

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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**MIDDLE SOUTH UTILITIES SEEKS ORDER.** Middle South Utilities, Inc., New York holding company, has applied to the SEC for an order under the Holding Company Act authorizing a proposed stock split and related transactions; and the Commission has issued an order (Release 35-15362) giving interested persons until December 25 to request a hearing thereon. According to the application, Middle South proposes to increase and reclassify its authorized common stock from 25,000,000 shares (\$10 par) to 50,000,000 shares (\$5 par) and to distribute to its common stockholders one additional share of \$5 par stock for each share of \$10 par stock presently held. All presently outstanding shares of \$10 par common stock will thereafter, without notation or exchange, represent the same number of shares of \$5<sup>par</sup> common stock. Such proposed 2-for-1 split will require the issuance of 16,879,200 common shares, increasing the company's outstanding common to 33,758,400 shares. The proposed charter amendment will require the favorable vote of the holders of two-thirds of Middle South's outstanding common shares. The company proposes to solicit proxies with respect thereto at a special meeting of common stockholders scheduled for February 14, 1966.

**CONTINENTAL AMERICAN FUND SEEKS ORDER.** Continental American Fund, Inc., 20 Exchange Pl., New York, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company as defined in the Act; and the Commission has issued an order (Release IC-4440) giving interested persons until December 30 to request a hearing thereon. According to the application, the company has sold substantially all of its assets to Pine Street Fund, Inc., a registered open-end management investment, in return for shares of the latter company. The applicant further represents that all of its stockholders have surrendered their shares and have received certificates for shares of Pine Street.

**UNLISTED TRADING SOUGHT.** The SEC has issued an order under the Securities Exchange Act (Release 34-7771) giving interested persons until December 27 to request a hearing upon an application of the Boston Stock Exchange for unlisted trading privileges in the common stock of McDonnell Aircraft Corp.

**UNLISTED TRADING GRANTED.** The SEC has issued an order under the Securities Exchange Act (Release 34-7771) granting applications of (1) the Boston Stock Exchange for unlisted trading privileges in the common stock of Addressograph-Multigraph Corp.; (2) the Cincinnati Stock Exchange for such privileges in the convertible preferred stock of Union Oil Co. of California; and (3) the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the common stocks of Coastal States Gas Producing Co., and West Point-Pepperell, Inc.

**DELISTING GRANTED.** The SEC has issued an order under the Securities Exchange Act (Release 34-7771) granting an application of the American Stock Exchange to strike from listing and registration the common stock of Miami Extruders, Inc., effective at the opening of business on December 20. The application states that only 86,877 shares of the company's common stock are publicly held, the balance having been acquired by Miami Window Corp.

**UNITED WESTERN LIFE INSURANCE FILES STOCK PLAN.** United Western Life Insurance Company, 1509 Main St., Dallas, Tex., filed a registration statement (File 2-24303) with the SEC on December 9 seeking registration of 475,000 shares of common stock. Of this stock, 400,000 shares are to be offered pursuant to the company's Stock Option Incentive Program and 75,000 shares to certain of its employees and officials.

**HAWKEYE NATIONAL INVESTMENT FILES FOR OFFERING.** Hawkeye National Investment Co., 728 Insurance Exchange Bldg., Des Moines, Iowa, filed a registration statement (File 2-24305) with the SEC on December 10 seeking registration of 1,100,000 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made on a best efforts basis through officials of the company and may be made through certain agents who will receive a \$.16-per-share selling commission. The offering is conditioned upon the sale of at least 500,000 shares. The company is also registering 231,250 common shares to be reserved for issuance upon exercise of options.

Organized under Iowa law in October 1965, the company intends to function as a holding company and to organize an Iowa life insurance company. Approximately 90% of the net proceeds of its sale of stock will be invested in such proposed subsidiary and the balance will be retained for other investments, the exact nature of which has not been determined. The company has outstanding 275,000 common shares, which were subscribed for by company incorporators for \$550,000. James McCurdy is board chairman and E. A. Hayes is president.

**LANE WOOD PROPOSES OFFERING.** Lane Wood, Inc., Davis Bldg., Dallas, Tex. 75202, filed a registration statement (File 2-24306) with the SEC on December 10 seeking registration of \$3,000,000 of 6% convertible subordinated debentures (due 1978). The debentures are to be offered for public sale at 100% of the principal amount, through underwriters headed by Schneider, Bernet & Hickman, Inc., 3200 First National Bank Bldg., Dallas, Tex., and First Nebraska Securities Corp., 1001 "O" St., Lincoln, Nebr. The underwriting terms are to be supplied by amendment.

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The company is engaged primarily in the factoring of accounts receivable and other forms of commercial financing. It has contracted to acquire Mossler Acceptance Company and certain affiliated companies (based in Houston), which are also engaged in the financing business. Net proceeds of the company's sale of debentures (together with a proposed \$5,000,000 bank loan) will be applied to the \$7,750,000 purchase price of such companies. In addition to indebtedness, the company has outstanding 667,426 common shares, of which management officials own 22.3% and Lynch, Aberg & Co. owns 41.3%. R. Vincent Lynch is board chairman and Charles P. Aberg is president.

**FIRST INVESTORS FUND FOR GROWTH PROPOSES OFFERING.** First Investors Fund for Growth, Inc., 120 Wall St. New York 10005, filed a registration statement (File 2-2307) with the SEC on December 10 seeking registration of 2,500,000 shares of common stock. The stock is to be offered for public sale at net asset value (\$10 per share maximum\*), plus a maximum selling commission of 8.75%. First Investors Management Co., Inc., of the New York address, is the Fund's principal underwriter and investment adviser.

Organized under Maryland law in October 1965, the Fund is an open-end management investment company "which seeks growth of capital through investment in the common stocks of a limited number of companies and industries selected for their growth potential." Rowland A. Robbins is president of the Fund and board chairman of its investment adviser.

**GULF STATES UTILITIES PROPOSES OFFERING.** Gulf States Utilities Company, 285 Liberty Ave., Beaumont, Tex. 77701, filed a registration statement (File 2-24309) with the SEC on December 13 seeking registration of \$20,000,000 of first mortgage bonds (due 1996), to be offered for public sale at competitive bidding. The company will use the net proceeds of the bond sale to pay some \$17,000,000 short-term notes incurred for construction purposes; and the balance will be used to continue the construction program (estimated to cost \$99,500,000 for 1965-66) and for other corporate purposes.

**JOHN J. DALY & CO. SUSPENDED; OFFICER CENSURED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-7768) suspending the NASD membership of John J. Daly & Co., Inc., 10 Dahlia Drive West, East Patchogue, N. Y., for a 30-day period. The order also censured John J. Daly, Jr., president. Based on the order for proceedings and the offer of settlement submitted by the respondents, the Commission found that the firm, aided and abetted by Daly, failed to file its 1964 financial report within the specified time. In mitigation, the respondents pointed out that such a report "has now been filed and that the failure to file on time was the result in part of the work load of their accountants, and they represent that they will make arrangements to insure that all future reports and other filings with the Commission will be submitted on time, and that they do not hold and have not held customers' money or securities."

**STORER BROADCASTING PROPOSES RIGHTS OFFERING.** Storer Broadcasting Company, 1177 Kane Concourse, Miami Beach, Fla. 33154, today filed a registration statement (File 2-24314) with the SEC seeking registration of \$34,410,000 of convertible subordinated debentures (due 1986). The debentures are to be offered for subscription by the company's stockholders at the rate of \$100 principal amount of debentures for each 12 shares of common stock and/or Class "B" common stock held. Any unsubscribed shares are to be offered for public sale through underwriters headed by Reynolds & Co., 120 Broadway, New York. The interest rate, record date, offering price and underwriting terms are to be supplied by amendment.

The company owns and operates five very high frequency television stations and seven standard and five frequency modulation radio broadcast stations. Net proceeds of its sale of debentures will be applied to the repayment of bank loans (expected to amount to \$32,000,000 on December 15) which were incurred (1) to finance the purchase of 87% of the common stock of Northeast Airlines, Inc. (the total cost being \$24,302,340) and (2) to make payments on account of the purchase of new aircraft and related equipment by Storer Leasing Corp., a wholly-owned subsidiary, which aircraft and equipment are to be leased to Northeast Airlines. In addition to indebtedness, the company has outstanding 2,586,588 common and 1,542,212 Class "B" common shares of which management officials own 7.45% and 61.79%, respectively (after giving effect to a 2-for-1 stock split to become effective December 15). George B. Storer, who owns 54.23% of the outstanding Class "B" stock, is board chairman and Stanton P. Kettler is president.

**SECURITIES ACT REGISTRATIONS. Effective December 14:** Consolidated Edison Co. of New York, Inc., 2-24272; United Utilities, Inc., 2-24240 (Jan 24).  
**Withdrawn December 13:** Aspinwall-Associates, Inc., 2-22641; Elite Theatrical Productions, Ltd., 2-21732; Southern California Edison Co., 2-24202.

**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.

\*As estimated for purposes of computing the registration fee.

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