

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington 25, D.C.

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

(Issue No. 64-2-11)

FOR RELEASE February 18, 1964

LACAL PETROLEUM PROPOSES OFFERING. Lactal Petroleum Company, 550 South Flower St., Los Angeles, Calif., 90017, filed a registration statement (File 2-22082) with the SEC on February 14 seeking registration of \$1,500,000 of Participating Interests in the Lactal 1964 Exploration Program. These interests are to be offered for sale in \$25,000 units, the offering to be made on a best efforts basis by J. Barth & Co., of 404 Montgomery St., San Francisco, which will receive a 5% selling commission. Howard C. Pyle and Joe B. Hudson are the partners of Lactal Petroleum Company, a partnership, which will engage on behalf of the participants in oil and gas exploration with funds supplied through the purchase of the participating interests in the Program; and the said partnership is to receive \$2,000 per month and expenses, an overriding royalty of 2%, and a 20% carried interest as total compensation for its services to the Program.

AMERICAN NATURAL GAS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15013) approving a proposal of American Natural Gas Company, of New York City, which has been incorporated in the State of New Jersey for many years, to reincorporate under the laws of the State of Delaware. This reincorporation, which is subject to stockholder approval, is expected to save the company \$170,000 annually in franchise tax payments.

CGS MANAGEMENT PROPOSES OFFERING. CGS Management Co., 4150 East Mexico Ave., Denver, filed a registration statement (File 2-22081) with the SEC on February 14 seeking registration of 400 participating interests in the "1964 CGS Exploration Program," to be offered for public sale at \$5,000 per unit of participating interests. Consolidated Oil & Gas, Inc., which will be engaged to conduct oil explorations on behalf of CGS Management Co. (which in turn will make the public offering of participating interests in the Program), will become a participant on the same basis as any other participant, and has agreed to subscribe to a participation equal to one-fourth of the commitments of all other participants (or \$400,000 by Consolidated and \$1,600,000 by other participants if all units are sold). For its services in conducting the Exploration Program, Consolidated will earn and receive a management fee of 15% of the total of all unit subscriptions and pro rata assessments for the drilling of additional wells. One of the purposes of this offering is to explore part of or approximately 114,485 net acres remaining out of undeveloped leasehold acreage acquired in 1963 by Consolidated in the Arkansas portion of the so-called Arkoma Basin. The president of CGS Management Co. is J. Bertram Ladd; and he also is executive vice president of Consolidated, the parent of CGS Management.

BEVERAGE FUND PROPOSES OFFERING. Beverage Fund, Inc., 2216 North Charles St., Baltimore, filed a registration statement (File 2-22084) with the SEC on February 17 seeking registration of 1,500,000 shares of common stock. It is proposed to offer 500,000 shares for public sale at \$10 per share through underwriters headed by Suplee, Yeatman, Mosley Co., Inc., of 1500 Walnut St., Philadelphia. The underwriting commission is to be supplied by amendment. The remaining 1,000,000 shares are to be offered in exchange for securities included in a select "List of Acceptable Securities" or securities of other companies in the beverage and related industries acceptable to the Fund. The basis of the exchange will be one share of the Fund for each \$10 of market value of securities acceptable to the Fund after deducting the sales charge payable to the Suplee (as Dealer Manager) and soliciting dealers.

The Fund was organized under Maryland law on February 7, 1964, as a closed-end non-diversified investment company. It proposes to invest primarily in the securities of companies in the beverage and related industries. Its investment adviser is Allegheny Pepsi-Cola Bottling Company, a bottler and distributor of Pepsi-Cola in portions of Pennsylvania, Maryland, West Virginia and Virginia. Morton M. Lapides, Fund president, is board chairman of Allegheny, which has purchased 10,000 shares of the Fund's 5% cumulative preferred stock (\$10 par) and 11,000 shares of its common stock (for \$100,000 and \$110,000, respectively). These shares represent all the presently outstanding securities of the Fund.

MID-AMERICA PIPELINE PROPOSES RIGHTS OFFERING. Mid-America Pipeline Company, 1437 South Boulder Ave., Tulsa, Okla., filed a registration statement (File 2-22085) with the SEC on February 17 seeking registration of 306,450 warrants for the purchase of a like number of shares of common stock. It is proposed to offer the said warrants for subscription by common stockholders at the rate of one warrant for each six shares held, the warrants to be exercisable (at a price to be supplied by amendment, but not to exceed \$10 per share maximum*) through March 31, 1972 (or, if the warrants are not exercised, the holders will be entitled on or after April 1, 1972, to one-half share of common stock for each warrant without any further payment). The record date and underwriting terms are to be supplied by amendment. Bear, Stearns & Co., One Wall St., and White, Weld & Co., Inc., 20 Broad St., both of New York, are listed as the principal underwriters.

The company is engaged in operating a common carrier pipeline for transportation principally of propane, and also of butane and natural gasoline, from origins in West Texas, southeastern New Mexico and the Texas and Oklahoma Panhandle areas to Conway in Central Kansas and from Conway in two main lines to the Minneapolis-St. Paul, Minnesota and southern Wisconsin areas. Net proceeds of the sale of warrants, together with the

OVER

\$4,250,000 balance of proceeds from a \$6,000,000 loan evidenced by the company's 5 $\frac{1}{4}$ % promissory notes due February 1969 (\$1,750,000 of which was used to pay off the balance of temporary bank loans originally amounting to \$3,500,000 incurred for the purchase of production properties), will be used for the company's 1964 construction program (including additional pipeline facilities) and expected to cost at least \$5,000,000. In addition to indebtedness, the company has outstanding 1,838,700 shares of common stock, of which management officials own 3.8%. Katy Industries, Inc., of Dallas owns 342,334 shares (18.6%). William N. Deramus III is board chairman and Robert E. Thomas president.

RELIANCE UNIVERSAL FILES FOR RIGHTS OFFERING. Reliance Universal Inc., 4730 Crittenden Drive, Louisville Ky. 40221, filed a registration statement (File 2-22086) with the SEC on February 17 seeking registration of 36,000 shares of common stock. It is proposed to offer this stock for subscription by common stockholders at the rate of one new share for each 10 shares held. The record date, subscription price (\$42 per share maximum*) and underwriting terms are to be supplied by amendment. The offering is to be underwritten by Almstedt Brothers, 425 W. Market St., Louisville and two other Louisville firms.

The company and its subsidiaries are engaged in the manufacture and sale of paints, varnishes, lacquers, enamels, stains, fillers and other finishing materials; and one subsidiary also manufactures and sells concrete pipe, bridge structural members and similar products. Net proceeds of its sale of additional stock will be used to discharge \$1,300,000 of short-term bank notes and any remainder will be added to the company's working capital. In addition to indebtedness, the company now has outstanding 391,634 shares of capital stock, of which management officials own 19%. H. C. Grawemeyer is board chairman and Ben Robertson, Jr., is president.

SECURITIES ACT REGISTRATIONS. Effective February 17: Nationwide Motorist Association, Inc. (File 2-21888); Southern California Edison Co. (File 2-22056). Effective February 18: Northern Natural Gas Co. (File 2-22051).

*As estimated for purposes of computing the registration fee.

---ooo0ooo---