

NEWS DIGEST

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

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ELECTRIC BOND AND SHARE-UNITED GAS RECEIVE ORDER. The SEC has issued an order under the Investment Company Act (Release IC-3658) authorizing the sale of certain securities by United Gas Corporation, a Delaware company, to Electric Bond and Share Company, New York registered closed-end investment company. Bond and Share and United each owns 50% of each class of outstanding securities of Escambia Chemical Corporation, a Delaware company. The proposed sales agreement provides that United will sell to Bond and Share for \$21,000,000 in cash, United's entire interest in Escambia, consisting of \$4,062,750 of 4% notes due 1966, \$5,000,000 of 5½% convertible notes due 1967, and 5,000 common shares.

ONE WILLIAM LEVEL INVESTMENT PLANS EXEMPTED. The SEC has issued an order under the Investment Company Act (Release IC-3657) declaring that One William Level Investment Plans, New York unit investment trust, has ceased to be an investment company.

COMPLAINT CITES NATIONAL PETROLEUM LEASE. The SEC Atlanta Regional Office announced March 29 (LR-2564) the filing of court action (USDC, SD, Fla.) seeking to enjoin National Petroleum Lease Corporation, of Miami Beach, Florida, and Mark M. Weiss, its president (also of Miami), from violation of the Securities Act registration requirement in the offer and sale of investment contracts, consisting of assignments of oil and gas leases on tracts of land situated in certain counties in New Mexico, coupled with contemporaneous representations and undertakings concerning development of said tracts.

COMPLAINT CITES FIRST CASCADE. The SEC Seattle Regional Office announced March 26 (LR-2565) the filing of court action (USDC, Oregon) seeking to enjoin First Cascade Corporation of Portland, Oregon (a registered broker-dealer) and Richard C. Van Houten II, its executive vice president (of Portland) from violating the Securities Exchange Act anti-fraud, net capital and bookkeeping provisions.

PENN EXPLORATION ENJOINED. The SEC Chicago Regional Office announced March 28 (LR-2566) the entry of a Federal court order (USDC, ED, Mich.) permanently enjoining Penn Exploration Company, Detroit, Michigan, and Herbert E. Everett, from further violating the anti-fraud provisions of the Federal securities laws in the sale of fractional undivided working interests in oil and gas leases. The said defendants consented to entry of the order. The Commission's action remains pending against Aileen M. Carlson, doing business as Tower Service Company of Parkersburg, West Virginia.

JACOBY & CO. ENJOINED. The SEC San Francisco Regional Office announced March 26 (LR 2567) the entry of a Federal court order (USDC, Los Angeles) permanently enjoining Jacoby & Co., formerly a Los Angeles broker-dealer, from violation of the Commission's net capital rule. The defendant filed a voluntary petition in bankruptcy and the Commission withdrew its motion for the appointment of a receiver.

SETTLES OIL CO. INDICTED. The SEC Chicago Regional Office announced March 28 (LR 2568) the return of a ten-count indictment (USDC, ND, Ill.) charging Wayne Settles and Settles Oil Co., Inc., of Robinson, Illinois with violations of the Securities Act anti-fraud provisions in the offer and sale of fractional undivided interests in oil and gas leases and investment contracts relating to the payment of costs of completion of oil and gas wells in Crawford County, Ill.

JOYCE, INC. RECEIVES ORDER. The SEC has issued an order under the Securities Exchange Act of 1934 exempting Joyce, Inc., a California company, from the duty to file annual and other periodic reports with the Commission. According to the order, the company's outstanding securities are held by fewer than 50 persons; and the company has and will continue to furnish stockholders with an annual report.

DE VEGH INVESTING SEEKS ORDER. De Vegh Investing Company, Inc., New York open-end investment company, and Winthrop De Vegh Management Company, Inc., its investment adviser, have applied to the SEC for an order under the Investment Company Act exempting the adviser from the stockholder approval requirements of the Act during the period from April 1, 1963 until the date of a stockholder's meeting of De Vegh to be held not later than May 31, 1963; and the Commission has issued an order (Release IC-3659) giving interested persons until April 17, 1963 to request a hearing thereon.

ATLAS MANAGEMENT PROPOSES DEBENTURE OFFERING. Atlas Management Company, 112 California Ave., Reno, Nevada, filed a registration statement (File 2-21238) with the SEC on March 28 seeking registration of \$1,500,000 of 6% convertible debentures due 1978, to be offered for public sale at 100% of principal amount. The debentures are to be offered by the company under direction of its board of directors and its president, Rex W. Laub, who (together with Max W. Laub) will offer the securities personally to prospective buyers on a best efforts basis. A 7½% selling commission is payable to the sellers of the debentures.

The company is primarily engaged in the insurance business through its subsidiaries Great Basin Insurance Co. and Casualty Insurance Company of California. Of the \$1,352,500 estimated net proceeds from the stock sale, \$600,000 will be used to pay bank indebtedness, \$250,000 to purchase income-producing property, and \$502,500

to purchase certificates of Great Basin and Casualty Insurance. In addition to certain indebtedness, the company has outstanding 225,695 common shares and 1,000,000 Class B common shares, of which Perry Holley, a vice president (and Norma Holley), and Rex Laub (and Beth Laub) each owns 32.3% of the Class B common (26.58% of the total outstanding shares). Management officials as a group own 66.58% of the total outstanding shares.

STANDARD OIL FILES INVESTMENT PLAN. The Standard Oil Company, Midland Building, Cleveland, Ohio, filed a registration statement (File 2-21242) with the SEC on March 28 seeking registration of \$2,700,000 of interests in its Sohio Employees Investment Plan, and 30,000 common and 9,000 3-3/4% cumulative preferred shares, which may be acquired pursuant thereto.

NATIONAL RESERVE LIFE FILES EXCHANGE OFFER. National Reserve Life Insurance Company, 419 West 29th St., Topeka, Kansas, filed a registration statement (File 2-21243) with the SEC on March 29 seeking registration of 69,660 shares of Class AA common stock and 64,020 shares of Class A common stock. It is proposed to offer such stock in exchange for two issues of outstanding Class A1 preferred stock on the following basis: (1) 10.99 Class A shares for each Class A1 preferred share (Issue No. 1) and payment by the stockholder of \$8.80, or 11 full Class AA shares for each Class A1 preferred share, and (2) 10.99 Class A shares for each Class A1 preferred share (Issue No. 2) and payment by the stockholder of \$10.80, or 13 full shares of Class AA for each of Class A1 preferred stock. The statement also includes 10,000 Class A common shares to be sold for cash by Trustees of the company's Profit-Sharing and Pension Trust. No underwriting is involved.

According to the prospectus, the two issues of preferred shares were issued by the company in 1961 pursuant to exchange offers which were not registered under the Securities Act. The prospectus further states that on the basis of the company's failure to make full disclosure to its stockholders of the financial status of the company, the fairness of the exchange offers and the market value of the securities involved, the Commission (as well as regulatory authorities of Kansas and South Dakota) investigated the exchange offers and transactions. Subsequently, on SEC complaint, an order was issued by a Federal court in Kansas permanently enjoining the company, its officers and an employee profit-sharing trust from violating the anti-fraud provisions of the Federal securities laws. As a result of these transactions, according to the prospectus, the company (including its officers, directors, and trustees) may be subject to civil liability to holders who received the Class A1 preferred stock pursuant to the exchanges (and persons who sold stock scrip to the Trustees).

In addition to the preferred stock, the company has outstanding 397,800 shares of Class A common stock, of which management officials as a group own 30.7%. H. O. Chapman is president.

AMERICAN ANNUITY LIFE FILES FOR OFFERING AND SECONDARY. American Annuity Life Insurance Company, 807 American Bank and Trust Building, Lansing, Michigan, filed a registration statement (File 2-21244) with the SEC on March 29 seeking registration of 154,000 shares of common stock, of which 125,000 shares are to be offered for public sale by the company and 29,000 shares, being outstanding stock, by the holders thereof. First of Michigan Corporation, 1200 Buhl Building, Detroit, heads the list of underwriters. The public offering price (maximum \$7 per share*) and underwriting terms are to be supplied by amendment.

The company writes both participating and non-participating ordinary life insurance. Substantially all of the net proceeds from the company's sale of additional stock will be added to general funds and invested in securities which qualify as legal investments under Michigan insurance law. The company has outstanding 62,500 shares of common stock, of which the estate of Harrison B. Paton (for the benefit of his widow) owns 37,044 shares (59.27%) and management officials as a group 19,081 shares (30.53%). Said estate proposes to sell 20,000 shares, and 7 other selling stockholders propose to sell all their holdings (with one exception) in amounts ranging from 781 to 2,625 shares. John B. Pryor is president.

RELIANCE LIFE OF ILLINOIS FILES FOR STOCK OFFERING. Reliance Life Insurance Company of Illinois, 15 South Northwest Highway, Park Ridge, Illinois, filed a registration statement (File 2-21245) with the SEC on March 29 seeking registration of 150,000 shares of common stock, to be offered for public sale without underwriting at a price to be supplied by amendment (maximum \$4 per share*). The company writes typical forms of ordinary life insurance policies, on a participating and non-participating basis, and also writes industrial life, group life and group credit life insurance. The net proceeds from the stock sale will be used for expansion of sales organization and for purchase of securities qualified under Illinois insurance law. The company has outstanding 350,043 shares of common stock, of which Harold O. Carlson, board chairman and president, and Norman B. Anderson, senior vice president, own 9% and 11% respectively, and management officials as a group 45%.

CORRECTION RE AMERICAN COFFEE, KANSAI POWER FILINGS. The SEC News Digest of April 1 reported registration statements filed by American Coffee Co. (File 2-19607) and Kansai Power Company (File 2-17587) as becoming effective on March 29, whereas these two statements were withdrawn that date.

SECURITIES ACT REGISTRATIONS: Effective April 1: Panhandle Eastern Pipeline (File 2-21127) and Waltham Associates (File 2-20790). Withdrawn April 1: Des Moines Realty (File 2-19822). Effective April 2: Gryphon Fund, Inc. (File 2-19627), Castaway Beach Motel Associates, Ltd. (File 2-21031), and Continental Device Corporation (File 2-20969).

*As estimated for purposes of computing the registration fee.