

## 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.

FOR RELEASE April 7, 1961

HERMON HANSON OIL SUSPENSION PERMANENT. The SEC has cancelled the hearing scheduled for April 10, 1961, in its Denver Regional Office, on the question whether to vacate, or make permanent, the March 16th order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to the proposed public offering of stock by The Hermon Hanson Oil Syndicate, Inc., of Underwood, N. Dak. The hearing was cancelled after receipt of advice from the issuer that it did not intend to be present at the hearing and preferred that no hearing be held. Accordingly, the suspension order becomes permanent.

COMMITTEE OIL SUSPENSION PERMANENT. The Commission also has cancelled the hearing scheduled for April 12th in its Denver Regional Office on the question whether to vacate or make permanent the Commission's order of March 7th temporarily suspending a Regulation A exemption from registration with respect to a proposed stock offering by Committee Oil Co., of Denver. The action was taken following withdrawal by the issuer of its request for hearing; and, accordingly, the suspension order becomes permanent.

FIRST PACIFIC EQUITIES REVOKED. The SEC has issued a decision under the Securities Exchange Act (Release 34-6516) revoking the broker-dealer registration of The First Pacific Equities Corporation, 100 American Bank Bldg., Portland, Ore., for violation of the Commission's net capital rule under that Act. Tom E. Pillette, its president, was found to be a cause of the revocation order. The company and Pillette consented to entry of the revocation order. According to the decision, the company engaged in the conduct of a securities business during April 1960 when it had a net capital deficiency of from \$3,755 to \$6,488.

EDWARD TAGUE CO. ENJOINED. The SEC Washington Regional Office announced April 4th (LR-1969) the entry of a Federal court order (USDC, Pittsburgh) preliminarily enjoining W. Edward Tague, doing business as W. Edward Tague Company, from further violations of the SEC net capital rule. Motion for permanent injunction scheduled for hearing May 1st.

PAUL M. HUGHES PLEADS GUILTY. The SEC announced April 6th (LR-1970) that Paul M. Hughes had entered a plea of guilty (USDC SDNY) to a charge of conspiring to violate the Securities Act registration and anti-fraud provisions in the sale of stock of Western Financial Corporation, Diversified Financial Corporation of America, and Consolidated American Industries, Inc. through the firm of World Wide Investors.

INDICTMENT NAMES DAVID E. HENSLEY. The SEC Seattle Regional Office announced April 3d (LR-1971) that David Earle Hensley had been arrested at Scottsdale, Ariz., under an indictment (USDC, Seattle) charging fraud in the offer and sale of stock of D. Earle Hensley Co., Inc., a Seattle securities firm.

HOWARD I. HANSELL JR. ENJOINED. The SEC New York Regional Office announced April 3d (LR-1972) the entry of a Federal court order (USDC SDNY) permanently enjoining Howard F. Hansell, Jr., from further violations of Sections 9(a)(1) and 10(b) of the Securities Exchange Act in connection with his transactions in Lamb Industries stock.

GEORGE A. KERR PLEADS GUILTY. The SEC announced April 5th (LR-1973) that George Alexander Kerr had entered a plea of guilty (USDC, Seattle) to one count of an information charging violations of the Mail Fraud Statute in connection with the sale of securities of Eagle Plains Explorations Ltd. and Eagle Plains Developments Ltd.

SCOPE FILES FOR OFFERING. Scope, Incorporated, 121 Fairfax Drive, Falls Church, Va., filed a registration statement (file 2-17822) with the SEC on March 28, 1961 (inadvertently omitted from the News Digest on that date) seeking registration of 75,000 shares of common stock, to be offered for public sale on a best efforts basis through Hodsdon & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment. If the entire issue is sold, the underwriter will be entitled to purchase 7-year warrants to purchase an additional 5,000 common shares, and Gerald T. Kenny and Ralph M. Newman, as finders, will have an option to purchase 3,500 warrants. The purchase and exercise prices of the warrants also are to be supplied by amendment.

The company is primarily engaged in a variety of research and development projects in the physical sciences for different agencies of the United States Government under "cost-plus-a-fix-fee" contracts. It has also been engaged in designing and developing a photo-electric musical organ for commercial production and sale. The net proceeds from the stock sale will be used as follows: \$225,000 for production and marketing of the organ product line; \$20,000 to pay a note incurred to produce a demonstration model of the organ; \$35,000 for production and marketing of a Rhythm-Scope device which depicts music in full color on a screen; and the balance will be added to working capital and used for general corporate purposes.

The company has outstanding 177,213 shares of common stock, of which Richard E. Williams, president, owns 16.2%, Beatrice S. Williams, his wife, 12.9%, Barney J. Williams, a director, (and father and Richard E.), 17.2%, James R. Grandin, 11.4%, and management officials as a group 67.9%. Stockholders' equity at December 31, 1960 amounted to \$105,146.

OVER

**GEM INTERNATIONAL FILES FOR SECONDARY.** Gem International, Inc., 10900 Page Blvd., St. Louis, Mo., filed a registration statement (File 2-17919) with the SEC on April 6, 1961, seeking registration of 150,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering will be made on an all or none basis through underwriters headed by Bosworth, Sullivan & Company, Inc. and Scherck, Richter Company. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized under Colorado law in January 1960. It is presently engaged in the operation, either directly or through subsidiaries, of department stores in the seven metropolitan areas of Denver, Kansas City, St. Louis, Minneapolis, Honolulu, Wichita and Washington, D. C. The company acquired the interests of the shareholders and partners of its eight predecessor companies in exchange for one million shares of common stock. The aggregate net worth of such predecessor entities, as of December 31, 1959, as shown on their books was about \$990,500. In April 1961 the company has or will acquire the interests of the shareholders of G.E.M., Inc., which operates three stores in the vicinity of Washington, D. C., in exchange for 320,000 common shares. The stores, known as "GEM", are stores in which the right to shop is limited to members or registrants and their families, and known in the trade as a closed-door membership department store. With minor exceptions, the merchandise is sold by independent, licensed concessionaires, not by the company or its subsidiaries.

The company now has outstanding 1,150,000 shares of common stock, of which Myron R. Emrich, president, owns directly or indirectly 161,083 shares and proposes to sell 26,310 shares, Robert L. Wolfson, board chairman, owns 87,795 shares and proposes to sell 7,500 shares, Ben H. Antonoff, a vice president, owns directly or indirectly 136,204 shares and proposes to sell 17,500 shares, and Charles M. Borwick, a vice president, owns directly or indirectly 130,962 shares and proposes to sell 17,229 shares. The prospectus lists 31 other selling stockholders who propose to sell amounts ranging from 100 to 10,000 shares of their present holdings.

**SOCONY MOBIL OIL FILES STOCK PLAN.** Socony Mobil Oil Company, Inc., 150 East 42nd Street, New York, today filed a registration statement (File 2-17921) with the SEC seeking registration of 600,000 shares of capital stock, to be offered to key employees of the company pursuant to its Incentive Stock Option Plan.

**DELISTING OF COSTA RICA BONDS PROPOSED.** The SEC has issued an order under the Securities Exchange Act (Release 34-6523) giving interested persons until April 24th to request a hearing on an application of the New York Stock Exchange to delist the 7% Gold Bonds due 1951 of the Republic of Costa Rica, only \$95,500 of which remained outstanding at termination of a recent exchange offer.

**THREE DELISTINGS APPROVED.** The SEC also has issued orders (Release 34-6523) granting applications (a) of the New York Stock Exchange to delist the \$1.25 cumulative prior preference stock of Robert Reis & Co. and the capital stock of General Realty & Utilities Corp., and (b) of the Midwest Stock Exchange to delist the common stock of The Lamson & Sessions Co., effective at the close of trading sessions on April 17, 1961. The applications represent that the market value of the Robert Reis preferred is small and its distribution has been shrinking under an offer of common stock in exchange; that General Realty is in the process of liquidation; and that the Lamson & Sessions stock remains listed on the American Stock Exchange.

**UNLISTED TRADING SOUGHT.** The SEC has issued orders giving interested persons until April 24, 1961 (Release 34-6523) to request hearings on applications (1) of the Boston Stock Exchange for unlisted trading privileges in the common stocks of Chock Lull O'Nuts Corporation and Indiana General Corporation and (2) of the Philadelphia-Baltimore Stock Exchange such privileges in the common stocks of American Meter Company and Southern Natural Gas Company.

**BANK FIDUCIARY FUND SEFKS ORDER.** Bank Fiduciary Fund of Maine, Portland, Me., has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release 40-3225) giving interested persons until April 20, 1961, to request a hearing thereon. The company also seeks withdrawal of a prior application for exemption from certain specified provisions of the Act. According to the present application, since the Fund's organization a substantial number of the banks and trust companies in the State of Maine, which had initially proposed to use Applicant's services, merged with larger banking institutions which operated their own common trust funds. These changes in circumstances reduced the need for Applicant's services and on June 25, 1960, its Board of Directors voted to terminate its Registration under the Act and to cease to transact business.

**SEC COMPLAINT NAMES AMERICAN DIVERSIFIED SECURITIES.** The SEC Washington Regional Office announced April 6th (LR-1974) the filing of Federal court action (USDC DC) seeking to enjoin American Diversified Securities, Inc., Washington broker-dealer firm, from further violations of the SEC Net Capital Rule and seeking the appointment of a receiver for the firm. Temporary restraining order issued by the court, which set for hearing on April 11th the Commission's motion for a receiver and for a preliminary injunction.

**SOCONY MOBIL OIL FILES SAVINGS PLAN.** Socony Mobil Oil Company, Inc., 150 East 42nd Street, New York, today filed a registration statement (File 2-17920) with the SEC seeking registration of \$109,800,000 of interests in the company's Employees Savings Plan, and 2,509,714 shares of capital stock which may be acquired pursuant thereto.

**SECURITIES ACT REGISTRATIONS.** Effective April 7: Dial Finance Company (File 2-17634); The Peoples Gas Light and Coke Company (File 2-17603); The Coca-Cola Company (File 2-17759). Withdrawn April 7: Meredith Publishing Company (File 2-17562). Effective April 6: Electro Consolidated Corporation (File 2-17537).