

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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



Washington 25, D.C.

(Issue No. 63-11-16)

FOR RELEASE November 29, 1963

PENSION LIFE INSURANCE CO. FILES FOR REGISTRATION. Pension Life Insurance Company of America, 23 Fulton St., Newark, N. J., filed a registration statement (File 2-21901) with the SEC on November 26 seeking registration of 176,000 shares of common stock (\$2 par value) to be offered for public sale. No underwriting will be involved since it is proposed that the shares will be sold by officers and directors of the company. No fees or commissions will be paid, but officers and directors will be reimbursed for any expense incurred in connection with the proposed sale. Officers and directors will have the opportunity to purchase up to 35,000 shares (which amount includes 16,000 shares by the founders) within five days of the effective date. The offering price (maximum \$10 per share*) is to be supplied by amendment.

The company was organized under the laws of New Jersey on February 21, 1963 and, when permitted, intends to write various forms of life insurance and annuities in the state of New Jersey. If business warrants, the company may later seek authority to do business in other states. Proceeds from the stock sale will be used for general business purposes. An amount of \$2 per share will be credited to capital and an amount of \$8 per share to capital surplus, against which organization expenses and the expenses of this offering will be charged. Surplus funds, if any, will be invested in income producing securities or investments permitted by the Insurance Law of the State of New Jersey. As of November 15, 1963 there were outstanding 4,000 shares of common stock and 8,000 warrants to purchase common stock, 50% of each being owned by Otto M. Sherman, president and director, and Philip Gordis, vice president and director ("founders"). Each warrant entitles the founder to purchase two shares of common stock under certain conditions.

CONSOLIDATED WATER CO. FILES FOR REGISTRATION. Consolidated Water Company, 327 So. LaSalle St., Chicago, filed a registration statement (File 2-21902) with the SEC on November 26 seeking registration of 36,000 shares of common stock to be offered for public sale through an underwriting group headed by Smith, Barney & Co. Inc., 20 Broad St., New York. The public offering price and underwriting terms are to be supplied by amendment.

Organized in Delaware in 1955 as a water utility holding company, the company owns all of the outstanding common stock of five operating subsidiaries located in California, Indiana, Missouri and Ohio. In addition, the company owns \$625,000 of 6% cumulative preferred stock of Arizona Water Co., an affiliate. The company, through its subsidiaries, engages in the collection, purification, distribution and sale of water for public and private use and consumption and for fire protection. Net proceeds from the stock sale will be applied against outstanding short term bank loans which as of October 31, 1963 totaled \$1,210,000. The company and/or subsidiaries are presently involved in the acquisition of other water utilities and construction expenditures. Such expenditures are initially financed by short-term bank loans by the subsidiaries or by the company, which, in turn, advances the proceeds to the subsidiaries. It is anticipated that the company and subsidiaries may issue additional debt or equity securities. In addition to other indebtedness the company as of October 31, 1963 had outstanding 1,443,600 shares of common stock, of which the officers and directors as a group owned beneficially 46,945 shares. Frank A. O'Neill is president and director and Kenneth D. Knoblock is executive vice president, treasurer and director.

HEALTH INSURANCE OF VERMONT FILES FOR RIGHTS OFFERING. Health Insurance of Vermont, Inc., 109 S. Winooski Ave., Burlington, Vermont, filed a registration statement (File 2-21903) with the SEC on November 26 seeking registration of 40,000 shares of common stock to be offered for subscription by common stockholders at the rate of one share for each three shares held. No underwriting is involved. The record date and subscription price (maximum \$9.00 per share*) are to be supplied by amendment.

Incorporated under the laws of Vermont in 1961, the company, which is still in the development stage and has operated at a loss since its inception, is engaged in the business of health insurance. The net proceeds from the stock sale will be used to increase capital and paid-in surplus and to meet operating expenses. The company has outstanding 110,200 shares of common stock, of which directors and officers of the company, as a group, owned 19.5% as of September 30, 1963. Of the outstanding shares, 42,050 shares are reserved for issuance under the company's restricted stock option plan and other options. If the 40,000 shares proposed to be offered are sold, the book value of each share sold at the subscription price will be approximately \$3.80. Bernard H. Zais is chairman of the board and president of the company.

CALVERT - MID-AMERICA, INC. FILES FOR OFFERING. Calvert - Mid-America, Inc., 1200 Petroleum Club Bldg., Oklahoma City, Okla., filed a registration statement (File 2-21904) with the SEC on November 26 seeking registration of 250 participating units in the Calvert - Mid-America, Inc. 1964 Fund, to be offered for public sale at a price of \$10,000 per unit, subject to assessments for completion costs. The Fund will consist of an undetermined number of oil and/or gas projects. Each project will consist of working interests under one or more oil and gas leases on lands located within the United States (including Alaska) or Canada. It is expected that operations of the Fund will be located in the Mid-Continent, Rocky Mountain and Gulf Coast areas.

The company was formed on October 28, 1963, and has had no business transactions other than the insurance of 10,000 shares of capital stock and the acquisition of all the outstanding capital stock of Midamco, Inc., an Oklahoma corporation which is a registered broker-dealer, from Mid-America Minerals, Inc., for a cash

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consideration of \$11,000. Of the company's 10,000 shares of capital stock, Mid-America owns 5,000 shares; H. K. Calvert president of the company, owns 2,000 shares, and F. A. Calvert, Jr., vice president, owns 2,750 shares. It is contemplated that the company will engage generally in the business of exploring for, developing, and operating oil and gas reserves and properties.

Solicitations for the purchase of the 250 units will be made by the company, as issuer, and by Midamco, as underwriter, all on a best-efforts basis. Unless a minimum of 50 units (\$500,000 plus completion assessments) are subscribed on or before April 30, 1964, all subscriptions will be cancelled and all funds paid on subscriptions will be returned to the subscribers. If at least 50 units are subscribed by April 30, 1964, solicitations for additional subscriptions may be continued, at the pleasure of the company, until June 30, 1964, after which date no further subscriptions will be solicited or accepted. Upon termination of solicitations, if the said minimum units have been subscribed, an underwriting commission of \$100 will be paid by each unit subscribed, plus certain costs. The net proceeds from the sale of the units will be used to cover the costs to the participants of acquiring the projects, or interests therein, and of drilling test wells on the projects.

PRUDENTIAL FILES FOR GROUP VARIABLE RETIREMENT CONTRACTS. The Prudential Insurance Company of America, Prudential Plaza, Newark, N. J., filed a registration statement (File 2-21905) with the SEC on November 27 seeking registration of \$25,000,000 of group variable retirement annuity contracts designed to fund and provide benefits under pension and profit-sharing plans established by self-employed individuals for themselves and their employees pursuant to the Self-Employed Individuals Tax Retirement Act of 1962. Prudential will offer the contracts through its home office and regional home office employees and through its group sales offices in those states in which the contracts may be lawfully sold. It will also offer the contracts through licensed sales representatives and insurance brokers, provided clearances to do so are secured in any jurisdiction where such clearances may be necessary or desirable. The group variable retirement annuity contracts provide that Prudential, after notice to the contract holder, may refuse to accept further contributions if the sum of the contributions in any year under both the variable annuity contract and the companion fixed-dollar annuity contract also offered by Prudential is less than a stated amount. This amount may be different under different contracts but it will not be less than \$50,000. For this reason the contracts will be sold primarily through associations.

The group variable retirement contracts will be administered through a separate account, the Variable Contract Account of Prudential, established to administer all contracts issued by the company which provide for values or benefits which vary according to the investment results of a separate investment portfolio. All the assets and liabilities of the Variable Contract Account will be allocated, within the Account, to one of two component accounts known respectively as the "Investment Fund" and the "Other Assets." The Investment Fund will be legally segregated from the other assets of Prudential, i.e., the assets of the Investment Fund will not be subject to claims of any persons except those covered under variable contracts. The assets of the Other Assets account, to the extent they exceed the liabilities of this account, will be the insurance surplus of the Variable Contract Account and will be part of the general surplus of Prudential. The total market value of the assets in the Investment Fund will be equal to the total reserve liability for all payments or values which vary to reflect the investment results of the Investment Fund. Ninety-five percent of each contribution made by or on behalf of a person participating in the group variable retirement annuity contract will be applied to credit "Accumulation Units" for such person, and this amount will become part of the Investment Fund. The Accumulation Unit is the basis on which records under the contract will be kept and the values thereunder determined. The remaining five percent of each contribution will be placed in the Other Assets of the Variable Contract Account and will be held to provide for Prudential's operating expenses and, if required, to help meet Prudential's guarantees under its contracts. In addition to the five percent of the contribution on behalf of each participant to be retained by Prudential for expenses and contingencies and not be placed in the Investment Fund, a monthly charge at the effective annual rate of 0.5% of the applicable reserve liability under the contract will be made in determining accumulation and annuity unit values. Also, an annual charge, which will be set forth in the contract and may be as much as \$25 for the first year of participation and \$10 thereafter, depending upon the extent to which services and record-keeping functions are performed by Prudential, will be made for each participant under the contract and a charge in the same amount will be made when a participant's accumulation is canceled for any reason. Taxes arising from the operation of the Investment Fund will be deducted in determining the investment return of the Investment Fund.

P.S.I. INDUSTRIES RECEIVES EXEMPTION ORDER. The SEC has issued an order under the Securities Exchange Act of 1934 exempting P.S.I. Industries, Inc., of Chicago, Ill., from the duty to file annual and other periodic reports with the Commission. The company has filed reports pursuant to an undertaking contained in a 1946 registration statement under the Securities Act of 1933. According to the company's application, all but 1,630 of the 400,000 outstanding shares of common stock are held by Wallace A. Erickson & Co., which is 100% owned by Wallace A. Erickson and his wife, and Erickson & Co. expects to acquire the remaining 1,630 shares from the 30 holders thereof.

AMERICAN ELECTRIC POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-14971) authorizing American Electric Power Company, Inc., New York holding company, to pay a stock dividend at the rate of three shares on each 100 shares of its outstanding \$6.50 par value common stock. The dividend is to be payable January 10, 1964, to holders of record on December 9, 1963.

JERSEY CENTRAL POWER & LIGHT SEEKS ORDER. Jersey Central Power & Light Co., Morristown, N. J., an electric utility subsidiary company of General Public Utilities Corporation, a registered holding company, has applied to the SEC for an order under the Holding Company Act authorizing the company to amend its charter to permit it to engage in hydroelectric activities and authorizing related transactions, and the

Commission has issued an order (Release 35-14972) giving interested persons until December 20, 1963, to request a hearing on the application.

Jersey Central is engaged in the business of steam generation, transmission, distribution, and sale of electric energy in New Jersey. It proposes to amend its charter to authorize it to construct, own, and operate dams and other hydroelectric facilities, including pumped storage power facilities, and to use condemnation powers to acquire properties required for these purposes, all as permitted by a New Jersey law which became effective on June 14, 1963. This proposed amendment requires the affirmative vote of the company's outstanding common stock, all owned by GPU. Jersey Central also proposes to acquire, for \$1,000, the capital stock (100 shares of \$10 par common stock) of Yards Creek Pumped Storage Power Company and, following the proposed charter amendment, to merge Yards Creek into Jersey Central. In addition, Jersey Central proposes to amend its charter to authorize an increase (from 10% to 20% of the aggregate of Jersey Central's secured indebtedness, capital, and surplus) of securities representing unsecured indebtedness which it may have outstanding at any one time. The affirmative vote of the holders of two-thirds of the company's outstanding preferred stock, all publicly held, and two-thirds of the common stock is required to effectuate this amendment. Jersey Central proposes to solicit proxies from its preferred stockholders for such vote in connection with a special meeting of stockholders called for that purpose.

LIFE AND FINANCE RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-3831) extending the period of exemption of Life and Finance Companies, Inc., Indianapolis, Ind., from provisions of the Act until such time as the Commission has entered an order determining the company's status under the Act. The order is subject to the company's compliance with its undertaking that pending determination of its status under the Act it will not, without prior permission of the Commission, engage in any transaction or take any action which would be prohibited to a registered investment company.

MIDLAND CAPITAL CORPORATION SEEKS ORDER. Midland Capital Corporation, New York small business investment company, has applied to the SEC for an exemption order under the Investment Company Act of 1940 with respect to certain proposed transactions between Midland and Florence Nightingale Nursing Home, Inc., and the Commission has issued an order (Release IC-3832) giving interested persons until December 12 to request a hearing on the application. Florence is soon to be organized as a New York corporation and will be considered a small business concern under the Small Business Investment Act. Midland proposes to invest an aggregate of up to \$500,000 in Florence, which plans to construct a nursing home to be located at 167 - 175 East 96th St., New York, on property currently owned by Charles E. Sigety and William N. Breger.

SECURITIES ACT REGISTRATIONS. Effective November 27: Pacific Northwest Bell Telephone Co. (File 2-21868). Effective November 29: Hack's, Inc. (File 2-20455); Progress Manufacturing Company, Inc. (File 2-21848); Security Title and Guaranty Co. (File 2-21786); United Investors Corp. (File 2-21613).

*As estimated for purposes of computing the registration fee.

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