

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 November 1, 1962

M. A. HANNA RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-3566) permitting The Hanna Mining Company and National Steel Corporation, which are 46% and 26% owned respectively by The M. A. Hanna Company, Cleveland closed-end investment company, and certain other affiliated persons to participate in the organization, financing and operation of a steel pelletizing plant to be constructed and operated by Carol Pellet Company, a Delaware company. According to the order, Hanna Mining and National own about 24% and 15%, respectively, of the outstanding stock of Iron Ore Company of Canada (IOC), which develops iron ore properties in Canada, the balance being owned by five United States and three Canadian steel producing companies; and all of the iron ore produced by IOC (except ore owned by two Canadian stockholders) is purchased by the seven United States stockholders. Hanna Mining, National and the other U.S. stockholders of IOC propose to establish a pelletizing plant at Carol Lake in Labrador, adjacent to IOC, to be constructed and operated by Carol and to pelletize the ore concentrates produced by IOC. The equity interest in Carol is to be held in varying proportions by the seven American companies (Hanna Mining and National will hold 11.5% and 18.54% thereof, respectively); and Carol will be financed by its borrowing up to \$56,000,000 (80% of the funds needed) through sale of notes to institutional investors. An amount at least equal to 25% of the amounts so borrowed (\$14,000,000) will be supplied by the stockholders in the form of equity or junior capital, partly as common stock and partly as loans evidenced by subordinated notes in proportions which will be equal to their respective commitments to purchase and pay for pellets. They will be also committed to provide any additional funds needed to complete the project in the same manner.

BISCAYNE SECURITIES REVOKED. The SEC has issued an order under the Securities Exchange Act (Release 34-6927) revoking the broker-dealer registration of Biscayne Securities Co., Suite 200, 530 Biscayne Blvd., Miami, Fla. The Commission found that the company had violated the reporting requirements of the Act in that it failed to file an initial financial report or a report of its financial condition for 1961, notwithstanding the assurance of its president in October 1961 that a financial report would be filed immediately.

SEC COMPLAINT NAMES CORPORATE UNDERWRITERS, OTHERS. The SEC San Francisco Regional Office announced October 23d (LR-2411), the filing of a complaint (USDC Phoenix, Ariz.) seeking to enjoin Corporate Underwriters Co., of Phoenix from further violations of the anti-fraud provisions of the Federal securities laws in the sale of stock of Mechanical Underwriters, Inc. Other defendants are Ernest A. Ragland, Jr., president of Corporate Underwriters, Baruch Rabinowitz, also known as Baruch Robbins, and Joan Rabinowitz, also known as Joan Robbins.

CONSUMERS COOPERATIVE FILES FINANCING PLAN. The Consumers Cooperative Association, 3315 N. Oak Traffic-way, Kansas City, Mo., filed a registration statement (File 2-20858) with the SEC on October 31st seeking registration of \$8,000,000 of 5½% subordinated certificates of indebtedness (25 years), 160,000 shares of 5½% preferred stock (\$25 par), 40,000 shares of 4% second preferred stock (\$25 par) and 400 shares of common stock (nondividend bearing). The certificates of indebtedness and 5½% preferred stock are to be offered to members of local cooperatives and to the general public (the certificates in \$100 units and the preferred at \$25 per share); and the 4% preferred shares and the common shares only to member local cooperatives and local cooperatives eligible for membership in the Association. No underwriting is involved.

The Association operates as a cooperative wholesale purchasing and manufacturing association which has been primarily engaged in the manufacture and distribution of petroleum products, fertilizer, feed and other farm supplies. It is organized and operated on a cooperative basis as a supply source for local farmers' cooperative associations in some 10 mid-western states. It has 1,719 member associations; and the Association is controlled by the local farmers' cooperative associations which comprise its membership and such local associations are, in turn, controlled by their individual farmer members. The \$14,010,000 estimated net proceeds from this financing will be used to retire maturing certificates of indebtedness and redeem such certificates (on request) and 5½% preferred stock, and the balance, together with other funds, to facility expansion and improvement. The proposed capital expenditure program of the Association and its consolidated subsidiaries for 1963 amounts to about \$31,000,000. John L. Schulte is board chairman and Homer Young is president.

CASCADE NATURAL GAS SECURITIES IN REGISTRATION. Cascade Natural Gas Corporation, 222 Fairview Avenue North, Seattle, Wash., filed a registration statement (File 2-20859) with the SEC on October 31st seeking registration of \$5,818,700 of 5¼% convertible subordinated debentures due 1970 and warrants to purchase 93,750 shares at from \$15 to \$16.50 until December 1967. Such securities are to be issued by the company pursuant to its proposed acquisition of the assets and liabilities of Magna Pipe Line Company Limited, of British Columbia.

The company presently distributes natural gas in 49 communities in Washington and Oregon. Magna's assets include various rights of way and preliminary survey and development work in connection with the construction of a natural gas transmission pipeline from Bremerton, Washington to Port Angeles in Washington. According to the prospectus, negotiations with potential industrial customers disclosed a lack of market for industrial sales that would be necessary to make the project as originally proposed feasible. The company proposes to carry out a modified version of the original project. In addition to various indebtedness and

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preferred stock, the company has outstanding 1,105,769 shares of common stock, of which management officials as a group own about 7.4%. C. Spencer Clark is board chairman and O. Marshall Jones is president.

LIBERTY REAL ESTATE TRUST FILES FOR SECONDARY. Liberty Real Estate Trust, 1572 State Street, Sarasota, Fla., filed a registration statement (File 2-20861) with the SEC on October 31st seeking registration of 19,219 outstanding shares of beneficial interest in the Trust, to be offered for public sale by New Horizon Shopping Center, Inc. from time to time at prevailing prices in the over-the-counter market (maximum \$10 per share*). The trust issued such shares to the selling stockholder (and also assumed a \$282,071 mortgage) in return for the transfer (to the Trust) of The New Horizon Shopping Plaza, a shopping center in Hollywood, Fla.

The Trust (formerly Liberty Real Estate Trust of Florida), pursuant to an exchange offer in 1961, has acquired a portfolio of properties which includes some 5 office and professional buildings, 10 industrial buildings and warehouses, 8 commercial shops and shopping centers, 3 motels, 2 apartments, a bowling lane, and certain mortgages. The net exchange price for such properties was \$11,415,936, including \$5,253,414 in mortgages. In addition to certain indebtedness, the Trust has outstanding (at January 1962) 626,252 shares of beneficial interest, of which B. H. Sirmons, of St. Petersburg, owns 10.3% and Professional Building Corp., of Fort Lauderdale, 10.4%. W. W. Whiteman, Jr., and three others, are listed as trustees.

SECURITIES ACT REGISTRATIONS. Effective October 31: Austral Oil and Gas Exploration Corp. (File 2-20760); Winn-Dixie Stores, Inc. (File 2-20814). Effective November 1: Northern Illinois Gas Co. (File 2-20740); The Procter & Gamble Co. (File 2-20793); Seaboard Life Insurance Co. of America (File 2-20552); United States Fidelity & Guaranty Co. (File 2-20778). Withdrawn October 31: American Mortgage Investors (File 2-19761).

*As estimated for purposes of computing the registration fee.

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