

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 February 18, 1959

AMERICAN FIDELITY LIFE PROPOSES OFFERING

American Fidelity Life Insurance Company, 1528 Barrancas Ave., Pensacola, Fla., filed a registration statement (File 2-14748) with the Securities and Exchange Commission on February 17, 1959, seeking registration of 280,000 shares of common stock, to be offered for public sale through an underwriting group headed by Alex Brown & Sons and R. S. Dickson & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized in 1956 primarily through the efforts of Charles P. Woodbury, president, and Frank R. Leu, a director. The incorporators subscribed for the 430,000 common shares now outstanding at an average price of \$2 per share. Leu through Homeland Life Insurance Company, controlled by Leu, advanced a substantial portion of the capital required for the original stock purchase and in part settlement of the advances, received 215,000 shares at \$2 per share during September 1956. The original incorporators and Homeland have since disposed of some portion of their stock at varying prices.

The company is engaged in the writing of ordinary life insurance. Net proceeds of the sale of its stock will be added to the company's general funds to permit it to engage more aggressively in the expansion of its business through the enlargement of its agency force and territory, or through acquisition of insurance from other insurance companies.

SHARE INCREASE PROPOSED BY COLUMBIA GAS

The Columbia Gas System, Inc., New York holding company, has filed a proposal with the SEC for a charter amendment to increase its authorized shares of all classes of stock from 30 to 40 million shares and to increase the number of authorized common shares (\$10 par) from 29.5 to 39.5 million; and the Commission has issued an order (Release 35-13927) giving interested persons until March 3, 1959, to request a hearing thereon.

Columbia Gas proposes to solicit stockholder approval of the proposal at the next annual stockholders' meeting.

In its proposed proxy statement Columbia states that the growth of the system's business in recent years has required a substantial expansion of facilities; that most of the necessary funds have been provided through the sale of debentures and common stock; that 7,078,439 shares have been issued since 1952 pursuant to two common stock offerings and upon conversions of convertible debentures, and an additional 3,607,409 shares in the acquisition of properties. The company desires to be able in the future to provide promptly for common stock financing whenever deemed advisable in providing for the system's requirements.

Columbia has issued and outstanding 26,985,848 common shares. In addition, 1,010,600 shares which have previously been issued are held in its treasury. It is expected that additional common shares will be sold in 1959, including the 1,010,600 treasury shares; and as a result there will remain fewer than 800,000 shares of authorized but unissued common stock.

ELKIN MANAGEMENT PURCHASE EXEMPTED

The SEC has issued an order (Release 40-2831) granting an application of Elkin Management
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For further details, call ST. 3-7600, ext. 5526

Corporation, Los Angeles, Calif., for an exemption from the Investment Company Act with respect to its proposed purchase for \$1,200 cash of an insurance agency owner by M. V. Robinson, one of its directors and shareholders, which agency is known as the M. V. Robinson Agency, San Gabriel, Calif.

STACY-BELL AND HANDEL REGISTRATIONS REVOKED

The SEC today announced the issuance of decisions revoking the broker-dealer registrations of Stacy, Bell & Co., Inc., Houston, Texas, (Release 34-5886) and David Handel, Brooklyn, N. Y. (Release 34-5886), for violation of SEC Rule 17a-5 by reason of their failure to file a report of financial condition for the year 1957. Neither of the respondents availed itself of the opportunity afforded by the Commission to request a hearing on the question of revocation of registration.

COLORADO INTERSTATE GAS FILES FINANCING PROPOSAL

Colorado Interstate Gas Company, Colorado Springs, Colo., filed a registration statement (File 2-14749) with the SEC on February 17, 1959, seeking registration of \$33,000,000 of First Mortgage Pipe Line Bonds, Series due 1979, and 120,000 shares of Cumulative Preferred Stock, \$100 par, to be offered for public sale through an underwriting group headed by Dillon, Read & Co., Inc., and Eastman Dillon, Union Securities & Co. The interest and dividend rates, public offering prices and underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the bonds and preferred stock will be used to repay \$40,000,000 of outstanding bank loans (plus interest), and the balance will be added to the general funds of the company. The bank loans were made primarily in connection with the company's construction program during the past four years. The company also has entered into a \$25,000,000 credit agreement with Guaranty Trust Company of New York; and at the time of the sale of the new bonds and preferred it proposes to borrow the sum of \$16,000,000 which will be added to the general funds of the company. Immediately following the sale of the new bonds and preferred the company will refund to its customers who purchased gas for resale to others a portion of the revenues collected by it subject to refund from such customers. The amounts to be refunded will aggregate \$33,326,526 plus interest at the rate of 6% per annum to the date of payment (the total being \$38,540,768 as of December 31, 1958, and approximately \$39,000,000 at the time the refunds are made) which will be provided from the general funds of the Company. These refunds are the result of the settlement of three rate increase filings covering the period from January 1, 1954 through February 4, 1958. The Company expects, as a result of the refunds which it will make to its customers, to secure a refund of approximately \$13,500,000 on account of Federal income tax payments which it has made. It is expected that any amount so received will be applied to the payment of the borrowings to be made under the Credit Agreement.

WHITE STORES PROPOSES DEBENTURE OFFERING

White Stores, Inc., 3910 Call Field Road, Wichita Falls, Texas, filed a registration statement (File 2-14750) with the SEC on February 17, 1959, seeking registration of \$5,000,000 of Convertible Subordinated Debentures due March 1, 1979, to be offered for public sale through an underwriting group headed by Merrill Lynch, Pierce, Fenner & Smith. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the retail and wholesale merchandising of various products, including auto accessories, household appliances, toys and sporting goods. The net proceeds from the sale of the debentures will be used for general corporate purposes, primarily to increase working capital.

INVESTORS FUNDING CORP. FILES FOR DEBENTURE OFFERING

Investors Funding Corporation of New York, 511 Fifth Avenue, N. Y., filed a registration statement (File 2-14751) with the SEC on February 17, 1959, seeking registration of \$500,000 of 10% Subordinated Debentures Series "7-31-64," due July 31, 1964. The debentures are to be offered in units of \$1,000, at 100% of principal amount. No underwriting is involved.

The primary business of the company is that of purchasing, managing, developing, financing and re-selling real estate. Net proceeds of the sale of the debentures are to be added to the general funds and working capital of the company, and are to be used for the purpose of increasing its real estate operations.

EQUITABLE GAS FILES FOR PREFERRED STOCK OFFERING

Equitable Gas Company, 420 Boulevard of the Allies, Pittsburgh, today filed a registration statement (File 2-14752) with the SEC seeking registration of 60,000 shares of Convertible Preferred Stock, \$100 par, to be offered for public sale through an underwriting group headed by The First Boston Corporation, Kidder, Peabody & Co., Merrill Lynch, Pierce, Fenner & Smith, and White, Weld & Co. The dividend rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the preferred stock sale will be applied by the company to repay a portion of its short-term bank loans due April 10, 1959, outstanding in the amount of \$7,500,000. These loans were used to finance a part of the company's 1957-1958 construction program. The balance of these loans and the unpaid balance of the company's inventory loans due April 30, 1959, for gas in storage (\$5,500,000 at December 31, 1958 and estimated at \$2,000,000 at the time of this financing) are expected to be paid from funds generated from operations. The company estimates construction expenditures of approximately \$10,240,000 in 1959.

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Investors Planning Corporation of America, New York investment company, today filed an amendment to its registration statement (File 2-10884) seeking registration of the following additional securities: \$75,000,000 of Systematic Investment Plans and Systematic Investment Plans with insurance, and \$2,000,000 of Single Payment Investment Plans.

CLEVELAND ELECTRIC ILLUMINATING COMPANY PROPOSES BOND OFFERING

The Cleveland Electric Illuminating Company, Cleveland, Ohio, today filed a registration statement (File 2-14753) with the SEC seeking registration of \$25,000,000 of First Mortgage Bonds, due 1994, to be offered for public sale at competitive bidding.

The Company intends to use the major portion of the net proceeds from the sale of the bonds to repay short-term bank loans, currently \$8,000,000, and to finance part of the Company's construction program. Any remaining amount will be used for general corporate purposes.

The Company's construction program is expected to involve the expenditure of about \$200,000,000 over the next five years, of which approximately \$38,000,000 will be expended in 1959.

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