

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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FOR RELEASE March 2, 1965

CAROL PELLET SEEKS ORDER. Carol Pellet Company, 100 Erieview Plaza, Cleveland, Ohio, has applied to the SEC for an order under the Holding Company Act exempting it and its subsidiaries from all provisions of said Act, on the basis that it is not primarily a public-utility company and derives no material part of its income, directly or indirectly, from subsidiaries whose principal business within the United States is that of a public-utility company. The Commission has issued an order (Release 35-15192) giving interested persons until March 29 to request a hearing thereon. A Delaware company, Carol is said to be primarily engaged in the ownership and operation of a pellet plant located in Labrador, Canada, for the pelletizing of iron ore concentrates purchased from Iron Ore Co. of Canada at that location. Carol also owns 174,414 Class B shares (representing 34.9% of the total outstanding stock and 11.63% of the total voting power) of Twin Falls Power Corp. Ltd., a Canadian corporation.

MIDDLE SOUTH UTILITIES SEEKS ORDER. Middle South Utilities, Inc., New York holding company, and Arkansas Power & Light Co., a public-utility subsidiary, have applied to the SEC for an order under the Holding Company Act authorizing Arkansas to sell, at competitive bidding, \$25,000,000 of first mortgage bonds, due 1995, and 75,000 of \$100 par, cumulative preferred shares. In addition, Arkansas proposes to issue to Middle South (the holder of all of its outstanding common stock) an additional 240,000 common shares aggregating \$3,000,000 in par value, which will permit Arkansas to convert into capital a portion of its earned surplus which has been permanently invested in betterments and improvements to its physical properties. The Commission has issued an order (Release 35-15193) giving interested persons until March 26 to request a hearing thereon. According to the application, Arkansas will apply the proceeds from the bond sale to its 1965 construction program (estimated at \$46,400,000) and to other corporate purposes, and will apply the proceeds from its preferred stock sale to the redemption and retirement of all 75,000 of its presently outstanding 5.48% series preferred shares.

TRANS INTERNATIONAL AIRLINES PROPOSES OFFERING. Trans International Airlines Corporation, McCarran Field, Las Vegas, Nev., filed a registration statement (File 2-23218) with the SEC on March 1 seeking registration of 224,000 shares of common stock, to be offered for public sale through underwriters headed by Schwabacher & Co., 100 Montgomery St., San Francisco, Calif. 94104. The public offering price (\$11 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was organized in 1964 under Nevada law for the purpose of acquiring and holding all of the outstanding capital stock of Trans International Airlines, Inc. (TIA), a California corporation engaged in transportation of passengers and cargo pursuant to commercial and military charters. The major portion of its business is derived from military charters. Net proceeds from the company's stock sale will be applied to the repayment of a \$2,000,000 bank loan incurred to finance the purchase of TIA's outstanding stock, and any balance of the proceeds will be used for general corporate purposes. According to the prospectus, Studebaker Corp. acquired in 1962 all of TIA's then outstanding capital stock from Kirk Kerkorian and Glenn A. Cramer (board chairman and president, respectively, of the company and TIA) and four other individuals in exchange for Studebaker shares. In 1964 Kerkorian acquired, for \$150,000, an option to re-purchase TIA's stock from Studebaker for an additional \$2,350,000. Such option was assigned to the company in exchange for 1,500 shares of the company's then \$100 par value capital stock and was exercised in September 1964. Kerkorian, Cramer and eight other individuals acquired an additional 3,646 shares of the \$100 par value stock for an aggregate of \$364,600. In addition to indebtedness, the company has outstanding 823,360 common shares, after giving effect to a 160-for-1 split of the \$100 par value stock in February 1965. Management officials own 95.7% of the outstanding shares.

BAKER OIL TOOLS FILES STOCK PLAN. Baker Oil Tools, Inc., 7400 E. Slauson Ave., City of Commerce, Calif., filed a registration statement (File 2-23220) with the SEC on March 1 seeking registration of 100,000 shares of common stock, to be offered under its Key Employee Stock Option Plan.

PENNZOIL FILES STOCK PLAN. Pennzoil Company, 900 Southwest Tower, Houston, Tex. 77002, filed a registration statement (File 2-23222) with the SEC on March 1 seeking registration of 197,118 shares of common stock, to be offered pursuant to its Restricted Stock Option Plan.

JAMES TALCOTT, INC., FILES STOCK PLANS. James Talcott, Inc., 1290 Avenue of the Americas, New York 10019, filed a registration statement (File 2-23223) with the SEC on March 1 seeking registration of 78,880 shares of common stock, to be offered under its Employees Stock Option Plan and 1964 Employee Stock Option Plan.

OVER

VIOLATIONS CHARGED TO HUNTINGTON SECURITIES. The SEC has issued a substitute order in administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Huntington Securities Co., Inc., of 80 Wall Street, New York, N. Y. Also named as respondents are Benjamin Stein, president of the Huntington firm, and four of its one-time salesmen: Saul Kay, Peter Fotis, James De Mamos and Erwin Gersten.

The proceedings were first authorized in June 1964 and involved staff charges that the firm failed to comply with the Commission's financial reporting and record-keeping requirements. The substitute order reflects additional staff charges that the Huntington firm and the five individual respondents offered and sold stock of Consumer Credit Corporation (of Tampa, Fla.) during the period June 1963 through May 1964, in violation of the anti-fraud provisions of the said Act and the Securities Act of 1933.

A hearing will be held (at a time and place to be announced) to take evidence on the staff charges and afford the Huntington firm and the individual respondents an opportunity to establish any defenses thereto, all for the purpose of determining whether the alleged violations occurred and, if so, whether any administrative action of a remedial nature is appropriate in the public interest.

STRUTHERS THERMO-FLOOD PROPOSES OFFERING. Struthers Thermo-Flood Corporation, Petroleum Club Bldg., Tulsa, Okla., filed a registration statement (File 2-23219) with the SEC on March 1 seeking registration of 200,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by C. E. Unterberg, Towbin Co., 61 Broadway, New York. The public offering price (\$6 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in February 1965 to acquire from Struthers Wells Corp., in exchange for 800,000 common shares (constituting the company's total outstanding stock), the business relating to the manufacture, sale and distribution of Struthers Thermo-Flood equipment for secondary oil recovery by steam and hot-water injection methods and hot-water extraction of water soluble minerals and related products. Net proceeds from the company's stock sale will be applied to expansion of manufacturing facilities; building inventory of Struthers Thermo-Flood oil-recovery equipment, development of related oil-production equipment and research and development with respect to water-purification equipment; and leasing of Struthers Thermo-Flood oil-recovery equipment and secondary oil-recovery production projects through joint ventures. The balance will be used for general corporate purposes. Stanley C. Hope is board chairman and president of the company. Struthers Wells Corp. owns all the 800,000 outstanding shares.

GENERAL MOTORS FILES FOR SECONDARY. General Motors Corporation, 1775 Broadway, New York 10019, today filed a registration statement (File 2-23225) with the SEC seeking registration of 2,815,106 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by Morgan Stanley & Co., 2 Wall St., New York. The public offering price (\$104 per share maximum*) and underwriting terms are to be supplied by amendment. The selling stockholders are Christiana Securities Corporation, Longwood Foundation Inc., Delaware Trust Co., as trustee of three trusts of which William du Pont, Jr., and Marion du Pont Scott are the beneficiaries, and certain other persons. Of the share being registered, 2,662,597 are to be offered pursuant to a 1962 judgement requiring E. I. du Pont de Nemours and Co., Christiana and certain other persons to divest themselves of their General Motors common stock holdings. Management officials of General Motors own 1.1% of the company's outstanding 287,008,217 common shares. Frederic G. Donner and Alfred P. Sloan, Jr., are board chairman and honorary board chairman, respectively, and John F. Gordon is president of the company.

General Motors also filed another registration statement (File 2-23226) covering 377,792 outstanding common shares, which the present holders thereof propose to offer for public sale from time to time on national securities exchanges at prevailing prices at the time of sale. Of these shares, 295,841 are required by said judgment to be divested. The selling stockholders involved in this proposed offering are persons falling in one or more of the following categories: officers and directors of Du Pont, officers and directors of Christiana, brothers and sisters of the late Pierre S. du Pont or their descendants, certain other members of the du Pont family, spouses and children living in the household of any of the foregoing, and certain related trusts and organizations.

SECURITIES ACT REGISTRATIONS. Effective March 1: The New Hampshire Jockey Club, Inc. (File 2-23086); Unishops, Inc. (File 2-23163). Effective March 2: Addison-Wesley Publishing Company, Inc. (File 2-23132); Consolidated National Shoe Corp. (File 2-23129); First Church Financing Corp. of America (File 2-22821); Northern Illinois Gas Co. (File 2-23156); Weis Markets, Inc. (File 2-23152).

*As estimated for purposes of computing the registration fee.