

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)

FOR RELEASE December 6, 1960

ADR'S FOR PREMIER CONSOLIDATED OILFIELDS FILED. Morgan Guaranty Trust Company of New York City filed a registration statement (File 2-17360) with the SEC on December 5, 1960, seeking registration of American Depositary Receipts for 80,000 shares of the ordinary registered stock of Premier Consolidated Oilfields Limited.

AMERICAN EDUCATIONAL LIFE INSURANCE FILES FOR OFFERING. American Educational Life Insurance Company, Third National Bank Building, Nashville, Tenn., filed a registration statement (File 2-17361) with the SEC on December 5, 1960, seeking registration of 960,000 shares of Class A common voting stock, \$1.00 par value, and 240,000 shares of Class B common non-voting stock, \$1.00 par value, to be offered for public sale in units of four shares of Class A stock and one share of Class B stock at a price of \$25.00 per unit. All shares of the Class B stock are to be donated to Educational Foundation, Inc., a separate general welfare, non-stock, non-profit corporation chartered on July 1, 1959, under Tennessee law, to aid private education.

The company, which was incorporated on June 22, 1959, under the laws of Tennessee, has, since July 20, 1960, been engaged in the business of writing life insurance policies and allied lines of insurance. The company was founded primarily through the efforts of Messrs. H. Wayne Hammontree, Wendell V. Clipp, Winston M. Moore, and Herbert S. Walters, Messrs. E. Ridley Derryberry, Franklin G. Clark, Sam B. McFarland, Hal L. Nutt, and Herbert S. Walters also participated in the organization of the company. The organizers collectively paid to the corporation \$110,000 for which they received collectively 100,000 shares of Class B common non-voting stock which are being donated to Educational Foundation, Inc.; 1,000 shares of Class A common voting stock; and the right to purchase in the form of stock options 399,000 shares of the Class A common voting stock.

The company has outstanding 4,400,000 shares of Class A stock, of which 399,000 shares are reserved for issuance upon the exercise of the options granted to the organizers and promoters of the company and 200,000 shares are reserved for issuance upon the exercise of options which may be granted to key personnel. It also has outstanding 1,100,000 shares of Class B stock, of which 50,000 are reserved for issuance upon the exercise of options which may be granted to key personnel. As of November 23, 1960, all directors and officers of the company as a group owned, of record and beneficially, 3,480 shares of the Class A common voting stock of the company, or 4% of the outstanding shares of that class. Frank G. Clement is listed as board chairman and E. Ridley Derryberry is listed as president, chief executive, and director.

Of the proceeds of the stock offering, \$1,200,000, being the aggregate par value of the shares being offered, will be allocated to capital, and the remainder will be allocated to surplus.

UNIVERSAL LEAF TOBACCO FILES STOCK OPTION PLAN. Universal Leaf Tobacco Company, Incorporated, 201 South Third Street, Richmond, Va., filed a registration statement (File 2-17362) with the SEC on December 5, 1960, seeking registration of participations in the Employees Stock Purchase Plan of the company and its subsidiaries.

FALLS PLAZA LIMITED PARTNERSHIP PROPOSES OFFERING. Falls Plaza Limited Partnership, 1823 Jefferson Place, N. W., Washington, D. C., filed a registration statement (File 2-17363) with the SEC on December 5, 1960, seeking registration of 480 units of limited partnership interests, to be offered for public sale at a price of \$1,000 per unit. Hodgdon & Co., Inc., and Investor Service Securities Inc. are listed as underwriters, on a best efforts basis and will receive an underwriting commission of \$90 per unit sold.

A. Dana Hodgdon and Investor Service Inc., as general partners, and Investor Service Inc., as a limited partner, have entered into an agreement for the formation of the partnership, the purpose of which is to acquire 5.7 acres of property and to develop, own, and operate such property as a shopping center. The property, located on Broad Street in Falls Church, Va., is presently owned by Investor Service - Hodgdon Shopping Center Enterprises, a joint venture formed on September 23, 1960, for the purpose of acquiring the shopping center property and holding it for transfer to the partnership. The members of the joint venture are A. Dana Hodgdon and Investor Service Inc. They have received 66 units in the partnership, for which they paid no cash but which were given to them in exchange for their agreement to transfer real property and assign their right, title, and interest in and to certain leases and contracts to the partnership. Investor Service Inc. is to manage the shopping center for a fee of 3% of gross rental income and is to have the exclusive right to act as agent for future sale of the shopping center at a commission not to exceed 5% of the sales price. A. Dana Hodgdon, a general partner, is a principal of Hodgdon & Co., Inc., and Samuel J. Gorlitz is a principal of Investor Service Inc. and Investor Service Securities Inc.

For further details, call WOrth 3-5526

OVER

The purpose of the offering by the partnership is to obtain funds to purchase the shopping center land and provide equity financing for the construction of a shopping center on such land. Of the net proceeds of the offering \$361,500 plus approximately \$15,000 of accrued interest will be used to purchase the shopping center land from the joint venture. The balance of the proceeds will be applied toward the equity financing for the construction of the shopping center. The prospectus states that in the event all of the units offered are not sold prior to May 1, 1961, the partnership will refund the entire purchase price to the purchasers of the units. In such event, the underwriters have agreed to refund to the partnership all commissions, and the general partners have agreed to defray other expenses of the offering.

COLUMBIA GAS TRANSACTION APPROVED. The SEC has issued an order under the Holding Company Act (Release 35-14323) authorizing The Columbia Gas System, Inc., New York holding company, to execute a \$1,000,000 surety bond for its wholly-owned gas utility subsidiary company, United Fuel Gas Company.

COLUMBIA GAS PROPOSES BANK BORROWINGS. The Columbia Gas System, Inc., New York holding company, has applied to the SEC for authority to make bank borrowings of up to \$10,000,000, and the SEC has issued an order giving interested persons until December 15, 1960, to request a hearing on the proposal. The company proposes to issue and sell up to \$5,000,000 face amount of its unsecured promissory notes to each of two banks, the notes to be issued on or about December 15, 1960, to mature 60 days from date of issue, and to bear interest at the prime commercial rate in effect at the date of their issuance. Proceeds from the sale of the notes to the banks are to be used for various temporary corporate purposes including the payment in December 1960 of state and federal taxes, gas purchases, and possible rate refunds by certain subsidiaries.

ASSOCIATED TRAFFIC CLUBS INSURANCE PROPOSES OFFERING. Associated Traffic Clubs Insurance Corporation, 900 Market Street, Wilmington, Del., filed a registration statement (File 2-17364) with the SEC on December 5, 1960, seeking registration of 250,000 shares of common stock, 80¢ par value, to be offered for public sale at a price of \$2.00 per share, through A. T. Brod and Company, underwriter, on a best efforts basis.

The company was incorporated under Delaware law on September 13, 1960. Its organizers and promoters are Messrs. Floyd C. Day, Secretary of The Associated Traffic Clubs of America, Bernard Povich, John W. Costello, and Mrs. Marcia G. Latona, all of whom were approved by the officers of The Associated Traffic Clubs of America to form the corporation, primarily to provide insurance coverage to the Clubs' approximately 60,000 national members, and their families. The corporation plans to offer 100,000 shares of the offering to the approximately 1500 sustaining members of The Associated Traffic Clubs of America, with no more than 1500 shares being made available to any one sustaining member. The remaining 150,000 shares will be made available to the 272 member clubs of The Associated Traffic Clubs of America for purchase by the Clubs themselves. In the event these member clubs do not purchase all of these shares, the remainder will be made available to the 60,000 local members of member clubs of The Associated Traffic Clubs of America. Any one individual of this latter group may purchase up to 500 shares.

The underwriter will receive (a) a sum in cash equal to 10% of the gross sales price of each share sold as the result of orders obtained and submitted by the corporation, (b) a sum in cash equal to 15% of the gross sales price of each share sold by the underwriter and not as a result of orders submitted by the corporation, and (c) options, as follows: stock options for 21,500 shares, subject to certain conditions, at par value, exercisable within a 90 day period; three-year options for 15,000 shares, at the issue price of \$2.00 per share; and four-year options for 10,000 shares, at the price of \$4.00 per share. The corporation has also granted stock options for a four-year period at \$2.00 per share to The Associated Traffic Clubs, in the amount of 72,944 shares; to Messrs. Day, Costello, and Povich in amounts of 47,500, 27,000, and 24,749 shares, respectively; to Marcia G. Latona in the amount of 16,251 shares; and to the officers of The Associated Traffic Clubs, the directors of the corporation, and one other interested party, in amounts totalling 20,667 shares. 21,111 shares of stock will be issued to The Associated Traffic Clubs, with an additional 4,000 shares to four officers of that organization. As compensation for the stock it will receive, The Associated Traffic Clubs will make its mailing list available to the corporation and will lend support to the insurance program offered by the corporation.

The net proceeds in excess of the par value of the shares, as and to the extent received by the corporation, will be added to surplus and used to maintain it at the amount required by law and to carry on and further develop the business of the corporation. In the event the net proceeds are not sufficient for these purposes the corporation will consider other means of financing, but no plans in this respect have been developed at this time. Upon completion of the sale of the 250,000 shares of common stock, the corporation will have a common stock account of \$202,560 and a surplus \$228,840 before estimated organization and promotional expenses of \$8,900.

INDICTMENT NAMES GUTERMA AND OTHERS. The SEC announced December 2, 1960 (LR-1849) that an indictment had been returned (USDC SDNY) charging Alexander L. Guterma, Ben Jack Cage, Paul M. Hughes, B. W. Bown, Nathan W. Gennes, Morris Miller, Daniel A. LaMar, Frank Gruber, also known as Frank Graber, John Ehrlich, Rolando J. Pepe, Louis P. Brady, Arthur J. Palermo, and World Wide Investors Corporation, with violating the anti-fraud and registration provisions of the Securities Act and with conspiring to violate these provisions in connection with the sale of shares of stock of Western Financial Corporation, Diversified Financial Corporation of America, and Consolidated American Industries, Inc., to numerous persons throughout the United States during the years 1955 and 1956.