SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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

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

Washington 25, D.C.

FOR RELEASE May 11, 1960

MUSTANG LUBRICANTS PROPOSES OFFERING. Mustang Lubricants, Inc., Denver, Colo., filed a registration statement (File 2-16565) with the SEC on May 9, 1960, seeking registration of 80,000 shares of Class A common stock, to be offered for public sale at $5 per share. The offering will be underwritten on an all or none basis, the commission to be $.75 per share. The name of the underwriter will be supplied by amendment.

The company was organized under Colorado law on March 4, 1960, and will engage in the sale and distribution (including packaging) of lubricants and heavy duty oils for use in heavy duty machinery and equipment; and it also will sell and distribute water proofing materials for use on roofs, interior and exterior walls, floors, and basements. It has no operating history. Management officials hold 7,000 Class A and 7,000 Class B common shares, for which they have transferred to the company certain properties, paid in cash or received credit for pre-incorporation expenses, in the amount of $5,033.67, and have given their notes for the balance totaling $30,666.33. The Class A shares were issued to them at $5 per share and the Class B at 10¢. In addition, the company has sold 6,800 Class A and 8,800 Class B shares to eleven persons for $34,880, upon which the company received $27,890 in cash and notes of $6,990.

Of the net proceeds of the proposed public sale of Class A shares, $32,500 will be used for retirement of notes (with interest); $50,000 for purchase of land and building (office, warehouse); $70,000 for roof coating division; $25,000 for product inventory; $100,000 of accounts receivable financing; and $42,500 for working capital.

The prospectus lists Lee A. Huey of Englewood, Colo., as president and owner of 4,000 shares each of the Class A and Class B stock. In addition to the 7,000 Class A and Class B shares held by management officials, the company has granted them options to purchase 40,000 Class B shares and to five employees options to purchase 2,700 Class B shares; and options for 17,300 Class B shares are reserved for others who may be employed. The company also will issue to the underwriter, for $125, warrants to purchase 12,500 Class A shares at $5 per share.

SEC TELEPHONE NUMBER CHANGED. Effective Saturday, May 14, 1960, all telephones in the Securities and Exchange Commission offices in Washington, D. C. will be converted to a new direct-dialing system. The Commission's new telephone number will be WOrth 3-1110. On long distance, direct-dialing calls to the Commission the new number should be prefixed by the Washington, D. C. long distance area code number, 202. After once obtaining the new 5-digit extension number of a staff member, subsequent calls may be made by direct-dialing the WOrth exchange and the 5-digit extension number.

STELMA INC. FILES FOR SECONDARY. Stelma, Incorporated, 200 Henry St., Stamford, Conn., filed a registration statement (File 2-16570) with the SEC on May 10, 1960, seeking registration of 175,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through Amos Treat & Co., Inc. The offering will be made on a best efforts, all or none basis; and the selling commission is to be 65¢ per share. The president of the underwriter also has acquired from the selling stockholders an additional 10,000 shares at $1 per share. The underwriter has agreed to reserve up to 10,000 shares of this offering for sale to company employees at $5.37½ per share.

The company was organized under Delaware law on March 31, 1960, for the purpose of acquiring 100% of the outstanding stock of STELMA, Inc., a Connecticut corporation. The latter was organized in April 1951 by the present principal stockholders of the Delaware company and a group of associates under the direction of Alfred B. Reiss, president and board chairman, to develop and manufacture telecommunications equipment for commercial and military systems and test applications. Its work is presently divided evenly between its engineering and production operations; and the products include pocket size analyzers and computer type equipment necessary for high speed data transmission systems.

According to the prospectus, the company now has outstanding 510,000 shares of stock, of which Reiss owns 214,186 shares, Burton Bernard, treasurer, and Lawrence Lewison, vice president, 138,362 shares each. The latter two propose to sell 92,392 shares each, and Reiss 140,216 shares. Three other stockholders will sell 3,030 shares each.

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ARCO ELECTRONICS PROPOSES OFFERING. Arco Electronics, Inc., 64 White St., New York, filed a registration statement (File 2-16571) with the SEC on May 10, 1960, seeking registration of 140,000 shares of Class A common stock, to be offered for public sale through an underwriting group headed by Michael G. Kletz & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment. The controlling stockholders have sold 10,000 Class A shares to Michael G. Kletz and 2,500 shares to Louis W. Herman, its financial consultant, at 50¢ per share.

The company was organized under Delaware law on February 15, 1960, as successor to a New York corporation of the same name which commenced business in 1945. It and its subsidiaries are engaged in the manufacture and sale of capacitors and related products. The company now has outstanding 312,500 Class A and 362,500 Class B common shares. Of the net proceeds of the sale of additional Class A stock, some $50,000 will be used for expansion of the company's advertising and merchandising activities; $30,000 for research and development; $120,000 for expansion and improvement of the company's physical plants and equipment; $150,000 to carry additional inventories for production and additions to its product lines; and the balance for working capital.

The prospectus lists Albert I. Rothenstein as president, Howard L. Rothenstein as vice president, and Edward M. Rothenstein as secretary-treasurer. Officers and directors as a group own all of the 362,500 Class B shares and 295,500 shares of the Class A shares now outstanding (including the holdings of Florence Rothenstein).

SAVANNAH ELECTRIC FILES FINANCING PROPOSAL. Savannah Electric and Power Company, 27 West Bay St., Savannah, Ga., filed a registration statement (File 2-16572) with the SEC seeking registration of $5,000,000 of First Mortgage Bonds due 1990 and $3,000,000 of Debentures due June 1, 1985, to be offered for public sale at competitive bidding. Net proceeds of the sale of these securities will be used to pay outstanding notes of $6,500,000 (the proceeds of which were used for construction purposes) and for further construction expenditures. The company estimates its 1960 construction expenditures at $10,500,000.

WADKINS & OBELE PROPOSE OFFERING. T. Roy Wadkins, doing business as Wadkins Producing Co., and Edward M. Obele, doing business as Obele Oil Co., both of Englewood, Colo., filed a registration statement (File 2-16573) with the SEC on May 10, 1960, seeking registration of 250 Oil and Gas Leasehold Working Interests, to be offered for public sale at $600 per unit. The working interests relate to 2560 acres divided into 32 separate and non-contiguous tracts of 80 acres each, in Pitkin and Gunnison Counties, Colo. The interests offered are an undivided acreage interest in and to the entire 2560 acres. The interests are subject to the proportionate share of land owners royalty of 12½% of all oil, gas, or other hydrocarbons which may be produced from any such well or wells as may be drilled, and to a proportionate share of present overriding royalty interest on any of the tracts. The purpose of the offering is to complete a well begun by the operators in October, 1959, which well is not located on any of the acreage to which the working interests offered relate and in which the holders of the working interests will have no interest therein or in any production therefrom. The well which the operators have undertaken is located within one mile of some but not of all of the 80 acre tracts. This well is known as the Wadkins Producing Company No. 1 Govt. U. C. This test well is being drilled to evaluate the lands for oil and gas production. The drilling of the test well is pursuant to a farmout agreement entered into by T. Roy Wadkins, one of the operators, with Union Oil Company of California dated May 25, 1959, which requires the drilling and completion of a test well to a depth sufficient to penetrate 200 feet into the Weber Formation or 5000 feet beneath the surface, whichever depth shall first occur. When the test well has been drilled to the depth required in the farmout agreement and completed either as a producing well or plugged as a dry hole, Mr. Wadkins is entitled to receive assignments from Union Oil Company of oil and gas leases covering a total of 9000 acres.

Wadkins and Obele have entered into a joint venture agreement whereby each has an equal interest in the farmout agreement. They have checker-boarded the 9000 acres covered by the farmout agreement into tracts of 80 acres each and the working interests offered relating to the 32 tracts of 80 acres each are subject to the farmout agreement. They have sold working interests amounting to 1346.5/2560, and if the 250 working interests offered are all sold, they will retain a working interest of 903.5/2560 in and to the 80 tracts. They will also have a working interest in and to 6440 acres subject only to land owners royalty of 12.5% and overriding royalty ranging up to 2.5%. Upon the completion of the test well they will have 69.62%, of any production from the well. Upon the completion of the test well Wadkins and Obele will have the foregoing interests at only nominal cost to them.

INTERSTATE FINANCE PROPOSES OFFERING. Interstate Finance Corporation, 405 Sycamore St., Evansville, Ill., today filed a registration statement (File 2-16574) with the SEC seeking registration of 150,000 shares of common stock, to be offered for public sale through a group of underwriters headed by Goldman, Sachs & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged primarily in making instalment loans direct to borrowers, and in purchasing retail instalment sales obligations originating with dealers in the wholesale financing of dealers' inventories. In addition to certain indebtedness and 45,000 shares of $100 par preferred stock, it now has outstanding 718,732 shares of common stock. Net proceeds of the sale of the additional 150,000 common shares will be added to the company's general funds as working capital.

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The prospectus lists Richard E. Meier as board chairman and Leland M. Feigel as president. Management officials and their wives, as a group own an aggregate of 263,930 shares (36.7%) of the outstanding common stock.

NATIONAL STEEL FILES STOCK PLAN. National Steel Corporation, Pittsburgh, today filed a registration statement (File 2-16575) with the SEC seeking registration of 57,000 shares of capital stock, to be offered pursuant to the company's Stock Investment Plan for Salaried Employees of the company and certain of its subsidiaries.

CORNELL-DUBILIER DELISTING PROPOSED. The New York Stock Exchange has applied to the SEC to delist the common stock of Cornell-Dubilier Electric Corporation; and the Commission has issued an order (Release 34-6262) giving interested persons until May 27, 1960, to request a hearing thereunder. According to the application, deposits and commitments under an exchange offer by Federal Pacific Electric Company leave less then 30,000 shares outstanding in the hands of less than 250 public holders.

TRADING SUSPENDED IN CONSOLIDATED DEVELOPMENT (CUBA) STOCK. The SEC has suspended trading on the American Stock Exchange and the over-the-counter market in the common stock of Consolidated Development Corporation (formerly Consolidated Cuban Petroleum Corporation), Havana, Cuba, for a further ten-day period May 12 to 21, 1960, inclusive (Release 34-6263).

FINE IMPOSED ON C. H. PETERSON. The SEC San Francisco Regional Office announced May 6, 1960 (Lit. Release 1679) that the Federal court in Los Angeles had imposed a $100 fine upon Carl H. Peterson on each of five counts of a 17-count indictment charging violations of Federal securities laws in sale of uranium and other securities. Co-defendant Walter A. Falk, who with Peterson had pleaded nolo contendere to each of the five counts, previously had received a similar fine and placed on two-year probation.

DECREE ISSUED IN EQUITY CORP. ACTION. The SEC today announced issuance of a Federal court order (USDC, Del.) enjoining The Equity Corporation and Equity General Corporation from violating the anti-pyramiding provisions of The Investment Company Act (Lit. Release 1680) and enjoining Equity General from violating registration provisions of said Act. Under court decree, the entry of which was consented to by defendants compliance will involve corporate actions which will result in the liquidation or merger into Equity Corp. of Equity General and Development Corporation of America. The order also provides that on or before July 13, 1960, the preferred stock of Development Corp. will be redeemed at its redemption price of $26 per share, and that unexercised options to purchase preferred stock will be redeemed on the same basis (the difference between their exercise price and $26 per share).

B.T.L. CORP. TEMPORARILY EXEMPTED. The SEC has issued an order under the Investment Company Act (Release 40-3028) extending the period of the temporary exemption of B.T.L. Corporation, of Chicago, from all provisions of that Act until the disposition by the Commission of the company's application for an order declaring that it is primarily engaged in a business or businesses other than that of an investment company. A hearing on said application is scheduled for May 12, 1960. The company, formerly known as Butler Brothers, was until recently engaged in the distribution of general merchandise, having sold its business and assets in February 1960 to City Products Corporation.

HEARING ORDERED ON MADISON FUND-INTERNATIONAL MINING PURCHASE. The SEC has issued an order under the Investment Company Act (Release 40-3029) scheduled a hearing for May 18, 1960, on a proposal for the acquisition by a subsidiary of International Mining Corporation, through a merger, of all of the assets of Canton Company of Baltimore. Notice of the filing of said application was originally issued on April 12, 1960 (Release 40-3012; see also News Digest of April 13, 1960).

According to the application, Madison Fund, Inc., owns 8.3% of the stock of International and about 79% of the stock of Canton. It is proposed that Northside Warehouse Corporation, subsidiary of International, will acquire through merger all of the assets of Canton for cash and notes of International in the total amount of $10,829,875. Madison has agreed to accept cash and notes of International for its holdings of Canton stock; and holders of the remaining shares of Canton will be offered cash by the company surviving the merger. In a recent amendment to the application, certain changes are proposed in the terms of the 7% notes in the amount of $10,830,000 to be issued by International to finance the merger. The changes involve principally the schedule of maturities of the notes from the fourth to the tenth years.

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