

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D.C. 20549

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 66-209)

FOR RELEASE November 1, 1966

SOUTHERN AIRWAYS PROPOSES DEBENTURE OFFERING. Southern Airways, Inc., Atlanta Airport, Atlanta, Ga. 30320, filed a registration statement (File 2-25659) with the SEC on October 28 seeking registration of \$5,000,000 of convertible subordinated debentures (due 1981). The debentures are to be offered for public sale through underwriters headed by Alex. Brown & Sons, 135 E. Baltimore St., Baltimore, Md. 21202. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in scheduled air transportation of persons, property and mail. Net proceeds of its debentures sale (together with proceeds from \$17,100,000 of additional long-term indebtedness) will be applied toward the purchase price of six Douglas DC-9 aircraft and related equipment. It is anticipated that the total cost of the program will be \$23,650,000. In addition to indebtedness, the company has outstanding 1,005,000 common shares, of which management officials and their associates own 26.5% (including 15.2% owned by Frank W. Hulse, president, and members of his immediate family).

AIRLIFT INTERNATIONAL PROPOSES DEBENTURE OFFERING. Airlift International, Inc., P. O. Box 535, Miami International Airport, Miami, Fla. 33148, filed a registration statement (File 2-25660) with the SEC on October 28 seeking registration of \$6,250,000 of convertible subordinated debentures, due 1986. The debentures are to be offered for public sale through underwriters headed by Auchincloss, Parker & Redpath, Two Broadway, and Allen & Co. Inc., 30 Broad St., both of New York 10004. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the transportation of freight and mail on a regularly-scheduled route basis; it also conducts passenger and cargo charter flights for the Military Airlift Command. The prospectus states that as of June 30, 1966, the company had a working capital deficit of \$12,120,448 (including as current liabilities the current portion of long-term debt in the amount of \$5,124,927). Of the net proceeds of its debenture sale, \$5,070,085 will be paid to The Slick Corporation as partial payment for the operating assets of Slick Airways Division and the remaining \$700,000 will be applied to partial repayment of certain indebtedness. The total payment to Slick is expected to approximate \$17,000,000. In addition to indebtedness, the company has outstanding 14,923,105 common shares (1,000,000 of such shares have secured the company's obligation to Slick, and upon payment of said \$5,070,085, the stock will be returned to the company). James B. Franklin is president and James H. Carmichael is board chairman.

NATIONAL CONNECTOR PROPOSES RIGHTS OFFERING. National Connector Corporation, Science-Industry Center, New Hope, Minn. 55428, filed a registration statement (File 2-25661) with the SEC on October 28 seeking registration of 180,000 shares of common stock to be offered for subscription by common stockholders. The rate of subscription and subscription price are to be supplied by amendment. Any unsubscribed shares are to be offered for public sale through broker-dealers, which will receive a 5% selling commission.

Organized under Minnesota law in 1960, the company is engaged primarily in the manufacture and sale of electrical and electronic connectors. Net proceeds of its stock sale will be added to working capital. In addition to indebtedness, the company has outstanding 403,272 common shares, of which management officials own 10.7% and Northwest Growth Fund, Inc., 16%. The Fund also holds a warrant to purchase 65,000 additional shares. Leonard E. Lindquist is board chairman and Clarence L. Wolfe is president.

MODERN INCOME LIFE PROPOSES OFFERING. Modern Income Life Insurance Company, 1985 E. Eldorado St., Decatur, Ill. 62521, filed a registration statement (File 2-25662) with the SEC on October 31 seeking registration of 190,000 shares of common stock. The stock is to be offered for public sale at \$3 per share, primarily through company officials (30,000 of the shares have been subscribed for by company organizers and promoters for a total of \$90,000). A 3% selling commission is to be paid on sales to others.

Organized under Illinois law in 1966, the company proposes to engage in the life insurance business. Net proceeds of its stock sale will be used in the conduct of such business. Founders Preferred Management Corporation has subscribed for 35,000 common shares (in addition to the shares being registered) for \$105,000. The prospectus states that the company incorporators are shareholders of Founders Preferred. M. W. Crabtree is board chairman and Charles W. Medcalf is president.

DETROIT EDISON PROPOSES OFFERING. The Detroit Edison Company, 2000 Second Ave., Detroit, Mich. 48226, filed a registration statement (File 2-25664) with the SEC on October 31 seeking registration of \$100,000,000 of general and refunding mortgage bonds, Series R, due 1996, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its bond sale in connection with its construction program (expected to aggregate over \$870,000,000 in 1966 through 1972).

THREE STOCK PLANS FILED. Form S-8 registration statements have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

Bolt Beranek and Newman Inc., 50 Moulton St., Cambridge, Mass. (File 2-25656)(154,125 common shares)
Planning Research Corporation, 1100 Glendon Ave., Los Angeles, Calif. 90024 (File 2-25663)(200,000 shares)
Ipc Hospital Supply Corporation, 161 Avenue of the Americas, New York 10013 (File 2-25665)(50,000 shares)

OVER

COMPLAINT CITES CLYDE ENDICOTT, REDIGO OIL, OTHERS. The SEC Fort Worth Regional Office announced October 28 (LR-3606) the filing of a complaint (USDC, Wichita, Kans.) seeking to enjoin Clyde Endicott, individually, and d/b/a Raven Oil Company and Redigo Oil Company; Redigo Oil Company, Inc.; Raven Oil Company, Inc.; Kenneth E. Endicott and Billy Eugene Dillon from further violations of the registration and anti-fraud provisions in the sale of interests in oil and gas leases located in Kansas. A temporary restraining order was issued against all defendants, and a hearing was scheduled for November 7 on the Commission's motion for a preliminary injunction.

SEC ENTERS BANKERS TRUST BANKRUPTCY PROCEEDINGS. The SEC has filed notice of appearance in Chapter X proceedings pending in the Federal court in Indianapolis for the reorganization of seven related debtors which were under common control and management, including Bankers Trust ("Bankers"), Equitable Real Estate Investment Trust ("Equitable"), Fidelity Real Estate Investment Trust ("Fidelity"), Real Estate Investment Trust of Indiana ("Indiana"), and Real Estate Investment Trust of Florida ("Florida"). Bankers, Equitable, Fidelity, Indiana and Florida have outstanding shares of beneficial interest which are held by public investors.

The court named American Fletcher National Bank and Trust Company as trustee. Combined assets of the five debtors approximates \$28.9 million and their liabilities \$9.3 (including intercompany receivables and payables). A substantial portion of the liabilities consists of debt secured by mortgages and other liens on the assets of the debtors. The five debtors have over 2,200,000 shares of beneficial interest outstanding. Such shares were purportedly sold intrastate and were not registered with this Commission under the Securities Act of 1933.

AMERICAN GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15591) authorizing American Gas Company of Wisconsin, Inc., public-utility subsidiary of American Gas Company, to renew or extend \$360,000 of outstanding 6½% promissory notes for 270 days from September 30, 1966, and to sell additional notes to banks in an amount not exceeding \$175,000 to be outstanding at any one time. The application states that the additional notes are to provide funds for property additions, operating expenses, and the payment of interest on outstanding debt.

PENNZOIL SEEKS ORDER. Pennzoil Company, Houston, Tex., registered holding company, has applied to the SEC for an order under the Holding Company Act authorizing it to offer for public sale up to \$215,000,000 of new notes through a negotiated underwriting; and the Commission has issued an order (Release 35-15594) giving interested persons until November 14 to request a hearing thereon. According to the application, Pennzoil has outstanding \$214,975,000 of bank notes due December 31, 1966, and proposes to make the public offering of new notes due June 30, 1968, to refund such notes. An amount equal in aggregate principal amount of the notes sold to the public will be applied to the prepayment of the bank notes. To retire the balance of unpaid principal amount of the old notes, Pennzoil, pursuant to a new agreement with the banks, will issue to the banks new promissory notes of equal aggregate principal amount.

SECURITIES ACT REGISTRATIONS. Effective October 31: Cenco Instruments Corp., 2-24927 (Dec. 12); International Basic Economy Corp., 2-24581; Racine Hydraulics & Machinery, Inc., 2-25594. Effective November 1: Texas Drilling Corp., 2-25445 (40 days). Withdrawn October 31: Belcrete Inc., 2-24891.

NOTE TO DEALERS: The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

---ooo0ooo---