NEWS DIGEST

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

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FOR RELEASE March 21, 1962

BAL-TEX OIL SUSPENSION PERMANENT. The SEC has issued an order under the Securities Act of 1933 (Release 33-4467) making permanent its March 1961 order temporarily suspending a Regulation A exemption from registration with respect to a proposed public offering of stock by Bal-Tex Oil Company, Inc., of Denver, Colo. The order was based on the record of a hearing requested by the company. According to the order, Bal-Tex failed to comply with certain terms and conditions of the Regulation and its offering circular failed to make certain necessary disclosures. The Commission ruled, among other things, (a) that Bal-Tex failed to disclose that its underwriter, Equity General Investment Corp., the attorney for both the company and the underwriter who owned 25% of the company's stock, and Modern Furniture, Inc., are affiliates of Bal-Tex, that Modern Furniture proposed a $300,000 offering of its own securities, and that an official of the underwriter had been enjoined from violating provisions of the Securities Act; and (b) the Bal-Tex offering circular failed to disclose or disclose adequately, the results of prior development work on or near the issuer's property, whether the issuer would perform drilling operations itself or through others, the character of the competition to be encountered by the issuer, the source from which the amounts attributable to the costs of drilling and of completing the proposed well would be obtained and how the amount attributable to completion would be applied if the well were not commercially productive, and the proposed uses of the net cash proceeds of the offering, the amount and order of priority of each use, and whether the proceeds would be used to pay salaries of officers and directors after the first year following commencement of the offering. Moreover, the financial statements failed to include a statement of cash receipts and disbursements, a description of the company's leasehold interest so as to disclose that such interest was acquired from the issuer's president, a statement of the nature and amounts of future payments on such interest and the terms and conditions of the lease agreement in the event of default, and a justification for treating "Unrecovered Promotional Costs" as a "current" asset.

The Commission also held that a Regulation A exemption is not available to Bal-Tex because the proposed offering by Modern Furniture, its affiliate, had to be included in the computation of securities to be offered and, by such inclusion, the amount of securities exceeded the $300,000 limitation of the Regulation, because Modern Furniture is the subject of a prior Regulation A suspension order, and because of the aforementioned injunction.

BAKER STREET CO. FILES FOR OFFERING. Baker Street Company, 20 East 46th Street, New York, filed a registration statement (File 2-19977) with the SEC on March 19th seeking registration of $400,000 of limited partnership shares, to be offered for public sale at $8,000 per share. The statement also includes an additional $100,000 of shares to be subject to a 25% overcall ($2,000 per share) at the discretion of the general partner. No underwriting is involved.

The partnership interests are to be offered by Alexander H. Cohen (Pound Ridge, N.Y.), as general partner of Baker Street Company, which will be organized as a New York limited partnership when such interests aggregating $400,000 have been raised. Cohen intends to produce an original musical comedy (tentatively titled "Baker Street") based upon characters and incidents contained in certain literary works written by Sir Arthur Conan Doyle, with Sherlock Holmes as the center character and including Professor Moriarity and Dr. Watson. Cohen has acquired the right from the Doyle estate to create and produce the musical based on Doyle's characters, and has contracted with Jerome Coopersmith, Alan Friedman, and Dennis Marks to write the book, music and lyrics of the musical, respectively. The net proceeds from the sale of interests will be used to offer a first-class production of the play in the United States and to pay all production expenses. The contract with the writers provides for royalties in the aggregate of 5% of the gross weekly box-office receipts, and the contract with the Doyle estate for royalties of 3% of receipts plus 5% of the net profits of the partnership. Such royalties (except the net profit royalty to the estate) are subject to certain reductions until production expenses are recouped. Of the remaining net profits 50% will be distributed among the limited partners and Cohen, as general partner, will receive the remaining 50% for which he will have made no cash contributions. Cohen will also receive as a management fee a producer's royalty of 1% of gross weekly box office receipts (subject to a similar expense reduction), and $500 per week for office facilities. He also may receive an additional $500 per week if employed by the partnership as general press representative, exploitation, promotion and merchandising consultant to the partnership.

NATIONAL CAR RENTAL SYSTEM PROPOSES RIGHTS OFFERING. National Car Rental System, Inc., 1000 Milner Bldg., Jackson, Miss., filed a registration statement (File 2-19978) with the SEC on March 19th seeking registration of 2,000,000 shares of common stock. It is proposed to offer such stock for subscription at $1 per share to stockholders of National Car Rental System, Inc., a Missouri corporation, whose assets and name rights the company has contracted to purchase. There is no prescribed ratio or other limitation of the number of shares for which any stockholder may subscribe, and the offer will continue for a 90-day period after the effective date of this registration statement. After the acquisition of the assets of the predecessor, such shares not subscribed for are to be offered for public sale at $1 per share. No underwriting is involved.

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The company was organized under Nevada law in December 1961 for the purpose of engaging in the vehicle rental business and related activities. It intends ultimately to conduct such operations both directly and through independent licensees who will operate under the "National" name and will pay license fees to the company. The predecessor has supervised and coordinated a network of independent licensees which have operated an aggregate of 464 rental stations at airports, downtown locations and other places in the United States. The company, which has not yet commenced business, intends to continue the business of the predecessor and to engage directly in the car rental business through acquisition of existing stations owned by present licensees or others or by opening new rental stations on its own behalf. Of the $1,975,000 estimated net proceeds from the stock sale, $429,000 will be used to establish and staff a central and regional sales organization, $125,000 to purchase supplies for, and to provide additional services to, licensees, $100,000 to implement the predecessors credit card program, and the balance to purchase the assets of the predecessor ($31,000) and to acquire existing rental stations or to organize and operate new stations.

The company has outstanding 25,000 shares of common stock which were recently purchased by R. E. Dumas Milner, president, at $1 per share. He has agreed to purchase additional shares pursuant to the subscription offering to satisfy the 200,000 share minimum sales upon which the subscription offer is conditioned; and he may also buy more shares provided that his total holdings do not exceed 25% of the stock subscribed for under the offer. Milner, who took the initiative in organizing the company, was previously affiliated with one of the larger licensees of the predecessor. The prospectus states that Milner will undertake to sell privately for the company $1,000,000 of 6% 10 year convertible subordinated debentures, (convertible into 1,000,000 shares at $1 per share), such financing to take place during the 120 day public offering period. Any proceeds therefrom will be added to general funds and used for the purposes stated above to the extent proceeds from the stock sale are not sufficient to satisfy anticipated needs.

BELCO PETROLEUM FILES FOR FINANCING AND SECONDARY. Belco Petroleum Corporation, 630 Third Avenue, New York, filed a registration statement (File 2-19979) with the SEC on March 19th seeking registration of (1) $7,500,000 of convertible subordinated debentures due 1977, to be offered for public sale by the company, and (2) 300,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. White, Weld & Co. and Goldman, Sachs & Co., both of 20 Broad Street, New York, head the list of underwriters. The interest rate on the debentures and public offering price (maximum $20 per common share*) and underwriting terms on both issues are to be supplied by amendment.

The company is engaged in the acquisition, exploration, development and operation of natural gas and oil properties. Of the net proceeds from the company's sale of debentures, $3,000,000 will be used for repayment of short-term bank loans (incurred to explore and develop existing and new properties), $719,500 for repayment of loans payable to officers, and the balance to explore, develop and acquire properties. In addition to certain indebtedness, the company has outstanding 5,468,583 shares of common stock, of which the estate of Rochelle Belfer, Arthur B. Belfer, president, and Robert A. Belfer, vice president, own 20.15%, 17.04% and 13.18%, respectively. Said estate proposes to sell the 300,000 shares which will reduce its holdings to 801,796 shares. The beneficiaries of the estate include the other principal stockholders and members of their immediate families.

BUCKEYE PIPE LINES FILES THRIFT PLAN. The Buckeye Pipe Line Company, 30 Rockefeller Plaza, New York, filed a registration statement (File 2-19980) with the SEC on March 19th seeking registration of $375,000 of interests in its Thrift Plan for Employees, and 4,184 shares of common stock which may be acquired pursuant thereto.

PHILLIPS PETROLEUM FILES THRIFT PLAN. Phillips Petroleum Company, Bartlesville, Okla., filed a registration statement (File 2-19981) with the SEC on March 20th seeking registration of $12,750,000 of participations in its Thrift Plan, and 212,944 shares of common stock which may be acquired pursuant thereto.

COCA-COLA FILES THRIFT PLAN. The Coca-Cola Company, 515 Madison Avenue, New York, filed a registration statement (File 2-19982) with the SEC on March 20th seeking registration of $1,200,000 of participations in its Thrift Plan, and 13,043 shares of common capital stock which may be acquired pursuant thereto.

U. S. PLYWOOD FILES FOR SECONDARY. United States Plywood Corporation, 55 West 44th Street, New York, filed a registration statement (File 2-19983) with the SEC on March 19th seeking registration of 188,477 outstanding shares of common stock, to be offered for public sale by the holders thereof from time to time, at the market, on the New York Stock Exchange. Such shares are part of an aggregate of 407,757 shares which the company issued (or will issue) in connection with its acquisition of the assets (subject to its liabilities) of Cascades Plywood Corporation.

The company is engaged principally in the manufacture, purchase and sale of Douglas fir plywood (softwood), hardwood plywood, pine plywood, various plywood specialties, doors and lumber. It also manufactures and sells or purchases and sells a line of adhesives, wood sealers and various laminated and related products The assets of Cascades which the company acquired in February 1962 consist principally of plants for the production of plywood and hardboard and for the custom fabrication of plywood located at Lebanon, Oregon, a plywood plant at Polson, Montana, a veneer mill and a stud mill at Reedsport, Oregon, and the ownership or contractual right to purchase and cut about 1,100 million board feet of timber, principally old growth Douglas fir. In addition to certain indebtedness and preferred stock, the company has outstanding 2,567,611 shares of common stock (prior to issuance of the 407,757 shares), of which management officials as a group own 2.28%. The prospectus lists 59 selling stockholders of the 188,477 shares, including Unit & Co. (37,735 shares) and Rose E. Tucker (27,059 shares). Others propose to sell amounts ranging from 4 to 21,716 shares. S. W. Antoville is board chairman and Gene C. Brewer is president.

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WITCO CHEMICAL FILES FOR SECONDARY. Witco Chemical Company, Inc., 122 East 42nd Street, New York, filed a registration statement (File 2-19984) with the SEC on March 20th seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Smith, Barney & Co. and Goldman, Sachs & Co., both of 20 Broad Street, New York. The public offering price (maximum $45 per share*) and underwriting terms are to be supplied by amendment.

The company sells a wide range of products, including organic chemicals, detergents, asphalts and certain petroleum derivatives for industrial, construction and specialty uses. In addition to certain indebtedness, the company has outstanding 1,519,913 shares of common stock, of which management officials as a group own 52.2%. Robert I. Wishnick, board chairman, together with his children, their respective spouses and their children own an aggregate of 32.8%. Max A. Minnig is president. The 100,000 shares are to be offered by four selling stockholders (owning an aggregate of 229,208 shares) and are a part of an aggregate of 300,000 shares initially issued by the company pursuant to its acquisition of Sonneborn Chemical and Refining Corp. in 1960. Rudolf G. Sonneborn, Gustave A. Schindler, Henry Sonneborn III, and trustees under the will of Julius F. Roten propose to sell 49,000, 23,000, 18,000 and 10,000 shares, respectively.

STRATTON REALTY & CONSTRUCTION FUND FILES FOR STOCK OFFERING. The Stratton Realty & Construction Fund, Inc., 15 East 40th Street, New York, filed a registration statement (File 2-19985) with the SEC on March 20th seeking registration of 500,000 shares of common stock, to be offered for public sale at $20 per share. The names of underwriters and underwriting terms are to be supplied by amendment.

The Fund was organized under Maryland law in January 1962 and is registered under the Investment Company Act of 1940 as a closed-end non-diversified management investment company. It proposes to invest in common stock, shares of beneficial interest or convertible debentures of concerns whose primary economic function is in the field of ownership of commercial, income producing real estate or construction. The Stratton Advisory Service, Inc. was organized in February 1962 by A. Benjamin Stratton, president of the Fund, for the sole purpose of providing investment advise to the Fund; and Stratton is also president of the adviser. William W. Vicinus and Charles Kaiser, Jr., are vice president and treasurer, respectively, of the Fund and of its adviser.

FRANCIS A. CALLERY FILES FOR OFFERING. Francis A. Callery, Agent (a partnership), 375 Park Avenue, New York, filed a registration statement (File 2-19986) with the SEC on March 20th seeking registration of $6,000,000 of interests under Exploration Venture Agreements to be entered into by the purchasers thereof (co-owners) with the partnership. The partnership will engage on behalf of such co-owners in the exploration for oil and gas on a continuing basis, using funds supplied pursuant to co-owners commitments under the Agreements. Except under special circumstances, no Agreements will be entered into providing for a commitment of less than four quarterly deposits aggregating $30,000 plus payments to cover, among other things, cost of offset wells and certain emergency costs.

The activities of the Exploration Venture are confined to South Louisiana and the Texas Gulf Coast. Exploration funds will be applied to the cost of leases and capitalized geophysical costs (20%), drilling test wells (60%) and screening, general and administrative expenses and delay rentals (20%). As compensation for its services to co-owners, the partnership will receive a one-third interest in all properties acquired under the Venture, which one-third interest will be carried by co-owners as to costs through test wells and certain other costs as to each exploratory prospect. F. A. Callery, Inc., an affiliate of the partnership, for its services as operator of venture properties, will receive 1% of expenditures made on behalf of the owners of such properties. Francis A. Callery is managing partner of the partnership and board chairman of F. A. Callery, Inc.; and Grant E. Judge and Charles Callery are partners of the partnership and vice president and president, respectively, of F. A. Callery, Inc. Francis A. Callery has a 67.61% interest in the capital and earnings of the partnership and Judge and Charles Callery have interests of 17.81% and 14.58%, respectively. All of the stock of F. A. Callery, Inc. is owned by Francis A. Callery. Callery Properties, Inc. (wholly owned by Lehman Brothers) acts as nominee for the co-owners and is entitled to reimbursement of costs it incurs in so acting, plus an annual maximum fee of $50 for each co-owner.

UNITED GAS FILES STOCK PLAN. United Gas Corporation, 1525 Fairfield Avenue, Shreveport, La., filed a registration statement (File 2-19987) with the SEC on March 20th seeking registration of $18,625,000 of participations in its Employees Stock Purchase Plan, and 500,000 shares of common stock which may be acquired pursuant thereto.

SCRIPPS-HOWARD BROADCASTING FILES FOR SECONDARY. Scripps-Howard Broadcasting Company, 1121 Union Central Bldg., Cincinnati, filed a registration statement (File 2-19988) with the SEC on March 20th seeking registration of 375,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by The First Boston Corporation, 15 Broad Street, New York. The public offering price (maximum $20 per share*) and underwriting terms are to be supplied by amendment.

The company owns and operates four television stations, all of the very high frequency (VHF) type (Cleveland, Cincinnati, Memphis and West Palm Beach), three standard (AM) radio stations (Cincinnati, Knoxville and Memphis) and two frequency modulation (FM) radio stations (Cincinnati and Memphis). It has outstanding 2,588,750 shares of common stock, of which The E. W. Scripps Company (85.87% owned by the Edward W. Scripps Trust) owns 71.48% and management officials as a group 21.20%. The E. W. Scripps Company proposes to sell 118,750 shares, Jack R. Howard, president, 102,500 shares (of 225,000 shares owned) and James C. Hanrahan, M. C. Watters, and R. B. Westergaard, vice presidents, 51,250 shares each (of an aggregate of 312,500 shares owned). Karl A. Bickel is board chairman.

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NORDA ESSENTIAL OIL & CHEMICAL FILES FOR STOCK OFFERING. Norda Essential Oil & Chemical Company, Inc., 601 West 26th Street, New York, filed a registration statement (File 2-19989) with the SEC on March 20th seeking registration of 200,000 shares of Class A stock, to be offered for public sale through underwriters headed by S. D. Fuller & Co., 26 Broadway, New York. The public offering price (maximum $15 per share*) and underwriting terms are to be supplied by amendment. The statement also includes 30,000 Class A shares underlying 5-year warrants to be sold to the principal underwriter at 1¢ each, exercisable at a price to be supplied by amendment.

The company manufactures, processes and distributes natural and synthetic essential oils, flavors, extracts, essences and aromatic chemicals used principally in the cosmetic, toiletry, food beverage, cigarette and drug industries. Of the net proceeds from the stock sale, $2,200,000 will be used to reduce outstanding short-term bank loans incurred for working capital, and the balance will be added to working capital and used for general corporate purposes. In addition to certain indebtedness, the company has outstanding 804,478 shares of Class B stock, of which Hermann J. Kohl, president, Hertha Kohl, his wife, Duke & Benedict, Inc. and Elena D. Benedict (wife of Edward E. Benedict, executive vice president) own 23.6%, 29%, 16.6% and 22.8%, respectively. The Benedicts, together with their children and family, own about 30.9% of the outstanding stock of the company, and they are also principal stockholders and management officials of Duke & Benedict, Inc.

MIDDLE SOUTH UTILITIES FILES STOCK PLAN. Middle South Utilities, Inc., 2 Broadway, New York, filed a registration statement (File 2-19990) with the SEC on March 20th seeking registration of 120,000 shares of common stock, to be offered pursuant to the Restricted Stock Option Plan for Key Employees of the Middle South System.

CEDAR LAKE PUBLIC SERVICE CORP. FILES FOR STOCK OFFERING. Cedar Lake Public Service Corporation, R.R. #3, Box 28, Cedar Lake, Ind., filed a registration statement (File 2-19991) with the SEC on March 20th seeking registration of 9,964 shares of common stock, to be offered for public sale at $100 per share. No underwriting is involved.

The company was organized in 1960 for the purpose of qualifying as a public utility and providing water and sewage disposal services in the vicinity of Cedar Lake, Lake County, Ind. It has petitioned the Indiana Public Service Commission for a certificate of territorial authority to operate a sewage disposal system in said area, which petition is pending, awaiting the submission of evidence that the company is financially able to install, commence and maintain its proposed services, and evidence of approval of the project by the Department of Public Health of the State of Indiana. No plans have been made concerning the water business. The company has purchased for $600 an option to lease about 40 acres of land for use as a sewage lagoon and intends to use the proceeds from this stock sale to install the sewage disposal system at a cost of about $1,000,000. The company has outstanding 36 common shares sold for an aggregate of $3,600. Florence Wahlberg and Cecil J. Hays, both of Cedar Lake, are president and vice president, respectively.

BONDS INC. EXEMPTED. The SEC has issued an order under the Investment Company Act (Release IC-3452) granting an application of Bonds Incorporated, Kansas City, Kansas, for an order declaring that it has ceased to be an investment company.

AMERICAN R & D STOCK SALE CLEARED. The SEC has issued an exemption order under the Investment Company Act (Release IC-3453)permitting American Research and Development Corporation, Boston investment company, to sell 75,000 shares (17%) of the outstanding stock of Intercontinental Electronics Corporation, for $137,500, to Compagnie Generals de Telegraphic Sans Fil, a French corporation which owns about 71% of Intercontinental stock.

BORROWINGS BY ALLEGHENY POWER SUBS. APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14606) permitting Allegheny Power System, Inc., a New York holding company, to make loans aggregating $5,000,000 and $500,000, respectively, to its subsidiaries, The Potomac Edison Company and Cumberland Valley Electric Company, during the period ending June 1, 1963. The subsidiaries will use the funds for payment of bank loans and for construction expenditures.

SECURITIES ACT REGISTRATIONS. Effective March 21: Continental Mortgage Investors (File 2-19499); Dover Construction Co. (File 2-19490); Edu-tronics, Inc. (File 2-19230); General Electric Co. (File 2-19896); Indian Head Mills, Inc. (File Nos. 2-19777 and 2-19779); Universal Foods Corp. (File 2-19673).

*As estimated for purposes of computing the registration fee.

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