

# 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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**MCGRAW-HILL PUBLISHING SHARES IN REGISTRATION.** McGraw-Hill Publishing Company, Inc., 330 West 42nd St., New York, filed a registration statement (File 2-21739) with the SEC on September 27 seeking registration of 157,354 shares of common stock. In January 1964, Breskin Publications Inc., a New York company, will be merged into McGraw-Hill; and an undetermined number of McGraw-Hill common shares will be issued to the Breskin stockholders, based upon the number of Breskin shares outstanding on December 1, 1963. The 157,354 shares included in this statement will be issued upon consummation of the merger, as follows: (a) 24,244 shares to Charles A. Breskin; (b) 47,531 shares to Millie Breskin, individually; and (c) 46,516 shares to Linda Klein. Five others will receive lesser amounts. The prospectus states that all or part of such shares may be sold from time to time by such shareholders on the New York Stock Exchange or otherwise at prices current at the time of sale (maximum \$31.625 per share\*).

The principal activities of the company consist of business publications, from which it derives revenues from advertising and subscriptions, the publishing of books, the issuance of construction news and statistic services, and providing catalog services to manufacturers within the industrial market served. Breskin is engaged principally in publishing the monthly industrial magazines, "Modern Plastics" and "Modern Packaging." In addition to preferred and Class A stock, the company has outstanding 9,128,680 shares of common stock, of which Donald C. McGraw, president, together with three others, as trustees of a certain trust, own 2,685,960 shares. Donald C. McGraw has a one-third interest in the income of the trust and owns beneficially an additional 188,750 shares.

**ALLEN ELECTRIC AND EQUIPMENT FILES FINANCING PLAN AND SECONDARY.** Allen Electric and Equipment Company, 2101 North Pitcher St., Kalamazoo, Mich., filed a registration statement (File 2-21740) with the SEC on September 27 seeking registration of \$1,200,000 of 6% convertible subordinated debentures due 1976, to be offered for public sale by the company, and 100,000 outstanding shares of common stock, to be offered by the present holder thereof. Dempsey-Tegeler & Co., Inc., 1000 Locust St., St. Louis, heads the list of underwriters. The public offering price for both issues (maximum \$12 per common share\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of (1) specially designed equipment for use in automobile motor analyzing, compression testers, vacuum and fuel pump testers, distributor testers, universal electric servicers and electric generator servicers, and (2) battery chargers of various types and other miscellaneous tools and small items, all of which are adapted for use in the servicing of passenger cars, trucks, busses and other automotive equipment. The company has agreed to purchase the business, assets and properties of Hollywood Accessories Inc. and Jobar Corporation, both California companies, for a purchase price of about \$2,093,586, of which \$509,418.50 is payable by issuance of 53,623 common shares of the company and \$1,584,168.50 in cash (the actual amount to be paid on the closing will depend on the amount of the sellers' liabilities, cash and net receivables at that time). The net proceeds from the company's sale of debentures will be used to pay part of the cash portion of such purchase price. In addition to certain indebtedness, the company has outstanding 371,159 shares of common stock, of which the American National Bank and Trust Company, of Kalamazoo, as trustee of the Allen trust, owns 34.2% and management officials as a group 12.9%. Beneficiaries of the Trust are members of the family of Gerald H. Allen, founder of the company and honorary board chairman, including Allen and Wade W. Allen, a director. American National Bank proposes to sell the 100,000 shares. Henry Kohorn is president.

**GORDON REALTY FILES FOR DEBENTURE RIGHTS OFFERING.** I. Gordon Realty Corporation, 112 Powers Bldg., Rochester, N. Y., filed a registration statement (File 2-21741) with the SEC on September 27 seeking registration of \$2,113,748 of 7% subordinated convertible debentures due 1974. It is proposed to offer such debentures to common stockholders at the rate of \$700 principal amount thereof for each 100 common shares held. No underwriting is involved. The record date is to be supplied by amendment.

The company is engaged in various phases of real estate and allied activities, particularly the acquisition of improved real estate for investment in upstate New York. The net proceeds from the debenture sale will be used to repay \$400,000 of bank indebtedness (of \$800,000 indebtedness originally incurred to construct an office building and a motel) and to repay \$400,000 of indebtedness to Isaac Gordon, president (incurred to reduce the \$800,000 bank indebtedness); and the balance will be added to general funds to be used from time to time for such corporate purposes as management may determine, including costs of acquisitions of properties to be acquired (although the prospectus states that no particular acquisition is under consideration at this time). In addition to certain indebtedness, the company has outstanding 301,964 shares of common stock, of which Gordon owns 34.3% and management officials as a group 36.8%.

**IOWA BEEF PACKERS FILES FINANCING PLAN AND SECONDARY.** Iowa Beef Packers, Inc., Denison, Iowa, filed a registration statement (File 2-21742) with the SEC on September 27 seeking registration of \$3,172,000 of 6% subordinated sinking fund debentures, series B, due 1978, and warrants to purchase an aggregate of 27,420 shares of common stock, to be offered for public sale by the company, and 50,000 outstanding common shares, to be offered by the holders thereof. New York Securities Co., 52 Wall St., New York, and First Nebraska Securities Corp., 1001 O St., Lincoln, Nebr., heads the list of underwriters. The public offering price for both

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issues (maximum \$20 per common share\*) and underwriting terms are to be supplied by amendment. Each \$1,000 debenture will have attached a warrant to purchase 25 common shares at a price per share also to be supplied by amendment.

The company owns and operates beef packing plants at Denison and Fort Dodge, Iowa, and a pork packing plant at Perry, Iowa. Of the net proceeds from the debenture sale, \$1,500,000 will be used to construct and equip a processing plant addition at Perry; \$1,000,000 to purchase equipment presently leased and under purchase contracts; \$270,000 to retire certain long term debt; and the balance for working capital. In addition to certain indebtedness and preferred stock, the company has outstanding 822,596 shares of common stock, of which A. D. Anderson, president, owns 12.85% and management officials as a group 34.01%. Anderson proposes to sell 35,000 shares and Currier J. Holman, executive vice president, 15,000 shares. Reiney Mundt is board chairman.

**STANDARD & POOR'S FILES STOCK PLAN.** Standard & Poor's Corporation, 345 Hudson St., New York, filed a registration statement (File 2-21743) with the SEC on September 27 seeking registration of 60,345 shares of common stock, to be offered pursuant to its Employee Stock Option Plan.

**MISSOURI NATIONAL LIFE FILES FOR STOCK OFFERING.** Missouri National Life Insurance Company, 1006 Grand Ave., Kansas City, Mo., filed a registration statement (File 2-21744) with the SEC on September 27 seeking registration of 103,500 shares of capital stock, to be offered for public sale through underwriters headed by Sterling, Grace & Co., 50 Broad St., New York. The public offering price (maximum \$6 per share\*) and underwriting terms are to be supplied by amendment. The statement also includes 10,000 outstanding shares underlying options granted to the underwriters by certain stockholders, exercisable at a price also to be supplied by amendment.

The company writes a broad line of life and accident and health insurance policies, including a participating ordinary life policy and other forms of ordinary, term and credit life policies on a participating and non-participating basis. The net proceeds from the stock sale will be used to purchase the business and facilities of the Missouri Service Agency, a general agency of the company having six offices in Missouri, Kansas and Oklahoma; and the balance will be added to capital and surplus to be available for working capital. The company has outstanding 286,500 capital shares, of which management officials as a group own 29.66%. Daniel H. Shteamer is president and board chairman.

**PACIFIC POWER & LIGHT PROPOSES RIGHTS OFFERING.** Pacific Power & Light Company, Public Service Bldg., Portland, Oregon, filed a registration statement (File 2-21745) with the SEC on September 27 seeking registration of 717,408 shares of common stock. It is proposed to offer such stock for subscription by common stockholders at the rate of one share for each 20 shares held on October 30, 1963. The shares are to be offered pursuant to competitive bidding. The company is engaged primarily in generating, purchasing, transmitting and distributing electricity in 240 communities in six western and northwestern states. The net proceeds from the stock sale will be used to retire bank borrowings incurred (or to be incurred) in financing temporarily the company's construction program (estimated at \$52,500,000 for 1963). In addition to certain indebtedness and preferred stock, the company has outstanding 14,348,158 shares of common stock. Paul B. McKee is board chairman and D. R. McClung is president.

**MIDLAND-ROSS FILES STOCK PLANS.** Midland-Ross Corporation, 55 Public Square, Cleveland, filed a registration statement (File 2-21746) with the SEC on September 27 seeking registration of 76,700 shares of common stock, to be offered pursuant to its 1957 and 1960 Stock Option Plans and certain stock option agreements assumed by the company in the merger in 1961 of Industrial Rayon Corporation into the company.

**GENERAL FOODS FILES STOCK PLAN.** General Foods Corporation, 250 North St., White Plains, N. Y., filed a registration statement (File 2-21747) with the SEC on September 27 seeking registration of 200,000 shares of common stock, to be offered pursuant to its 1962 Stock Option Plan.

**EAGLE'S NEST MOUNTAIN ESTATES FILES FOR OFFERING AND SECONDARY.** Eagle's Nest Mountain Estates, Inc., 2042 South Atlantic Avenue, P. O. Box 7197, Daytona Beach, Fla., filed a registration statement (File 2-21748) with the SEC on September 26 seeking registration of 360,000 shares of common stock, of which 300,000 shares are to be offered for public sale by the company and 60,000 shares, being outstanding stock, by the holders thereof. The offering will be made at \$4 per share on a best efforts basis by Alpha Investment Securities, Inc., 728 Healey Bldg., Atlanta, Ga., which will receive a 60¢ per share selling commission.

The company was organized in 1959 for the purpose of acquiring and developing a 781 acre tract of land in Haywood County, N. C., known as Eagle's Nest Mountain. It is the company's intention to develop, improve and sub-divide the land into a high quality year round resort area, including a motel, restaurant and amusement complex. The company has completed subdividing a 60-acre section of the tract and has graded and improved 8.5 miles of roads and streets on the property. Of the net proceeds from the company's sale of additional stock, \$470,000 will be used to construct a motor type lodge; \$136,770 to pay indebtedness incurred to raise the purchase price of one of the tracts of land and to construct and pave roads to and into the property; \$190,062 will be used to build 40 additional rooms and baths on the lodge; and \$50,000 will be used as working capital and operating expenses. When and if additional funds become available, the company expects to develop the amusement complex. The prospectus reflects net losses for 1961 through 1963 and current assets totaling \$5,591 as against current liabilities of \$19,907. In addition to certain indebtedness, the company has outstanding 700,000 shares of common stock, of which William C. Satterthwaite, a director, and F. Lovette West, president, own 35.18% and 21.87%, respectively. In addition, the J. W. Boyd Estate, of Waynesville, N. C., own 12.95% and management officials as a group 70%. Satterthwaite, West and the said Estate propose to sell 35,130, 15,620 and 9,250 shares, respectively. The prospectus states that present stockholders paid 10¢ per share for their stock, which stock will be selling to the general public at \$4 per share, reflecting an increase in value of about \$3.90 per share to these present stockholders.

**KENTUCKY FRIED CHICKEN FILES FOR SECONDARY.** Kentucky Fried Chicken, Inc., Box 67, Shelbyville, Shelby County, Ky., filed a registration statement (File 2-21749) with the SEC on September 27 seeking registration of 25,000 outstanding shares of Class A voting and 25,000 outstanding shares of Class B non-voting stock, to be offered for public sale at \$10 per share by Harland Sanders, board chairman. No underwriting is involved.

The company is engaged in the business of franchising certain restaurants in the United States to prepare and sell "a specially prepared and unique food item" under the name of Kentucky Fried Chicken, servicing such franchisees, and also of selling and/or leasing to the franchisee restaurants, the equipment, herbs, spices and condiments necessary to the preparation of Kentucky Fried Chicken, as well as other designated items conforming to established pattern and service of Kentucky Fried Chicken. The company has outstanding 100,000 Class A voting and 100,000 Class B non-voting shares, all of which are owned by Sanders. As indicated, he proposes to sell 25,000 shares of each class. Lee Cummings is president.

**PROCTER & GAMBLE FILES STOCK PLANS.** The Procter & Gamble Company, 301 East Sixth St., Cincinnati, filed registration statements (Files 2-21750, 2-21751 and 2-21752) with the SEC on September 27 seeking registration of (1) 36,000 shares of common stock to be offered pursuant to its Profit Sharing Dividend Plan, (2) 309,665 common shares to be offered pursuant to its Stock Option Plan, and (3) 174,000 common shares to be offered pursuant to its Stock Purchase Plan.

**RIDDLE AIRLINES FILES FOR SECONDARY.** Riddle Airlines, Inc., Miami International Airport, Miami, Fla., filed a registration statement (File 2-21755) with the SEC on September 27 seeking registration of 1,588,954 outstanding shares of common stock, to be offered for public sale by Robert M. Hewitt, a former president of the company, from time to time in the over-the-counter market at prices prevailing at the time of sale (maximum \$1 per share\*).

The company is engaged in the transportation of mail and freight between specific cities in the United States and San Juan, Puerto Rico. The prospectus states that the company has experienced substantial net losses in each of the last 5 years (a high of \$1,640,739 in fiscal 1959 and a low of \$691,627 in fiscal 1962). In 1960 and 1961, the company incurred secured obligations of about \$12,000,000 to acquire ten DC-7CF aircraft, to modify them into configurations acceptable for the company's military and commercial business, and to acquire required spare parts. The prospectus states that because of these obligations and the company's operating losses, the company defaulted in all of its major secured obligations. The prospectus also states that during the last fiscal year, the company experienced a "significant change in management;" and following such change a refinancing was consummated (in June 1963) pursuant to which the company borrowed \$2,600,000 secured by certain liens and guarantees and, at the same time, a portion of its largest secured obligation was forgiven and the full amount of its second largest obligation was extended. The prospectus further states that the refinancing "did not solve all of the Company's problems," and as of June 30, 1963, after giving effect to the completion of the refinancing, the company's current assets were about \$2,270,000 less than current liabilities (as compared to a corresponding deficit in working capital as of June 30, 1962 of \$7,640,000). According to the prospectus, included in the company's accounts payable as of June 30, 1963 are about \$1,585,000 of past due accounts and notes payable; and the company must now service notes payable and long-term debt in excess of \$9,000,000 and pay substantial amounts of interest. In addition to various indebtedness, the company has outstanding 13,923,105 shares of common stock, of which Hewitt owns 1,588,954 shares (11.4%) and, as indicated, proposes to sell all such shares. Management officials as a group own 8.6% of the company's outstanding stock. James B. Franklin, president, presently holds, as voting trustee, 1,467,315 of the shares owned by Hewitt and 1,236,350 shares owned by William R. Price, a director. The Trust Agreement with respect to Hewitt's shares will terminate in the event they are sold pursuant to this registration statement.

**OLYMPIC LIFE SHARES IN REGISTRATION.** Olympic Life Insurance Company, 300 West Seventh St., Fort Worth, Texas, filed a registration statement (File 2-21753) with the SEC on September 27 seeking registration of 1,200,000 shares of common stock, to be offered at \$1 per share primarily to persons who are insurance agents or otherwise related to the insurance business in Texas. The statement also includes 265,000 shares underlying special options for insurance agents and 35,000 shares underlying general options for future use for employees, officers and directors. An underwriting group consisting of Hal L. Nutt, Arthur F. Priebe and George E. Sloan will offer the 1,200,000 shares on a best efforts all or none basis and will receive \$79,000 for such services.

The company is to be formed under Texas law to engage in the business of writing life insurance (including waiver of premiums and accidental death benefit) in Texas. Before it can commence business and after it has been granted its charter, the company must also obtain a Certificate of Authority from the Texas State Board of Insurance. Of the net proceeds from the stock sale, \$250,000 will become paid-in capital and \$805,000 as paid-in-surplus, which amounts will fulfill the requirements of the Texas Insurance Code. Such amount as not required for working capital will be invested in accordance with the standards and limitations of the said Code. William R. Bagg is president.

**COLUMBIA GAS SYSTEM RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-14950) authorizing The Columbia Gas System, Inc., New York registered holding company, and 18 of its subsidiaries, to use a method of allocating their consolidated income tax liabilities which will give to each of the companies the full investment credit each company contributes to the total investment credit allowed on the consolidated returns.

**GEORGIA POWER FILES FINANCING PROPOSAL.** Georgia Power Company, Atlanta subsidiary of The Southern Company, a registered holding company, has applied to the SEC for an order under the Holding Company Act authorizing it to sell at competitive bidding \$30,000,000 of first mortgage bonds and 70,000 shares of cumulative preferred stock (without par value); and the Commission has issued an order (Release 35-14951) giving

interested persons until October 21, 1963 to request a hearing thereon. The proceeds from the proposed financing, together with other available funds, will be used for the construction or acquisition of permanent improvements, extensions and additions to property and to pay short term bank loans made for such purposes. The company's 1963 construction program is estimated at \$86,636,000.

**DEVELOPERS SBIC RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-3780) permitting the proposed sale of certain securities to Developers Small Business Investment Company, of Newark, by Airport Boulevard Hotel Corporation, of Englewood, N. J. and the participation by Leo Goodman and John Guidera in a joint enterprise with the said SBIC in connection with the sale of such securities. The order of exemption has been granted on the basis of Goodman remaining as a director of the SBIC but undertaking, as proposed by the parties, not to participate in any respect in any discussion or decision by the board of the SBIC relating to Airport Hotel. For further details, see Investment Company Act Release No. 3769 and SEC News Digest of September 20, 1963.

**SUSPENSION OF TELESRIPT-CSP OFFERING VACATED.** In a decision announced today (Release 33-4644), the SEC vacated its order of July 12, 1961 temporarily suspending a Regulation A exemption from Securities Act registration with respect to a public offering of 60,000 shares of common stock at \$5 per share by Telescript CSP Inc., a New York company engaged in designing, assembling, leasing and selling audio-visual communication equipment as well as providing prompting services to television and motion picture studios and others.

In its decision, the Commission ruled that the issuer's offering circular was deficient and misleading in not disclosing that Hyman Federman and Federman, Stonehill & Co. (a broker-dealer of which Federman was a general partner) had a controlling influence over the issuer, either directly or through Mangrow Industrial Corporation, another company which at the time of the offering held 50% of issuer's stock. However, the availability of this information in the notification, the Commission said, "leads us to the conclusion under the circumstances that the deficiencies in the offering circular are not of such a nature as to require us to make the suspension permanent." Telescript and Federman-Stonehill contended that whatever controlling influence might have been implicit in the organization of Mangrow by Federman-Stonehill in January 1960 and the fact that Mangrow acquired 50% of the stock of the issuer, such control by Federman-Stonehill no longer existed by March 1961 when the public offering of Telescript stock began. They asserted that Federman never took an active part in the management of Telescript, rarely attended directors' meetings, and months before the offer was made divested himself of any formal control relationship by resigning both as a director of Telescript and of Mangrow and by relinquishing voting rights in Mangrow.

**CRAFT MASTER FILES FINANCING PLAN AND SECONDARY.** Craft Master Corporation, 328 North Westwood Ave., Toledo, Ohio, filed a registration statement (File 2-21756) with the SEC on September 30 seeking registration of \$1,000,000 of 6% convertible subordinated debentures due 1973, to be offered for public sale by the company, and 125,000 outstanding shares of common stock, to be offered by the present holders thereof. Fulton, Reid & Co., Inc., 2100 East Ohio Bldg., and William T. Robbins & Co., Inc., 1000 Terminal Tower, both of Cleveland, head the list of underwriters. The public offering price for both issues (maximum \$11 per common share\*) and underwriting terms are to be supplied by amendment.

The company manufactures and distributes paint-by-number sets, crushed marble mosaic kits, leisure-time hobby kits, and wooden picture frames. The net proceeds from the company's sale of debentures will be used to pay some \$1,392,310 of outstanding 7% bank notes. In addition to certain indebtedness, the company has outstanding 141,736 common and 359,402 Class B shares, of which A. M. Donofrio, president, J. M. Donofrio vice president, and A. D. Anton, Jr., treasurer, own 55.5%, 30.7%, and 10%, respectively, of each class. The Donofrios propose to sell 78,700 and 43,500 common shares, respectively.

**MAURICE H. TIMPSON ENJOINED.** The SEC Denver Regional Office announced September 25 (LR-2752) the entry of a Federal court order (USDC, Utah) permanently enjoining Maurice H. Timpson, of American Fork, Utah, from further activities as a broker-dealer in violation of the Exchange Act registration requirements. He was also restrained from making certain misrepresentations concerning securities of several insurance companies located in Salt Lake City. Timpson consented to entry of the order.

**SECURITIES ACT REGISTRATIONS: Effective October 1:** Amerline Corp. (File 2-21685); Automatic Canteen Co. of America (File 2-21648); Beneficial National Life Insurance Co. (File 2-21537); Federal-Mogul-Bower Bearings, Inc. (File 2-21674); Federal Service Finance Corp. (File 2-21544); Mountain Fuel Supply Co. (File 2-21077).

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

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