

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

FOR RELEASE

September 13, 1957

CENTRAL MORTGAGE AND INVESTMENT PROPOSES BOND AND COMMON STOCK OFFERING

Central Mortgage and Investment Corporation, Miami Beach, Florida, filed a registration statement (File 2-13594) with the SEC on September 12, 1957, seeking registration of \$5,000,000 principal amount of 20-year Mortgage Bonds and 885,000 shares of Common Stock, 5¢ par. The public offering is to be made on a "best efforts" basis by Aetna Securities Corporation. The company will pay Aetna a commission of 10% of the public offering price of the securities. In lieu of receiving such commission, the underwriter has the right to purchase for cash full or fractional units at the public offering price less 10% of the face amount of bonds so purchased.

The bonds and 500,000 shares of the common stock are to be offered in units, as follows: a full unit, consisting of \$1,000 principal amount of bonds and 100 shares of common stock, will be offered at a price of \$1,005.00; a half unit, consisting of \$500 principal amount of bonds and 50 shares of common stock, will be offered at a price of \$502.50; and 1/10 of a unit, consisting of \$100 principal amount of mortgage bonds and 10 shares of common stock, will be offered at a price of \$100.50. Of the remaining 385,000 shares of common stock, 250,000 shares will be offered to Mr. Ira Krupnick, president and controlling stockholder of Aetna Securities Corporation, and 135,000 shares will be offered to Raymond L. Wise, counsel for Central Mortgage & Investment Corporation, at 5¢ per share.

The company was organized under the laws of the State of Florida on March 29, 1957, under the name Central Investment and Mortgage Corp. of Florida. On May 13, 1957, the corporate name was changed to Central Mortgage and Investment Corporation. It has conducted no operations, but it plans to conduct a general mortgage and construction business.

Of the net proceeds from the sale of the securities, the company expects to use approximately 10% for the purchase of first mortgages on improved real estate or to make first mortgage loans thereon. It is expected that the majority of the proceeds, perhaps as much as 80%, will be used for the company's construction business. The balance, or approximately 10% of the proceeds, will be used for the conduct of the company's mortgage business and for general corporate purposes.

UNION OF SOUTH AFRICA PROPOSES BOND ISSUE

The Union of South Africa filed a registration statement (File 2-13595) with the SEC on September 12, 1957, seeking registration of \$15,000,000 of Ten Year External Loan Bonds of October 1, 1957, due October 1, 1967. The bonds are to be offered for public sale through an underwriting group headed by Dillon, Read & Co., Inc. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

For further details, call ST. 3-7600, ext. 5526

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Concurrently with the sale of the bonds, the International Bank for Reconstruction and Development, according to the prospectus, is agreeing to lend to the Union up to an amount, in various currencies, equivalent to \$25,000,000. Under the loan agreement between the Union and the World Bank, the proceeds of the World Bank loan are to be disbursed to meet the foreign exchange costs of certain equipment required by the Union in its current program for the development of the transportation system owned by the Union and operated by the South African Railways and Harbours Administration, including improvements to the railroads and certain other facilities. The Union intends that an amount equivalent to the net proceeds to be received from the sale of the bonds will be applied to meet a portion of the costs of its current transportation development program not paid with the proceeds of the World Bank Loan. Such further funds as may be required for the program will be provided out of the cash resources of the South African Railways and Harbours Administration or from additional borrowings. The Union contemplates entering into negotiations through Dillon, Read & Co., Inc., for the extension beyond January 23, 1958, and possibly for an increase in the amount, of its \$10,000,000 revolving credit with certain American banks.

C. F. RULE CONSTRUCTION COMPANY PROPOSES COMMON STOCK OFFERING

C. F. Rule Construction Company, Nashville, Tennessee, today filed a registration statement (File 2-13596) with the SEC seeking registration of 127,289 shares of its Common Stock, \$10 par, to be offered for public sale at a price of \$13 per share. The company will act as its own distributor of this stock and will act as its own transfer agent. The prospectus states that no commissions or discounts will be offered or given in connection with the sale of the stock.

Proceeds from the stock offering will be added to the company's general funds, to be used as working capital, to retire outstanding loans, and to be held for additional working capital and investment in additional equipment.

COLUMBUS AND SOUTHERN OHIO ELECTRIC TO SELL PREFERRED SHARES

Columbus and Southern Ohio Electric Company, Columbus, Ohio, today filed a registration statement (File 2-13598) with the SEC seeking registration of 80,000 Cumulative Preferred Shares, \$100 par, to be offered for public sale through an underwriting group headed by Dillon, Read & Co., Inc., and The Ohio Company. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the preferred shares will be added to the company's general funds, which funds will be used to reduce bank loans by approximately \$8,000,000. Approximately \$18,000,000 of bank loans were outstanding on October 1, 1957, these loans having been effected principally to enable the company to pay in part the cost of additions and improvements to its electric properties.

The company's construction program for the period from July 1, 1957, to December 31, 1959, contemplates additions and improvements to its electric properties estimated to cost approximately \$53,300,000, exclusive of investments in Simco Inc., recently organized by Columbus and Southern as an Ohio subsidiary. Funds in addition to the proceeds of the present financing and the cash to become available from operations will be required for this program. The company contemplates that additional bank loans will be incurred and that additional securities will be issued for this program during such period. It is estimated that the aggregate amount of such additional securities issued during such period and of bank loans, if any, outstanding at the end of such period will be approximately \$32,000,000, exclusive of investments in Simco Inc.