformers and inductors which are used as components for various types of electronic equipment. Of the net proceeds from the stock sale, \$100,000 will be used to reduce existing bank loans, \$150,000 for research and development costs necessary to produce new items currently under development, \$100,000 to finance initial operations of a subsidiary, and the balance for general corporate purposes.

In addition to certain indebtedness, the company has outstanding (after giving effect to a 480.77 for 1 stock split in April 1961) 210,000 shares of common stock, of which Edward J. Fisher, president, and David Hafler, a director, own 31.6% and 22.7%, respectively, and management officials as a group 76.8%.

**WYOMING WOOL PROCESSORS FILES FOR STOCK OFFERING.** Wyoming Wool Processors, Inc., Casper Air Terminal, P. O. Box 181, Casper, Wyoming, filed a registration statement (File 2-18250) with the SEC on June 5th seeking registration of 700,000 shares of common stock, to be offered for public sale at \$1 per share through management officials and salesmen employed by the company. No commissions will be paid management officials, but salesmen will receive a 15¢ per share commission.

Organized under Wyoming law in May 1960, the company proposes to engage in the operation of a plant for the scouring and combing of wool and the purchase of grease wool produced in the area of Casper, and the sale of the wool tops resulting from the scouring and combing of grease wool in the woolen market. The estimated \$595,000 net proceeds from the stock sale will be used to purchase equipment, to rent a plant and warehouse for one year, for supplies and purchase of wool, and as a reserve for contingencies and working capital.

The company has outstanding 109,000 shares of common stock, of which George A. Lee, president, owns 65.1%, and management officials as a group 68.7%.

**INDICTMENT NAMES CARL A. AND GERTRUDE M. PRUETT.** The SEC Atlanta Regional Office announced June 1st (LR-2034) the return of an indictment (USDC, Atlanta) charging violations of the anti-fraud provisions of the Securities Act and conspiracy by Carl A. Pruett and Gertrude M. Pruett.

**COURT ENJOINS ARLEE ASSOCIATES, FIRST DISCOUNT CORP., OTHERS.** The SEC New York Regional Office announced June 1st (LR-2035) the entry of a court order (USDC SDNY) permanently enjoining Arlee Associates, Inc., First Discount Corp., Arthur Katz and Leo Sinsheimer from further violating the anti-fraud provisions of the Federal securities laws and engaging in the securities business without being registered with the Commission. The court also named William Esbitt as receiver for the two defendant corporations.

**TEXAS ORE LANDS, TIMAN & NELSON ENJOINED.** The SEC San Francisco Regional Office and Fort Worth Regional Office announced May 29th (LR-2036) the entry of a court order (USDC, Ariz.) permanently enjoining Texas Ore Lands Corporation, Joseph Timan and Sidney Nelson from violating the Securities Act registration requirement in the sale of oil interests under land in Presidio County, Texas. Action dismissed as to Horizon Land Corporation and Bret Masters.

**JOHN MILTON ADDISON, OTHERS ENJOINED.** The SEC Fort Worth Regional Office and Denver Regional Office announced June 2d (LR-2037) that the following had been permanently enjoined, after hearing (USDC, Dallas) from further violations of the Securities Act registration and anti-fraud provisions in the offer and sale of various securities: John Milton Addison, Miles A. White, John R. Metz, Dan Nance, White, Green & Addison Associates, Inc., Trans-World Mining Corporation, and Murchison Ventures, Inc., their officers, agents, employees, attorneys, successors and assigns, and all persons acting in concert or participation with them.

**SECURITIES ACT REGISTRATIONS. Effective June 6:** Fireco Sales Limited (File 2-17894); Lindy Hydrothermal Products, Inc. (File 2-17887); Nat Nast, Inc. (File 2-17978); Panacolor, Inc. (File 2-17643); Virginia Chemicals and Smelting Co. (File 2-17976); Watsco, Inc. (File 2-17958); Morgan Guaranty Trust Co. of New York, ADR's of Sony Kabushiki Kaisha (Sony Corp.) (File 2-18036); Sony Kabushiki Kaisha (Sony Corp.) (File 2-18035); Sony Kabushiki Kaisha (Sony Corp.) (File 2-18067); Ohio Franklin Fund, Inc. (File 2-17566); Public Service Electric and Gas Co. (File 2-18133); Commercial Credit Co. (File 2-18033); Washington Real Estate Investment Trust (File 2-17899). Withdrawn June 6: Burgmaster Corporation (File 2-17776).