Insurance Insiders Silent on New Issue

By JIM MONTGOMERY

Hottest topic in Atlanta financial circles now is an insurance company to be with a big stock issue to come.

But nobody connected with the venture will discuss it.

The principals and underwriters greet press inquiries with stony silence, obviously scared stiff that the Securities & Exchange Commission will assume any news story on it was planted by them for the sake of peddling stock.


Jim Montgomery

And this is a particularly sensitive time because the company's stock registration statement is in Washington awaiting SEC action assigning an effective date.

But the SEC also has the power to delay the issue if it suspects premature promotional efforts.

So no insiders are talking; just everybody else.

Meanwhile, a call to the SEC's regional office in Atlanta unearthed a copy of the public announcement issued by the SEC itself when the registration statement was filed some three weeks ago—issued in Washington, that is, not Atlanta.

The SEC announcement shows that United Trust Life Insurance Co. of Atlanta actually filed two registration statements on Sept. 22.

United Trust, they reveal, intends to raise a whopping $10 million (less underwriting discounts) through the sale of one million shares of common stock at $10 a share.

Right off hand, we can think of no insurance company that has ever sought so great an initial capitalization.

One of the registration statements covers 750,000 shares, of which 700,000 are to be offered for public sale (on whatever effective date the SEC sets) through an underwriting group headed by Bache & Co. of New York and Courts & Co. of Atlanta.

$10 A SHARE

The SEC said the offering price, which it estimated at $10 a share maximum for purposes of computing the registration fee, and underwriting terms are to be supplied by amendment. The remaining 50,000 shares of this issue are to be offered to persons designated by the company.

The other registration statement covers an additional 175,000 common shares to be offered through company officials at $10 a share as follows:

A total of 50,000 shares in equal parts to Atlantic Realty Co., in which a majority interest is held by Courts & Co. and certain of its partners and their families, and to Bache & Co.

100,000 SHARES

Approximately 100,000 shares to United Trust officials and members of their families.

The balance, some 25,000 shares, to prospective investors "who may be valuable in marketing the company's insurance policies and developing business."

The SEC announcement also noted that United Trust already has outstanding 75,000 common shares sold at $10 a share to 15 unidentified preorganizational subscribers, and that management officials as a group own 35,000 of these shares.

It further points out that United Trust was organized in Georgia last May, has offices in the Hurt Building, and intends to conduct a life, accident and health insurance business.

NET PROCEEDS

The net proceeds of the stock sale, it adds, are to be used to meet capital requirements for applying for a license to engage in the insurance business in Georgia and to conduct an insurance business.

The only company official identified by the SEC release is Paul Light, president.

While no background is given on him, his former employer sent out a press release a few weeks ago announcing the appointment of his successor and mentioning that Light had become president of United Trust in Atlanta. That employer was Pan American Life in New Orleans and, as best we can recall now, Light was vice president in charge of agencies.

Anyway, United Trust and its proposed big stock issue are what have been keeping Atlanta financial and insurance executives buzzing with speculation in recent weeks.

Westinghouse Raises Transformer Prices

SHARON, Pa. (AP) — Westinghouse Electric Corp. announced Wednesday it has increased prices for certain types of electrical equipment.

The company eliminated a 10 per cent discount from list prices on network transformers and changed the discount for self-cooled power transformers rated 501 kilovolt-amperes through 15,000 KVA from 15 per cent to 10 per cent.

Westinghouse said the increases were necessary to cover increased costs of labor and materials.

STRICTLY BUSINESS

"The cooing may have stopped, but the billing continues."

People and Events

The Atlanta Society of Financial Analysts will meet twice next week. On Wednesday, Henry Kaufman of Salomon Brothers & Hutzler, New York, will speak on "The Outlook for Interest Rates." Thursday speakers will be L. E. Felton, chairman, and Robert C. Cosgrove, president, of the Green Giant Co., Le Sueur, Minn. Both meetings convene at 12:30 p.m. in the Civic Room of the Commerce Building.

The Association for Computing Machinery is holding a Southeast regional conference Thursday through Saturday at the Atlanta Americana Motor Hotel.


Cecil A. Pool

Cecil A. Pool of Atlanta has been named resident vice president of the Fireman's Fund American Insurance Companies. He will continue to manage the group's branch office here. A graduate of Georgia State College, he joined Fireman's Fund in 1939.

The National Association of Bank Women, now holding its 42nd annual convention in Memphis, Tenn., Thursday will install two Atlantans in top offices: Mrs. Evelyn L. Worley, vice president, Citizens & Southern National Bank, as president, and Miss Eleanor J. Thornton, assistant vice president, C&S National Bank, as corresponding secretary.

Youngstown Joins In Steel Price Rise

Fourth Major Producer Orders Increase for Re-Bars

NEW YORK (AP)—A price increase of steel reinforcing bars spread to a fourth major producer Wednesday as speculation rippled through the industry about prospects for broader price boosts.

Re-bars, accounting for about 4 per cent of over-all steel product shipments, are used to strengthen concrete in construction work.

A Youngstown Sheet & Tube Co. said the company, while adhering to a policy of not publishing re-bar prices, will quote a price on inquiry of $5.25 a hundred pounds.

AN EXTRA CHARGE

An extra charge of 25 cents will be quoted for high-strength bars, the company said.

The Youngstown action fell into a pattern set earlier by U. S. Steel Corp. at re-bar plants in the Midwest, by Inland Steel Co. and by Armco Steel Corp.

Bethlehem Steel Corp. was reported still selling at around $4.50 a hundredweight from its Sparrows Point plant on tidewater near Baltimore, Md.

FOREIGNERS COMPETE

In recent years, foreign steelmakers have cut sharply into the U. S. market for re-bars, forcing prices lower, especially along the Atlantic and Gulf coasts.

Many U. S. producers stopped publishing prices on the product in 1961-62. Inland was the only major company in the last few months to maintain a published figure—$4.50 a hundredweight.

Lately, foreign producers for various reasons have competed less aggressively.

RETURN LOW

The Youngstown move came on the heels of remarks by Logan T. Johnston, Armco president, that focused attention on the possibility of more significant price increases.

Echoing sentiments of some other steel industry leaders, Johnston said Tuesday in Middletown, Ohio, that he considered return less than adequate on over 50 per cent of Armco product shipments, mentioning some grades of plate and sheet specifically.

Meantime, Crucible Steel Co. announced increases of 5 to 10 per cent in the price of certain special steels sold to farm equipment manufacturers for use in plows and harrows.

R. H. Dobbs Heads U.S. Life Insurers

R. Howard Dobbs Jr. of Atlanta was elected Wednesday as president of the American Life Convention at the life insurance trade association's annual meeting in Chicago, Ill.


R. Howard Dobbs Jr.

Dobbs, president of the Life Insurance Company of Georgia, becomes the 61st head of the ALC, the largest trade organization of legal reserve life insurance companies. Its 315-member companies in the United States and Canada have 93 per cent of the life insurance in force in this country.

A native of Atlanta, Dobbs, 58, joined Life of Georgia in 1925 and has been its president since 1948.

He is a former president of the Life Insurers Conference and also has served as a director of the Institute of Life Insurance and as vice president of the Health Insurance Association of America. Currently, he is a director of Atlanta Gas Light Co., Marble Products Co., Rich's, Southern Bell Telephone Co. and the Trust Company of Georgia.

UAW Considers Whether to Strike Over Profit-Sharing at American

DETROIT (AP) — The United Auto Workers Union told American Motors Corp. Wednesday it expects to decide in a matter of hours whether continuation of a profit-sharing program in a new labor contract is a strikable issue.

Meanwhile, the strike at General Motors Corp. was beginning to make itself felt economically.

American has proposed eliminating profit sharing on the grounds the union wants the program on top of the economic package it negotiated previously with General Motors, Ford and Chrysler.

These packages have been estimated as worth 54 cents an hour per worker over the three-year life of the contract. Under the old contracts UAW workers at the Big Three made about $3.01 an hour, plus fringes. The new contracts provide for early retirement incentives, improved health and insurance benefits, longer vacations and wage increases.

The UAW is insisting on carrying forward the automotive industry's only profit-sharing plan, worth 24 cents more per man — at American. A strike deadline of Thursday midnight has been set. Most other major issues have been settled.

Despite their new national contract settlements, GM and Ford are beset by labor troubles.

GM production of 1965 model cars has been cut off by a nationwide strike over local-level issues in bargaining on at-the-plant working agreements which supplement the national contract. Approximately 300,000 are idle.

George Higgins, a prominent Detroit-area GM dealer, commented he was hurting. Higgins said he sold all the 1965 models GM delivered — slightly more than 100 — and had orders for 445 more.

Ford's gigantic Rouge plant in suburban Dearborn is being picketed by the Pattern Makers Union (AFL-CIO) in support of its own new contract demands. And at two engine plants and a foundry outside Cleveland, Ohio, both the pattern makers and the Brotherhood of Electrical Workers are striking on economic issues.

UAW workers in Dearborn walked through the Pattern Makers picket lines, but at Cleveland they have ignored orders of UAW international officers and are honoring picket lines and keeping the three plants shut down.

Douglas Fraser, chief of UAW's American Motors department, said the union's 52-member negotiating committee at American would take a vote on whether to strike in support of continuing the profit-sharing plan.

Atlanta Spot Cotton

Prices in Cents Per Pound

New York Cotton

Middling spot 31.40n, unchanged.

Cottonseed Meal

MEMPHIS (AP)—Cottonseed meal bulk future quotations prime 41 per cent protein basis.

Over-the-Counter Securities

The following bid and asked quotations are obtained from the National Association of Securities Dealers, Inc. They do not represent actual transactions, but are intended as a guide to the approximate range within which these securities could have been sold (indicated by the "Bid") or bought (indicated by the "Asked") at the time of compilation, 11 a.m.

INDUSTRIALS AND UTILITIES

INSURANCE STOCKS

BANK STOCKS

COMPLETE MUTUAL FUNDS