

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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Washington 25, D.C.

FOR RELEASE October 8, 1962

Statistical Release No. 1857. The SEC Index of Stock Prices, based on the closing price of 300 common stocks for the week ended October 5, 1962, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1962 is as follows:

	1957-59 = 100		Percent Change	1962	
	10/5/62	9/28/62		High	Low
Composite	116.6	114.6	+1.7	144.3	107.0
Manufacturing	107.6	106.0	+1.5	135.0	98.6
Durable Goods	104.8	102.5	+2.2	135.6	95.2
Non-Durable Goods	110.3	109.2	+1.0	134.4	101.8
Transportation	87.0	86.2	+0.9	111.0	85.5
Utility	157.4	154.1	+2.1	185.5	143.0
Trade, Finance & Service	139.4	136.8	+1.9	178.2	131.4
Mining	92.5	90.8	+1.9	113.3	83.8

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended October 4, 1962, 51 registration statements were filed, 17 became effective, 11 were withdrawn, and 548 were pending at the week-end.

AMERICAN NATURAL GAS SEEKS ORDER. American Natural Gas Company, New York registered holding company, has joined with seven of its wholly-owned subsidiaries, including its non-utility subsidiary, MSC Corporation, in the filing of a proposal under the Holding Company Act to modify an agreement, previously approved by the Commission, for allocating consolidated tax liability among the system companies; and the Commission has issued an order (Release 35-14716) giving interested persons until October 30, 1962 to request a hearing thereon. The system also seeks approval of the proposed liquidation of MSC. According to the application, MSC sold all of its assets to a nonaffiliated company for \$3,334,106, and as a result thereof incurred a loss, for tax purposes, of \$968,470. The system, which files a consolidated Federal income tax return, anticipates that such loss will result in a tax benefit of \$503,000 and that inclusion of said loss and the resultant tax benefit in the consolidated tax return will give rise to certain inequities in the allocation of the 1962 consolidated tax liability among the system companies. Accordingly, the system companies propose to amend their tax allocation agreement of July 1959 so as, in effect, to allocate the tax benefit from the loss entirely to MSC for the year 1962. In addition, American Natural intends to surrender the common stock (35,000 common shares) of MSC in exchange for MSC's assets (substantially cash and cash items), subject to its liabilities, and MSC will then dissolve. The net proceeds on liquidation of MSC are estimated to be about \$4,530,000 plus the \$503,000 proposed tax benefit to MSC from the loss and will be added to treasury funds of American Natural.

AMERICAN RESEARCH AND DEVELOPMENT ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-3554) with respect to a proposed amendment in the terms of certain debt securities of Jet-Heat, Inc., held by American Research and Development Corporation, Boston investment company (which also holds 19% of the outstanding Jet-Heat common stock), so as to subordinate such debt securities to the \$500,000 6% convertible subordinated debentures of Jet-Heat (due 1968) purchased by Boston Capital Corporation, Cambridge Capital Corporation and Metropolitan Small Business Investment Corporation. According to the order, the debentures, by their terms, are stated to be senior debt to the outstanding debt securities of Jet-Heat, but the instruments evidencing such debt securities did not provide for such subordination, and Boston Capital Corp., as a condition to purchasing the debentures, required the company (and other holders) to amend the terms of the debt securities to subordinate them to the debentures.

GEORGIA POWER FILES FINANCING PLAN. Georgia Power Company, 270 Peachtree Street, Atlanta, Ga., filed a registration statement (File 2-20805) with the SEC on October 5th seeking registration of \$23,000,000 of first mortgage bonds due 1992 and 70,000 shares of no par cumulative preferred stock, to be offered for public sale at competitive bidding. As previously reported (SEC News Digest of October 5th), the net proceeds from this financing will be used for construction purposes and to pay \$10,500,000 of short-term bank loans incurred therefor. Its 1962 construction expenditures are estimated at \$72,887,000 and at \$259,575,000 during 1962-64. In addition to certain indebtedness and preferred stock, the company has outstanding 5,971,500 shares of common stock. J. J. McDonough is president.

COLT DEVELOPMENT FILES FOR OFFERING. Colt Development Limited - 1962, 640 Mercantile Continental Bldg., Dallas, filed a registration statement (File 2-20807) with the SEC on October 5th seeking registration of \$600,000 of limited partnership interests, to be offered for public sale in minimum commitments of \$15,000. The offering will be made by Kleiner, Bell & Co., 315 S. Beverly Drive, Beverly Hills, Calif., which will receive an 8% commission.

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The partnership will be formed and managed by its general partner, Ralph J. Shapiro, for the purpose of exploring and drilling for petroleum and natural gas. The prospectus states that Shapiro has conducted preliminary negotiations with a view to the acquisition of property interests for the partnership, although no specific commitments or undertakings have been made. The net proceeds from the sale of interests will be used to evaluate, acquire, hold, test, develop and operate oil and gas leaseholds and to pay all costs reasonably necessary to accomplish these purposes. Shapiro is also a general partner of the underwriter. He will receive for his services to the partnership an interest equal to 17% of the net profits after payout to the partnership (when limited partners have received from the net proceeds distributed by the partnership an amount equal to their initial cash contribution), and he will also receive reimbursement for certain expenses and other payments in connection with the partnership operation.

SEC FILES IN BROOKDALE LODGE PROCEEDING. The SEC has entered its appearance in Chapter X proceedings for the reorganization of Brookdale Lodge, Inc., pending in the United States District Court for the Northern District of California, San Francisco. The Debtor's voluntary petition for reorganization filed on September 18, 1962 has been approved by Judge Alfonso J. Zirpoli, who appointed Charles E. Hoppe as Trustee. The Debtor was incorporated in California to acquire a resort hotel, located in the Santa Cruz Mountains, which is operated on a year-round basis. The unaudited balance sheet as at August 31, 1962 shows total assets of \$1,585,589 (consisting primarily of fixed assets) and total liabilities of \$455,247. For the 8-month period through August 31, 1962 a net loss of \$71,000 was incurred (operating revenues were \$435,000). The Debtor has outstanding 152,231 shares of Class A 8% cumulative common stock held by 3,000 California residents. The 110,000 Class B promotional shares are held by the promoters of the corporation.

GULF-SOUTHWEST CAPITAL FILES FOR SECONDARY. Gulf-Southwest Capital Corporation, 1320 Niels Esperson Bldg., Houston, filed a registration statement (File 2-20808) with the SEC on October 5th seeking registration of 145,000 shares of common stock, to be offered for public sale by the holders thereof in the over-the-counter market, at such price or prices (maximum \$6.50 per share*) as may be obtainable and as are satisfactory to the selling shareholders. The company is licensed as a small business investment company and is a registered investment company. It invests in small business concerns with capital appreciation as its primary investment objective. The company has outstanding 1,541,755 common shares. The identity of the selling shareholders, who are said to have acquired their shares in July 1961 at a cost of \$10.90 per share, as well as the amount of shares held and to be sold by each, is to be supplied by amendment. The prospectus lists George A. Butler as board chairman and A. Knox Tyson as president.

INTERSTATE VENDING SHARES IN REGISTRATION. Interstate Vending Company, 251 East Grand Avenue, Chicago, filed a registration statement (File 2-20809) with the SEC on October 5th seeking registration of 204,643 shares of common stock. Of this stock, 52,237 shares represent outstanding stock which is to be offered for sale by the holders thereof in the over-the-counter market at prices current at the time of sale; 56,316 shares are being pledged by certain shareholders to secure bank loans; and 96,090 shares are to be offered pursuant to the company's Amended 1960 Stock Option Plan.

The company, through its subsidiaries, is engaged primarily in the business of selling a variety of products through coin-operated machines in some 28 states, principally in industrial plants. It has outstanding 2,152,897 shares of common stock. Ronald Wolff is listed as president and Cyril Chappellet board chairman. The eight selling shareholders include Olof Muten, who proposes to sell all his holdings of 15,600 shares; the Estate of Harry Kirtz, which proposes to sell 10,000 of 30,509 shares held; and the Fidelity Capital Fund, Inc., which proposes to sell all its holdings of 9,000 shares. Others will sell amounts ranging from 300 to 5,337 shares. Some 43,840 shares being pledged are owned by The Kirtz Candy Company.

HOWARD WOLF INC. FILES FOR OFFERING AND SECONDARY. Howard B. Wolf, Inc., 3809 Perry Ave., Dallas, today filed a registration statement (File 2-20810) with the SEC seeking registration of 120,000 shares of common stock. Of this stock, 50,000 shares are to be purchased by the underwriters (headed by Eppler, Guerin & Turner, Inc., 1600 Fidelity Union Tower, Dallas) from the issuing company and 55,000 from the sole present stockholders, Howard B. Wolf. The remaining 15,000 shares will be offered by Wolf, through the principal underwriter, first to management officials and employees of the company and then to the public. The public offering price (maximum \$10 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the design, manufacture and sale to retail stores of junior dresses and suits for young ladies in the 18 to 26 year age group, principally under the HOWARD WOLF label. It will use the proceeds of its stock sale, in part, to retire \$51,584 of note indebtedness; and the balance will be applied to expanded advertising, consumer research and other working capital purposes. The company has outstanding 70,000 common shares and 180,000 shares of Class A common, all owned by Wolf.

SECURITIES ACT REGISTRATIONS. Effective October 8: Abingdon-Granville Associates (File 2-20522). **Withdrawn October 4:** First Bancorporation of Florida, Inc. (File 2-19384); Halo Lighting, Inc. (File 2-20060); L. P. Martin Maintenance Corp. (File 2-20023). **Withdrawn October 5:** Civil and Military Investors Mutual Fund, Inc. (File 2-12022); Decorel Corp. (File 2-19568); Frederick's of Hollywood, Inc. (File 2-20034); International Drug and Surgical Corp. (File 2-20031); Mammoth Mart, Inc. (File 2-20207); Metropolitan Realty Trust (File 2-19479).

*As estimated for purposes of computing the registration fee.

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