

NEWS DIGEST

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

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Washington 25, D.C.

FOR RELEASE October 10, 1962

M A HANNA SEEKS ORDER. The M. A. Hanna Company, Cleveland closed-end investment company, has applied to the SEC for an exemption order under the Investment Company Act permitting The Hanna Mining Company, National Steel Corporation (46% and 26% owned by the company, respectively) and certain other affiliated companies to participate in the organization, financing and operation of a steel pelletizing plant to be constructed and operated by Carol Pellet Company, a Delaware company; and the Commission has issued an order (Release IC-3555) giving interested persons until October 29th to request a hearing thereon. According to the application, Hanna Mining and National own about 24% and 15%, respectively, of the outstanding stock of Iron Ore Company of Canada (IOC), which develops iron ore properties in Canada, the balance being owned by five United States and three Canadian steel producing companies; and all of the iron ore produced by IOC (except ore owned by two Canadian stockholders) is purchased by the seven United States stockholders. Hanna Mining, National and the other U. S. stockholders of IOC propose to establish a pelletizing plant at Carol Lake in Labrador, adjacent to IOC, to be constructed and operated by Carol and to pelletize the ore concentrates produced by IOC. The equity interest in Carol is to be held in varying proportions by the seven American companies (Hanna Mining and National will hold 11.5% and 18.54% thereof, respectively); and Carol will be financed by its borrowing up to \$56,000,000 (80% of the funds needed) through sale of notes to institutional investors. An amount at least equal to 25% of the amounts so borrowed (\$14,000,000) will be supplied by the stockholders in the form of equity or junior capital, partly as common stock and partly as loans evidenced by subordinated notes in proportions which will be equal to their respective commitments to purchase and pay for pellets. They will be also committed to provide any additional funds needed to complete the project in the same manner.

TRADING BAN IN FIVE STOCKS CONTINUED. The SEC has issued orders suspending exchange and over-the-counter trading in the common stocks of the following companies for an additional ten-day period October 11-20, 1962, inclusive: Black Bear Industries, Inc., E. L. Bruce Co. (Inc.), Industrial Enterprises, Inc., Precision Microwave Corp., and Prosper Oil and Mining Company.

WINN-DIXIE STORES FILES STOCK PLANS. Winn-Dixie Stores, Inc., 5050 Edgewood Court, Jacksonville, Fla., filed a registration statement (File 2-20814) with the SEC on October 9th seeking registration of an aggregate of 163,177 shares of common stock, to be offered pursuant to its Stock Purchase Plan for Employees, Executive Incentive Stock Option Plan, and its Key Employee Stock Option Plan.

FALCON SEABOARD FILES FOR OFFERING. Falcon Seaboard 1963 Oil Syndicate, Inc., Pan American Bldg., Tulsa, Okla., filed a registration statement (File 2-20811) with the SEC on October 5th seeking registration of \$3,000,000 of exploration agreements for its 1963 Oil Exploration Program, to be offered for public sale in \$5,000 commitments. No underwriting is involved. Each participant as a co-owner of property interests acquired under the Agreements may have the obligation, if he desires to protect his property rights, to pay his share of the cost of drilling additional wells (other than the exploratory wells for which provision is made in the Agreements) and other expenses. The prospectus states that although a co-owner is not required to participate in further exploration or development, his failure to do so generally will result in a forfeiture of all or part of his interest in the property interests in the particular prospect.

The company was organized under Oklahoma law in September 1962 and is wholly-owned by Falcon Seaboard Drilling Company, which is primarily an oil well drilling company but has also been actively engaged in exploration and development of oil and/or gas properties. The net proceeds from the sale of exploration agreements will be used to acquire interests in oil or gas exploration prospects, to drill and test exploratory wells thereon, to plug and abandon dry holes, to provide tangible well and lease equipment for and to complete each well the company considers advisable, and to pay costs of keeping, maintaining and administering each property interest until operating agreements become effective relative thereto. As indicated, if reserves of oil and gas in commercial quantities should be discovered, each participant will be required to supply additional funds over and above the advances paid the company pursuant to this offering. J. L. Stauss is president of the company and board chairman of its parent.

METROPOLITAN EDISON PROPOSES BOND OFFERING. Metropolitan Edison Company, 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa., today filed a registration statement (File 2-20815) with the SEC seeking registration of \$15,000,000 of first mortgage bonds due 1992, to be offered for public sale at competitive bidding. The net proceeds from the bond sale, together with other funds, will be used to finance the company's 1962 construction program, estimated at \$18,000,000. Any balance in proceeds will be used to reimburse its treasury in part for construction expenditures prior to 1962.

FLORIDA POWER FILES FOR PREFERRED STOCK OFFERING. Florida Power Corporation, 101 Fifth Street South, St. Petersburg, Fla., today filed a registration statement (File 2-20816) with the SEC seeking registration of 100,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Place, and Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., both of New York. The dividend rate, public offering price (maximum \$102 per share*) and

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underwriting terms are to be supplied by amendment. The net proceeds from the preferred stock sale will be used to pay off \$5,000,000 of temporary bank loans incurred to meet construction costs, and the balance will be applied to the 1962 construction program, estimated at \$39,000,000 (\$24,150,000 already spent). In addition to various indebtedness and preferred stock, the company has outstanding 9,145,305 shares of common stock. W. J. Clapp is president.

TRADING SUSPENDED IN ATLANTIC RESEARCH. The SEC today announced the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934 temporarily suspending trading in the common stock of Atlantic Research Corporation, of Alexandria, Va., on the American Stock Exchange and the Philadelphia-Baltimore-Washington Stock Exchange, for the ten-day period October 10 to 19, 1962, inclusive. By virtue of the Commission's Rule 15c2-2, the Commission's order also operates to suspend over-the-counter trading in the stock during the said period.

The suspension order was based upon information developed in an investigation by the Commission's staff which raises serious question as to the accuracy and adequacy of available, public information concerning the financial condition of Atlantic Research. While this information presents no question as to the company's solvency, the suspension of trading was deemed necessary and appropriate in the public interest in view of the fact that an informed evaluation of the Atlantic Research stock could not be made upon the basis of published information. The Commission noted in this connection that while the report of Atlantic Research to its shareholders showed a net income of \$1,473,192 for the year 1961, which figure also is carried in securities manuals, financial statements on file with the Commission reflect a loss in 1961 of \$1,066,015 on a consolidated basis for Atlantic Research and its subsidiaries.

Atlantic Research is primarily engaged in research, development and manufacture in the field of solid propellant rockets and, in addition, performs work in electronics, electromechanics and related fields. It has outstanding 1,961,162 shares of common stock, of which Arch C. Scurlock, president, is reported as the owner of 418,970 shares and Arthur W. Sloan, board chairman, 372,530 shares.

SECURITIES ACT REGISTRATIONS. Effective October 5: The Norwich Pharmacal Co. (File 2-20622); Reynolds Metals Co. (File 2-16390). Effective October 9: Hoffman Electronics Corp. (File 2-20492); Rapid-American Corp. (File 2-20548); Textron, Inc. (File 2-20734). Effective October 10: Emcee Electronics, Inc. (File 2-20447); Goldsmith Bros. (File 2-20527).

*As estimated for purposes of computing the registration fee.

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