

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington 25, D.C.

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 64-11-4)

FOR RELEASE November 5, 1964

**MERCANTILE NATIONAL LIFE PROPOSES OFFERING.** Mercantile National Life Insurance Company, 14 N. Robinson Ave., Oklahoma City, Okla., filed a registration statement (File 2-22900) with the SEC on November 4 seeking registration of 190,000 shares of common stock. The shares are to be offered for public sale on a best-efforts basis at \$20 per share through Midwest Securities Corp., Commerce Exchange Bldg., Oklahoma City, which will receive a \$2-per-share selling commission. The company has also agreed to pay Midwest Securities out-of-pocket expenses estimated at \$7,000.

Organized under Arizona law in 1962, the company is engaged in writing life and disability insurance. It is the surviving company of a merger in October 1964 with Mercantile National Insurance Company (an Oklahoma corporation organized in August 1963). According to the prospectus, the company has not operated at a profit during any fiscal period. For the period January 1, 1963 through August 15, 1964, its net loss (including realized gains and losses on investments) amounted to \$114,375. Net proceeds from the stock sale will be added to capital and surplus and used in the conduct of its insurance business. The company has outstanding 190,000 common shares, of which management officials as a group own 70.7%. During June-August 1964 it sold 65,000 common shares to 21 persons (including management officials), for \$3 per share. Pursuant to its merger in October, it issued 50,350 shares to the 23 original investors in exchange for company securities acquired in 1962 at a cost of \$74,999 (equivalent to \$1.49 per share), and 74,650 shares to the promoters in exchange for securities of the Oklahoma company acquired in 1963 at a cost of \$150,000 (equivalent to \$2.01 per share). B. Cyril Rogers is president.

**GREAT SOUTHWEST DRILLING FILES OFFERING.** Great Southwest Drilling Programs, Inc., 11 S. LaSalle St., Chicago, filed a registration statement (File 2-22901) with the SEC on November 4 seeking registration of \$2,000,000 of interests in its Program A Exploration Agreements. The Agreements provide for the conduct of a continuing general program of exploration for oil and gas. Offerings will be made through company officials and employees. Program participations may also be solicited through selected registered broker-dealers, who will receive a 10% commission.

Organized under Louisiana law in October 1964, the company will manage the program. The company has outstanding 500 common shares, all of which are owned by management officials. Adrian G. Russell is president.

**INTERNATIONAL MINERALS & CHEMICAL FILES STOCK PLANS.** International Minerals & Chemical Corporation, Skokie, Ill., filed a registration statement (File 2-22902) with the SEC on November 4 seeking registration of 561,188 shares of common stock, to be offered pursuant to the company's 1951 Stock Option Plan and its Stock Option Plans C and D.

**POTOMAC EDISON RECEIVES ORDER.** The SEC has issued an <sup>exemption</sup> order under the Holding Company Act (Release 35-15143) authorizing the dissolution of Massanutten Water Corporation of Luray, Va., a wholly-owned subsidiary of The Potomac Edison Co. According to the application, Massanutten's assets consist solely of cash in the amount of \$24,268 and its liabilities aggregate \$585. It is presently inactive and there appears to be no need for its continued existence. Upon dissolution, the assets will be distributed to the parent.

**JERSEY CENTRAL P&L RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15144) authorizing Jersey Central Power & Light Company, Morristown, N. J., to sell at competitive bidding \$5,000,000 of debentures due 1989. The company will apply the net proceeds to its 1964 construction program (estimated at \$42,000,000) or to reimburse partially its treasury for such expenditures.

**COMPLAINT CITES HORN DEVELOPMENT CO., OTHERS.** The SEC Fort Worth Regional Office announced November 2 (LR-3068) the filing of a complaint (USDC SD Tex.) seeking to enjoin Horn Development Co. and L. H. Horn, both of Mt. Gilead, Ohio; Nevin Fidler, Deerfield, Ill.; and George Wilson, Jr., Houston, Tex., from further violating the Securities Act registration and anti-fraud provisions in the sale of oil and gas interests in Ohio.

**CONTINENTAL MORTGAGE, DALCO AMERICAN, OTHERS ENJOINED.** The SEC Denver Regional Office announced November 3 (LR-3069) the entry of a Federal court order (USDC ND) permanently enjoining Continental Mortgage Co., Dalco American Enterprises, Inc., Lee E. Tarvestad (all of West Fargo, N. D.) and George A. Wyum (Fargo, N.D.) from violation Section 5 of the Securities Act in the sale of real estate mortgages issued by Continental. Continental was also enjoined from transacting business as a broker-dealer in violation of Section 15(a) of the Securities Exchange Act. The defendants consented to the order.

OVER

**LAKE CENTRAL AIRLINES PROPOSES DEBENTURE OFFERING.** Lake Central Airlines, Inc., Weir Cook Municipal Airport, Indianapolis, Ind., filed a registration statement (File 2-22903) with the SEC on November 4 seeking registration of \$3,600,000 of convertible subordinated debentures due 1979. The debentures are to be offered for public sale at 100% of principal amount through underwriters headed by William Blair & Co., 135 S. LaSalle St., Chicago. The interest rate and underwriting terms are to be supplied by amendment.

The company is engaged in air transportation of passengers, property and mail in 8 States and the District of Columbia. Net proceeds from the debenture sale (together with funds from a proposed \$7,000,000 loan, which is contingent upon the successful completion of this offering) will be used to retire \$2,400,000 of long-term indebtedness and applied to a fleet-modernization program. Under this program (scheduled for completion by June 1966), the company has agreed to purchase three used Convair 340's under a contract with United Air Lines, Inc., and has conditionally agreed to purchase eight new Nord 262's (and spare parts) and intends to exercise an option to purchase an additional five, under a contract with Nord-Aviation Societe National de Constructions Aeronautiques, a corporation owned predominantly by the French Government. In addition to indebtedness, the company has outstanding 94,340 preferred and 334,471 common shares, of which management officials as a group own 1.2% and 31.7%, respectively. Joseph J. O'Connell, Jr., is board chairman and Lloyd W. Hartman is president.

**NIAGARA MOHAWK POWER FILES FOR OFFERING.** Niagara Mohawk Power Corporation, 300 Erie Blvd. West, Syracuse, N. Y., filed a registration statement (File 2-22904) with the SEC on Nov. 5 seeking registration of \$40,000,000 of general mortgage bonds due 1994, to be offered for public sale at competitive bidding. Net proceeds of the financing will be used to reimburse the company's treasury, to pay outstanding bank loans incurred to meet construction costs and to finance in part the company's construction program (estimated at \$61,000,000 for 1964 and \$80,000,000 for 1965).

**BENEFICIAL STANDARD LIFE FILES FOR SECONDARY.** Beneficial Standard Life Insurance Company, 756 S. Spring St., Los Angeles, today filed a registration statement (File 2-22905) with the SEC seeking registration of 150,000 outstanding shares of common A stock. The shares are to be offered for public sale by the present holders thereof through underwriters headed by Lehman Brothers, One William St., New York, and Scherck, Richter Co., Inc., 408 Olive St., St. Louis. The public offering price (\$28 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in writing life, accident and health, and fire and casualty insurance. On October 13, 1964, it acquired substantially all of the assets of The Investment Securities Co., in exchange for 582,895 of its common A shares. The principal assets of Investment Securities consist of all the outstanding stock of Transit Casualty Co. and over 99% of the stock of Selective Insurance Co. The prospectus lists ten selling stockholders, all of whom acquired the shares being offered through the said exchange. Preston Estep (company director) is offering 111,200 of 369,137 common A shares held; Lloyd E. and Clara M. Boas, 8,500 of 29,061; and W. T. and Lelia C. Conway, 7,000 of 10,763. The remaining selling stockholders are offering stock ranging in amounts from 2,000 to 5,400 shares. The company has outstanding 2,089,797 common A and 2,421,119 common B shares, of which management officials as a group and their immediate families own 19.7% and 31.5%, respectively. Edward D. Mitchell is board chairman and Joseph N. Mitchell is president.

**SECURITIES ACT REGISTRATIONS.** Effective November 5: Crosby Plans Corp. (File 2-22552); Ethyl Corp. (File 2-22760); Jersey Central Power & Light Co. (File 2-22783); Jack Winter, Inc. (File 2-22714).

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

---000000---