

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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FOR RELEASE October 12, 1962

M A HANNA STOCK SALE APPROVED. The SEC has issued an order under the Investment Company Act (Release IC-3557) authorizing the sale by The M. A. Hanna Company, Cleveland investment company, to Midland-Ross Corporation, of up to 152,839 Midland-Ross common shares now owned by M. A. Hanna (constituting about 11% of the outstanding stock of Midland-Ross). According to the order, Midland-Ross has been purchasing shares of its common stock from time to time for use in connection with possible acquisitions in its current diversification program. It presently has under consideration the possibility of making, within a period of 30 days after the issuance of this order, a general offer to its shareholders to purchase up to 225,000 shares of its outstanding common stock, provided M. A. Hanna indicates its willingness to tender a substantial part of its holdings pursuant to the offer. Assuming a satisfactory market price, M. A. Hanna would be willing to give Midland-Ross such assurance, if the price is not more than 5% below the market price as evidenced by the last transaction in such stock on the New York Stock Exchange on the day prior to the day of the making of the offer.

IRON ORE OF CANADA EXEMPTED. The SEC has issued an order under the Holding Company Act (Release 35-14720) declaring that Iron Ore Company of Canada, a Delaware company, is not an electric utility company, and exempting it, as a holding company, and its subsidiary companies as such, from the provisions of the Act.

PENN FUEL GAS SEEKS ORDER. Penn Fuel Gas, Inc., Oxford, Pa. holding company, and John H. Ware, its president and principal stockholder, have applied to the SEC for an order under the Holding Company Act approving the proposed acquisition by Penn Fuel of all the capital stock (150 shares) to be issued by Belleville Gas Company, a proposed Pennsylvania company, at their par value of \$100 per share; and the Commission has issued an order (Release 35-14721) giving interested persons until October 30, 1962 to request a hearing thereon. Penn Fuel has 18 gas utility subsidiaries all operating entirely within Pennsylvania; and Belleville proposes to furnish natural gas service in two townships situated adjacent to service areas of two present subsidiaries. The cost of Belleville's facilities to be initially constructed is estimated at \$43,115 and will be obtained in part from Belleville's sale of stock to Penn Fuel and in part from advances by Penn Fuel.

COMPLAINT FILED AGAINST U S MANAGEMENT CORP., OTHERS. The SEC Denver Regional Office announced October 5th (LR-2390) the filing of court action (USDC, Wyoming) seeking to enjoin United States Management Corporation, a Texas company, Frank E. Higgins of Dallas, Douglas R. Lee of Lander, Wyoming and Leonard J. Tillotson of Ogden, Utah, from further violations of the Securities Act registration and anti-fraud provisions in the offer and sale of certain investment contracts.

DONALD F. MANLEY INDICTED. The SEC Atlanta Regional Office announced October 9th (LR-2391) the return of a two-count indictment (USDC, Charleston, S.C.) charging Donald F. Manley with violations of the Securities Act anti-fraud provisions in connection with the offer and sale of stocks of Truck Stops of America and National Enterprises, Inc.

CANADIAN RESTRICTED LIST. The SEC today announced the addition of Trans-Leduc Oils Limited, of Ontario, to its Canadian Restricted List, and the deletion of Flint Rock Mines Limited therefrom. The list now comprises the names of 258 companies whose securities the Commission has reason to believe recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

WONDERBOWL HEARING POSTPONED. On request of Wonderbowl, Inc., 7805 Sunset Blvd., Los Angeles, and staff counsel, the Commission has authorized postponement from October 11 to November 15, 1962, of the hearing in its Los Angeles Branch Office on the question whether to vacate or make permanent its prior order of July 24, 1962 temporarily suspending a Regulation A exemption from registration with respect to a public offering of stock by that company.

NATIONAL MEMORIAL ESTATES FILES FOR STOCK OFFERING. National Memorial Estates, 13 South Broadway, Red Lodge, Montana, filed a registration statement (File 2-20819) with the SEC on October 11th seeking registration of 4,750,000 shares of common stock, to be offered for public sale at \$1 per share. The offering will be made on a best efforts basis by Security Brokerage Company, 1101 North 27th Street, Airport Road, Billings, which will receive a 20c per share selling commission.

Organized in November 1961, the company intends initially to engage in cemetery development in the Seattle area, subsequently developing cemeteries in other large cities in the United States. It also intends to establish and operate a life and disability insurance company in Montana and other states. The company plans to employ a new type of above-ground burial crypt known as the Terrace Lawn Memorial Cryptorium System, operating under a franchise from Terrace Lawn Memorial, a Montana company. The franchise agreement now under option to the company with respect to the Seattle cemetery provides that the company will pay to Terrace

OVER

Lawn 3% of the gross sales price received from the sale of all burial spaces in the franchised cemetery. The company further intends at its proposed Seattle cemetery to pay \$25,000 to Terrace Lawn in consideration for the services of an architect, the working drawings, plans, data and specifications for the design, construction and operation of the cryptorium cemetery. Of the \$3,800,000 estimated net proceeds from the stock sale, \$3,350,000 will be used to purchase and/or develop and construct cemeteries throughout the country, beginning with Seattle (about \$300,000 for each cemetery), and \$450,000 to form the insurance subsidiary. The company has outstanding 125,000 shares of common stock, of which Earl R. Sorenson, president, owns 15,000 shares, and Rowland T. Morrow, vice president, 25,000 shares. They are also general manager and president, respectively, of Terrace Lawn.

FLOWER CITY INDUSTRIES FILES FOR STOCK OFFERING. Flower City Industries, Inc., St. Thomas, Virgin Islands, filed a registration statement (File 2-20821) with the SEC on October 11th seeking registration of 100,000 shares of common stock, to be offered for public sale at \$3.75 per share. The offering will be made on a best efforts basis by Leib, Skloot & Co., Inc., 1126 Clifton Avenue, Clifton, N. J., which will receive a 37½¢ per share selling commission and \$7,500 for expenses. The statement also includes (1) 30,000 shares underlying 5-year warrants to be sold to the underwriter at 1¢ each, exercisable at \$3.75 per share, and (2) 6,000 shares to be sold to the underwriter for \$22,500.

Organized in the Virgin Islands in 1961, the company intends to engage in the manufacture, export and sale of artificial floral and foliage arrangements made from polyethylene. Through a subsidiary, the company is presently engaged in designing, manufacturing and selling artificial flowers and foliage in Hong Kong for shipment to the United States and five other countries. Of the \$302,544 estimated net proceeds from the stock sale, \$137,000 will be used to acquire machinery, equipment and supplies for new facilities, and the balance to purchase plants in the Virgin Islands and Puerto Rico, to organize a New York sales subsidiary, to purchase raw material for manufacture, to employ personnel and for working capital. The company has outstanding 190,000 shares of common stock, of which Jerrold I. Kurtz, president, owns 50% and Jerome Marrow, secretary, and Kwang Tak Yue, vice president, 25% each. They received such stock in exchange for their holdings in the company's subsidiary. Sale of new stock to the public at \$3.75 per share will result in an increase in the book value of stock now outstanding from \$1.36 to \$1.89 per share with a resulting dilution of \$1.86 per share in the book equity of stock purchased by the public.

CAPITAL CORP. OF AMERICA SEEKS ORDER. Capital Corporation of America, Washington, D. C., has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-3558) giving interested persons until October 30, 1962 to request a hearing thereon. According to the application, the company does not presently intend to make a public offering of its securities, and its outstanding securities are beneficially owned by 24 stockholders.

MAYFLOWER HOTEL ASSOCIATES FILES FOR OFFERING. Mayflower Hotel Associates, 10 East 40th Street, New York, filed a registration statement (File 2-20820) with the SEC on October 11th seeking registration of \$1,425,000 of additional limited partnership interests, to be offered for public sale at \$5,000 per interest. No underwriting is presently involved; and any dealers employed by the partnership will be paid a \$250 per interest selling commission.

Associates is a limited partnership organized under New York law in September 1962 for the purpose of acquiring from The Wolf Corporation the Mayflower Hotel and Mayflower Motel located in Atlantic City, N. J. The partnership was organized by Joseph Wolf, Joseph Eckhaus and Leon Spilky, acting as trustees for The Wolf Corp. (of which they are officers and stockholders), as general partners, and Wolf, Eckhaus, Spilky and Samuel Goldberger as the original limited partners. The Wolf Corp. will receive a total purchase price of \$3,490,000 payable \$1,362,000 in cash from the net proceeds from this offering, \$988,695 by taking subject to a first mortgage in that amount, and \$1,139,304 by delivery of a note in that amount secured by a standing purchase money second mortgage. The general and original limited partners have contributed an aggregate of \$35,000 (of which \$30,000 was advanced by Wolf Corp.) to the capital of the partnership which, together with the net proceeds from this offering, will be used to pay the cash payment for the properties, for expenses of the offering (\$25,000) and for commission on sales of the interests (\$73,000). The properties will be leased to MHM Corp., a newly organized New Jersey company, all of whose presently outstanding shares are owned by The Wolf Corp. The Wolf Corp. will pay \$50,000 out of the proceeds of this offer to purchase additional shares of MHM (to be used by MHM for working capital).

TENN. GAS TRANSMISSION PROPOSES BOND OFFERING. Tennessee Gas Transmission Company, Tennessee Bldg., Houston, Texas, today filed a registration statement (File 2-20822) with the SEC seeking registration of \$50,000,000 of first mortgage pipe line bonds due 1982, to be offered for public sale through underwriters headed by Stone & Webster Securities Corp., 90 Broad St., New York, and two other firms. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Of the net proceeds from the bond sale, \$6,000,000 will be used to pay outstanding short-term notes incurred for general corporate purposes, \$15,000,000 will be deposited with the Trustee to be drawn down against property additions from time to time as the company's pipe line expansion program progresses, and the balance will be added to general funds to be used for construction of additional pipe line facilities and expansion of oil and gas production, marketing, chemical and other properties. In addition to certain indebtedness and preferred stock, the company has outstanding 39,830,998 shares of common stock, of which Stone & Webster Inc. (parent of the underwriter) owns 3% and the company's management officials as a group 1.24%. Gardiner Symonds is board chairman and Harold Burrow is president.

SECURITIES ACT REGISTRATIONS. Effective October 11: Smith-Corona Merchant, Inc. (File 2-20697); Wallace Investments, Inc. (File 2-19770). Effective October 12: The Beacon Life Insurance Co. (File 2-20465). Withdrawn October 10: Concord Products, Inc. (File 2-19369). Withdrawn October 11: Americana East, Inc. (File 2-20726); The Jupiter Corp. (File 2-20167); Lembo Corp. (File 2-19500); State Life Insurance Co. of Colorado (File 2-20055). Withdrawn October 12: Flower City Industries, Inc. (File 2-19398); Tujax Industries, Inc. (File 2-20016).