

## NEWS DIGEST

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



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**SOUTHERN SYSTEM FINANCING CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-15008) authorizing The Southern Company to issue and sell, at competitive bidding, 510,000 shares of common stock. Net proceeds of the stock sale will be used by Southern to pay outstanding notes due banks (amounting to \$14,989,000 as of December 31, 1963) and to make additional equity investments in subsidiaries during 1964, as follows: Alabama Power Company, \$5,000,000; Georgia Power Company, \$8,000,000; Mississippi Power Company, \$4,000,000; and Gulf Power Company, \$2,000,000. The subsidiaries will use the additional funds to finance, in part, their 1964 construction expenditures, estimated at an aggregate of \$192,168,000.

**PIONEER NATURAL GAS FILES STOCK PLAN.** Pioneer Natural Gas Company, 301 Taylor, Amarillo, Tex., filed a registration statement (File 2-22064) with the SEC on February 10 seeking registration of \$1,500,000 of participations in its employee Thrift Plan, together with 63,604 common shares which may be acquired pursuant thereto.

**WING AIRCRAFT PROPOSES STOCK OFFERING.** Wing Aircraft Company, 525 McCulloch Bldg., Okmulgee, Okla., filed a registration statement (File 2-22065) with the SEC on February 10 seeking registration of 90,000 shares of common stock. It is proposed to offer this stock for public sale at \$10 per share, without underwriting. Also included in the statement are an additional 40,000 shares, issuable upon the exercise of warrants as referred to below. These may be offered at their initial exercise price of \$10.50 per share.

The company was organized under Oklahoma law in October 1963 and proposes to engage in the development, design, manufacture, purchase and sale of general aviation aircraft, aircraft assemblies, components and accessories, and related aerospace hardware; including government prime and subcontract procurements. The company intends that its first product will be the Derringer Airplane. It now has no employees. According to the prospectus, the company has acquired an option for all right, title and interest to a two-place twin-engine airplane known as the "Derringer," to be acquired from Kirk-Wing Company of Vega Baja, Puerto Rico. The consideration is said to be the actual costs incurred by Kirk-Wing, plus warrants for the purchase of the 40,000 common shares exercisable initially at \$10.50 per share (and increasing on a sliding scale to \$15 up to and including December 31, 1968). In payment of the costs, the company will issue 35,000 common shares at a valuation of \$10 per share, plus cash for any excess of cost over \$350,000. The assets to be acquired consist of the design, engineering, developing and constructing costs of such twin-engine, general use aircraft, together with prototypes thereof for testing purposes, including drawings, engineering data, jigs, dies, tools, etc.

Wing Aircraft now has outstanding 50 common shares. George S. Wing and Allan J. Kirk are the chief executive officers and sole shareholders of Kirk-Wing Company; and they are president and assistant secretary, respectively, of Wing Aircraft. They also are president and executive vice president, respectively, and majority shareholders of Hi-Shear Corporation of Torrance, Calif., which has been engaged by Kirk-Wing, on a cost plus basis, to provide services with respect to the prototype and two production models of the Derringer and certain related services.

**COLE NATIONAL PROPOSES OFFERING.** Cole National Corporation, 5777 Grant Ave., Cleveland, filed a registration statement (File 2-22066) with the SEC on February 10 seeking registration of \$6,000,000 of Convertible Subordinated Debentures due 1984. The debentures are to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, and C. E. Unterberg, Towbin Co., 61 Broadway, both of New York; and the interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company operates leased key departments which engage in the cutting of duplicate keys, locksmithing and other services, and leased optical departments which dispense prescription eyeglasses. It also is engaged in the marketing of key blanks, cutlery, key chains and novelty items, sold primarily to retailers; and it manufactures a portion of its key blank, key chain and novelty requirements. In addition, the company manufactures and distributes key-duplicating machines as well as gift and premium merchandise and a line of personalized greeting cards. Net proceeds of this financing are to be applied to the purchase of all the outstanding stock of Independent Lock Company, a Massachusetts corporation, which is engaged in the manufacture and sale of locks, builders' hardware, key blanks and other products. According to the prospectus, the company has entered into an agreement to purchase Independent Lock's outstanding stock (66,060 shares) for \$6,000,000 (of which \$250,000 is payable in 12,500 common shares). The balance of the net proceeds will be added to working capital.

In addition to indebtedness, Cole National has outstanding 673,828 common shares and 85,000 Class B common shares, of which management officials own 282,600 common and 27,000 Class B common shares. Joseph E. Cole, president and board chairman, owns 258,300 common and 27,000 Class B common shares.

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*Corrected in S.P. copies*

COURT ORDERS IN ORBITRONICS CASE. The SEC Washington Regional Office announced February 4 (LR-2841) the entry of a final judgment (USDC DC) permanently enjoining George Sharigan of Washington, D. C., from further violations of the Securities Act registration provisions in the sale of stock of American Orbitronics Corp. Sharigan consented to the judgment; and charges of violating the anti-fraud provisions of the law were dismissed. The action also was dismissed as against Ben H. Cooper of Arlington, Va. (who had placed his stock in escrow) and Neil Kelly (presently serving a jail sentence). These court orders complete the disposition of this case, which resulted in orders of injunction against American Orbitronics and a number of individual defendants.

COURT ORDER ENJOINS FUND INVESTMENTS OF FLA. The SEC Atlanta Regional Office announced February 6 (LR-2842) the entry of a Federal court order (USDC Tampa, Fla) preliminarily enjoining Fund Investments, Inc., of Florida, of Tampa, and Sister Perfection and Marjorie G. Hugo, officers, from violating the SEC net capital rule.

WHITE CAPS GOLD MINING FILES FOR OFFERING AND SECONDARY. White Caps Gold Mining Company, 707 South 4th St., Las Vegas, Nev., filed a registration statement (File 2-22068) with the SEC on February 10 seeking registration of 3,192,169 shares of common stock. Of this stock, the company proposes to make a public offering of 1,350,839 shares; and an additional 742,330 shares, being outstanding stock, are to be offered by the present holders thereof. The stock is to be offered for sale at the market price on the San Francisco Mining Exchange, less 20%, but in no event less than a price of 8¢ net to the company, the shares sold to the public to be subject to the payment of a 20% commission to any broker who disposes of any shares. Also included in the statement are 1,100,000 shares which are reserved for the satisfaction of certain convertible notes (\$36,000 of notes being convertible into 800,000 shares and \$19,500 of notes into 300,000 shares). The notes were issued to settle outstanding claims against the company and for labor, equipment and payments on the purchase, enlargement and repair of a reduction mill at Austin, Nev.

The company is engaged in the mining business; and its principal interest is the White Caps gold mine in the Manhattan District, Nye County, Nev. Net proceeds of its sale of additional stock, estimated at \$108,067, will be applied to the payment of accounts payable, March payroll, mill supplies, repayment of a \$20,000 bank loan and \$25,317 of "accounts and notes payable over one year old," and for other purposes. The prospectus lists William R. Noack of Alamo, Nev., as president. He and his wife own 913,302 shares (12%) of the outstanding stock, of which 208,302 shares are proposed to be sold. Fred Vollmar and Hugh Cameron, of Austin, Nev., propose to sell all their holdings of 259,240 and 134,871 shares, respectively; and Walter Naismith of Reno proposes to sell all his holdings of 139,917 shares.

SECURITIES ACT REGISTRATIONS. Effective February 10: Divco-Wayne Corp. (File 2-22013); The Southern Co. (File 2-22027); Wings and Wheels Express, Inc. (File 2-21731). Withdrawn February 10: The Kelly Co. (File 2-21085).

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