

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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MACK TRUCKS SHARES IN REGISTRATION

Mack Trucks, Inc., 1000 South Second St., Plainfield, N. J., filed a registration statement (File 2-15596) with the SEC on September 15, 1959, seeking registration of 111,740 shares of 5-1/4% Cumulative Preferred Stock (\$50 par), with attached warrants (1959 Issue) to purchase 55,870 shares of common stock.

According to the prospectus, Mack Trucks, Inc., is to be merged and consolidated on October 1, 1959, with Northeast Capital Corporation, with Mack Trucks the surviving corporation. Upon such merger, the outstanding shares of Northeast common are to be converted into an aggregate of 733,530 shares of Mack common and 242,065 shares of new Mack 5-1/4% Cumulative Preferred Stock with warrants. Certain recipients of the Mack stock may be deemed to be in a control relationship to Northeast; and, since they have advised Mack that they may wish to dispose of the Mack preferred to be received by them, the company seeks registration of the preferred stock. The common stock to be received by the selling stockholders is not being registered at this time, since the selling stockholders have agreed that they will not offer or sell any of such stock unless a registration statement is in effect with respect thereto or, in the opinion of Mack's counsel, registration is not then required.

The warrants attached to the 242,065 preferred shares entitle the holders thereof, on and after October 1, 1960 and until September 30, 1969, to purchase an aggregate of 121,032 shares of Mack common stock. These 121,032 common shares are also covered by the registration statement.

The selling stockholders are Central Securities Corporation (64,449 preferred shares); Harold L. Fierman (20,617); Ruth K. Fierman (9,023); Stuart Hedden (583); C. A. Johnson (7,276) and William R. Kaelin (9,792).

PHILADELPHIA CO. ISSUANCE OF RENEWAL NOTES CLEARED

The SEC has issued an order authorizing Philadelphia Company, a subsidiary of Standard Gas and Electric Company, to issue and deliver to the parent a renewal promissory note in replacement of a promissory note in the amount of \$2,500,000 which matured September 10, 1959, and which bears 3 1/2% interest.

SEC ISSUES NOTICE OF AMERICAN ELECTRIC POWER OFFERING

The SEC has issued an order (Release 35-14057) giving interested persons until October 6, 1959, to request a hearing upon the common stock financing proposal of American Electric Power Company, Inc., New York holding company. As previously reported (SEC News Digest of September 10, 1959), American proposes to issue and sell at competitive bidding 1,200,000 shares of common stock, at a price to be determined by the bidding. Proceeds of the stock sale, estimated at \$60,000,000, are to be used, to the extent available, for the payment of \$52,000,000 of outstanding bank notes due November 25, 1959, and for the prepayment of \$10,000,000 of short-term bank loans. Any remaining balance of proceeds is to be added to the company's treasury funds and used for general corporate purposes.

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For further details, call ST. 3-7600, ext. 5526

AMERICAN EDUCATIONAL LIFE INS. CO. FILES FOR STOCK OFFERING

American Educational Life Insurance Company, Third National Bank Bldg., Nashville, Tenn., filed a registration statement (File 2-15597) with the SEC on September 15, 1959, seeking registration of 3,800,000 shares of Class A common voting stock and 950,000 shares of Class B common non-voting stock. The stock is to be offered for public sale in units of four shares of Class A and one share of Class B stock, and at \$25 per unit. The offering is to be made on a best efforts basis by Standard Securities Corporation, for which it will receive a selling commission of \$3.75 per unit.

According to the prospectus, all shares of the Class B stock must be donated to Educational Foundation, Inc., for the benefit of private educational institutions designated by the individual purchasers. The company and the Foundation are said to be independent organizations; and the company has no right to participate in the determination of the Foundation's policies, except in so far as the organizers of the company have established the basic policies of the Foundation in the process of its organization.

American was organized on June 22, 1959, under Tennessee law and is authorized by its charter to and upon licensing intends to engage in the business of writing life insurance policies and allied lines. It has had no previous history of operation. In an effort to provide an organized and systematic means of assisting private education, the organizers of the company have caused to be formed the separate non-profit corporation, Educational Foundation, Inc., to which the Class B stock is to be donated. All cash dividends, if any, declared on such stock donated to the Foundation will be in turn transferred by the Foundation to non-profit private educational institutions.

Net proceeds to American from its stock sale will be devoted to its general purposes, that of writing insurance. The company now has outstanding 1,000 shares of Class A stock and 100,000 shares of Class B stock. The company was founded primarily through the efforts of Frank G. Clement, its board chairman, H. Wayne Hammonree, vice-president, Wendell V. Clipp, secretary-treasurer, and Winston M. Moore, a director. E. R. Darryberry, president, and four other individuals also participated in the organization. The organizers paid \$110,000 to the company for which they received 100,000 shares of the Class B common, 1,000 shares of the Class A common, and options to purchase 399,000 shares of Class A common (the options being exercisable at \$5 per share.) Substantially the same persons organized the underwriter.

MADISON GAS FILES FOR RIGHTS OFFERING

Madison Gas and Electric Company, 100 North Fairchild St., Madison, Wisconsin, filed a registration statement (File 2-15598) with the SEC on September 15, 1959, seeking registration of 82,000 shares of common stock. The company proposes to offer the stock for subscription by its common stockholders, on a basis of 1 new share for each 5 shares held. The record date and subscription price are to be supplied by amendment. No underwriting is involved.

The company now has outstanding 400,500 common shares in addition to certain other securities. Net proceeds of the sale of the additional stock will be used to meet, or reimburse the company's treasury for, a portion of construction expenditures during the current year and through 1961. Construction expenditures are contemplated in the amount of \$17,000,000 between August 1, 1959 and December 31, 1961.

OIL RECOVERY CORP. FILES FINANCING PROPOSAL

Oil Recovery Corporation, 405 Lexington Avenue, New York, filed a registration statement (File 2-15599) with the SEC seeking registration of \$550,000 of 6% Convertible Subordinated Debentures, due 1974, and 5,500 shares of common stock. These securities are to be offered for public sale in units, each consisting of \$500 of debentures and 5 shares of stock. The public offering price of the units and underwriting terms are to be supplied by amendment. Lehman Brothers is the underwriter.

Since the company's organization in 1959 it has been engaged primarily in the development and testing of the "Orco Process" for the secondary recovery of oil and until 1958 it had no revenue. The most widely-used secondary recovery method is "water flooding." The Orco Process, according to the prospectus, is essentially the addition of controlled amounts of carbon dioxide to the fresh or salt water used in the early stages of a water flood. Net proceeds of this financing is intended

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to be used, to the extent of about \$300,000, to acquire additional properties for secondary recovery operations. The remaining proceeds will be added to general funds of the company and will be available for general corporate purposes including primarily development of its properties for operations utilizing the Orco Process. Additional amounts will be required for such development and further financing within the next year may be necessary.

The Company now has outstanding 161,570 shares of common stock and \$987,509 of 3% notes due October 1961. James A. Bentley, president, and Valentine E. Macy, Jr., a director, own 34,870 and 30,750 shares, respectively.

DAITCH CRYSTAL DAIRIES PROPOSES DEBENTURE OFFERING

Daitch Crystal Dairies, Inc., 400 Walnut Avenue, Bronx, New York, filed a registration statement (File 2-15600) with the SEC on September 15, 1959, seeking registration of \$3,500,000 of 5½% Convertible Subordinated Debentures, due October 1, 1979, to be offered for public sale through an underwriting group headed by Hirsch & Co. The underwriters will receive a commission of four per cent.

The company operates a chain of supermarkets and dairy stores. Net proceeds of the sale of the debentures will be added in the first instance to the general funds of the company to be used in the discretion of the management. Unspecified amounts will be used to pay a bank loan incurred in connection with the acquisition of eleven stores, to defray the cost of opening new supermarkets in the near future, and for working capital to carry increased inventories.

BUTLER'S SHOE FILES FOR OFFERING AND SECONDARY

Butler's Shoe Corporation, 204 Brookwood Drive, N. E., Atlanta, Ga., today filed a registration statement (File 2-15601) with the SEC seeking registration of 100,000 shares of common stock. Of this stock, 40,000 shares are to be issued and offered for sale in behalf of the company, and 60,000 shares, representing outstanding stock, are to be offered by four selling stockholders. The selling stockholders, and the number of shares being offered by them, are as follows: David L. Slann, board chairman, 20,000 shares of his holdings of 88,914 shares; Israel D. Shapire, president, 20,000 shares of his holdings of 87,653 shares; Benjamin A. Pollock, executive vice president, 10,000 shares of his holdings of 41,661 shares; and Helen A. Pollock, 10,000 shares of her holdings of 34,324 shares.

Goldman Sachs & Co. and R. S. Dickson & Company are named as underwriters. The public offering price and underwriting terms are to be supplied by amendment. Proceeds from the sale of the 40,000 shares being offered by the company will be added to the general funds of the company to be available for additional inventories and other working capital requirement. The company now has outstanding 759,375 common shares (in addition to certain other securities).

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