

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. 66-183)

FOR RELEASE September 26, 1966

MIDDLE SOUTH UTILITIES SEEKS ORDER. Middle South Utilities, Inc., New York holding company, and its public-utility subsidiary, Louisiana Power & Light Company, have applied to the SEC for an order under the Holding Company Act authorizing Louisiana to acquire all of the outstanding common stock of Peoples Utilities, Inc., a non-associate electric utility company; and the Commission has issued an order (Release 35-15566) giving interested persons until October 17 to request a hearing thereon. According to the application, Louisiana provides electric service in the northern and eastern part of the State of Louisiana; and Peoples distributes electricity to about 5,000 customers in the eastern part of Louisiana. Its service area is adjacent to that of Louisiana, and the electric facilities of both companies are interconnected. In September 1965, Peoples' properties suffered severe hurricane damage and part of its transmission lines have not been restored. Since August 1, 1966, Peoples' operations have been conducted by Louisiana. Louisiana proposes to acquire all of the outstanding common stock of Peoples, which is owned by four persons. In exchange, Middle South will issue to the Peoples shareholders 60,000 shares of its common stock, \$5 par. In turn Louisiana will issue to Middle South 68,000 shares of Louisiana's no par common stock. Middle South and Louisiana will record their respective investments at \$1,435,079, the underlying book value of the Peoples' common stock at July 31, the closing date under the agreement. It is also proposed that after consummation of the proposed acquisition, Peoples will issue to Louisiana its demand note or notes in an amount sufficient to retire all of Peoples' outstanding indebtedness at principal plus interest and the applicable redemption premiums.

SHIELD PETROLEUM PROPOSES OFFERING. Shield Petroleum Corporation, 6980 Tenderfoot Lane, Cincinnati, Ohio 45242, filed a registration statement (File 2-25531) with the SEC on September 22 seeking registration of 300 units in the Shield Oil and Gas Program, 1966-67. The units are to be offered for public sale at \$835 per unit by the company and through members of its selling group.

Organized under Ohio law in 1965, the company will be the managing partner of the program, the purpose of which is to acquire oil and gas leases, to do test drilling, and to the extent that commercial reserves may be indicated to do initial developmental drilling. Gene C. Carpenter is president of the company and James C. Eigel is board chairman.

PACIFIC SOUTHWEST AIRLINES PROPOSES OFFERING. Pacific Southwest Airlines, 3100 Goddard Way, San Diego, Calif., filed a registration statement (File 2-25532) with the SEC on September 23 seeking registration of \$15,000,000 of convertible subordinated debentures, due 1986. The debentures are to be offered for public sale in \$1,000 units through underwriters headed by E. F. Hutton & Company Inc., 623 S. Spring St., Los Angeles, Calif. 90014. The interest rate and underwriting terms are to be supplied by amendment.

The company operates a regularly scheduled airline in California. Net proceeds of its debenture sale, together with internally generated funds, borrowings of approximately \$11,500,000, and proceeds from the sale of Lockheed Electra aircraft and one or more Boeing 727-100 aircraft, will be applied toward the purchase price (approximately \$52,000,000) of additional aircraft. In addition to indebtedness, the company has outstanding 1,534,554 common shares, of which management officials own approximately 15%. J. Floyd Andrews is president.

CENTRAL FLORIDA INVESTMENTS SEEKS ORDER. Central Florida Investments, Inc., Orlando, Fla., 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-4706) giving interested persons until October 12 to request a hearing thereon. Applicant represents that it has 19 shareholders, that no company owns as much as 10% of its voting securities, and that it is not making nor does it presently intend to make a public offering of its securities.

AMERICAN AIRLINES PROPOSES RIGHTS OFFERING. American Airlines, Inc., 633 Third Ave., New York 10017, filed a registration statement (File 2-25536) with the SEC on September 23 seeking registration of \$81,704,900 of subordinated debentures, due 1979. The debentures are to be offered for subscription by common stockholders at the rate of \$100 principal amount of debentures for each 11 shares held. Any unsubscribed debentures are to be offered for public sale through underwriters headed by Lazard Freres & Co., 44 Wall St., New York. The interest rate, offering price, underwriting terms and record date are to be supplied by amendment.

The company is engaged in the transportation by air of persons, property and mail. Net proceeds of its debenture sale will be added to general corporate funds. The company has commitments for certain jet aircraft and related equipment which totaled approximately \$603,555,000 at September 23. In addition to indebtedness and preferred stock, it has outstanding 8,990,544 common shares. Marion Sadler is president and C. R. Smith is board chairman.

ALASKA AIRLINES PROPOSES DEBENTURE OFFERING. Alaska Airlines, Inc., Seattle-Tacoma International Airport, Seattle, Wash. 98158, filed a registration statement (File 2-25535) with the SEC on September 23 seeking registration of \$4,500,000 of convertible subordinated debentures (due 1986). The debentures are to be offered for public sale through underwriters headed by Auchincloss, Parker & Redpath, Two Broadway, New York 10004. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Over

The company is engaged in the air transportation of persons, property and mail from the Pacific Northwest to Alaska. According to the prospectus, internally generated funds have been insufficient to meet its needs for a number of years, and in four out of the last five years the company's operations produced a net loss. In 1963, however, after allowance of a special credit of \$55,455, a net profit of \$106,064 was realized. Due to a substantial increase in volume of traffic the company reported a net profit of \$636,766 for the first seven months of 1966, compared to a net loss of \$470,584 for the corresponding period in 1965. At July 31, 1966, current liabilities exceeded current assets by \$493,429. The company's deficit in earned surplus totaled \$2,337,580 at December 31, 1965 and \$1,700,814 at July 31, 1966. Net proceeds of its debenture sale will be used to acquire additional aircraft, to enlarge its general offices at Seattle-Tacoma International Airport, to construct a terminal building at Nome, and for certain other property additions and improvements. The balance will be added to working capital. In addition to indebtedness, the company has outstanding 1,177,308 common shares. Charles F. Willis, Jr., is president.

GOODYEAR INTERNATIONAL FINANCE RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4707) exempting Goodyear International Finance Corporation, Akron, Ohio, from certain provisions of the Act. The company was recently organized by Goodyear Tire & Rubber Company for the principal purpose of continuing the parent company's expansion and development outside the United States while at the same time providing assistance in improving the balance of payments position of the United States, in compliance with the voluntary cooperation program instituted by President Johnson in February 1965. The subsidiary intends to sell an aggregate of \$20,000,000 principal amount of guaranteed notes (due 1971) under conditions which are intended to assure that they will not be offered or sold in the United States. The parent company will guarantee the principal and interest payments on the notes.

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended September 22, 1966, 16 registration statements were filed, 23 became effective, 6 were withdrawn, and 361 were pending at the week end.

SECURITIES ACT REGISTRATIONS. Effective September 23: Atlantic Richfield Co., 2-25311; Commercial Solvents Corp., 2-25484; Southern Bell Telephone and Telegraph Co., 2-25487. Effective September 26: Computax Service Inc., 2-25336 (Dec. 21).

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.

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