

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.

FOR RELEASE January 13, 1959

MISSISSIPPI POWER BORROWINGS CLEARED

The SEC has issued an order (Release 35-13910) authorizing Mississippi Power & Light Company, Jackson, to issue and sell \$5,000,000 of bank notes to defray a portion of the cost of its construction program. Expenditures under this program are estimated at \$7,500,000 for 1959, \$8,000,000 for 1960 and \$9,000,000 for 1961.

SMALL BUSINESS INVESTMENT EXEMPTION RULE PROPOSED

The SEC today announced a proposal for the adoption of identical rules under the Securities Act of 1933 and the Investment Company Act of 1940, to provide that certain offerings of capital stock by a small business investment company shall not be deemed a "public offering"; and it invited the submission of views and comments thereon not later than February 4, 1959.

The proposed rules will, in the Commission's view, tend to effectuate the purposes and objectives of the Small Business Investment Company Act of 1958 without adversely affecting the public investor interest or achievement of the statutory purposes of the laws which the Commission administers.

Under Section 304(d) of the Small Business Investment Act, whenever a small business investment company provides capital to a small-business concern through the purchase of the latter's convertible debenture bonds, the small-business concern is required to purchase stock of the small business investment company in an amount equal to not less than 2% nor more than 5% of the capital so provided in accordance with regulations prescribed by the Administrator of the Small Business Administration. Such regulations recently promulgated by the Administrator specify certain minimum amounts of such stock which a small-business concern is required to purchase depending upon the amounts of capital which it obtains from a small business investment company through the issuance of convertible debenture bonds.

It has been suggested that the purchase and sale of the investment company's capital stock under these circumstances is intended to serve purposes other than that of raising capital for the investment company and that there is no public offering of stock within the intent and provisions of the Securities Act and the Investment Company Act. Nevertheless, since the requirements of the Small Business Investment Act and the rules and regulations thereunder necessitate that the investment company in its role as a provider of capital continually stand ready to sell its stock to small business concerns, a continuous disposition of stock by the small business investment company may well be involved.

Accordingly, the Commission proposes to adopt the new rules of interpretation determining that, under certain conditions, such an offering of capital stock by a small business investment company shall not be deemed a public offering and, therefore, need not be registered with the Commission.

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

BRADFORD ENJOINED

The San Francisco Regional Office of the Commission on January 8, 1959, announced the issuance of a court order by the USDC at Los Angeles, permanently enjoining William Douglas Bradford, 639 So. Spring St., Los Angeles, from further violations of SEC rules governing the maintenance of proper books and records relating to the conduct of a securities business and the filing of an annual financial report.

ELJO OIL & MINING OFFERING SUSPENDED

The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public stock offering by Eljo Oil & Mining Corp., of Las Vegas, Nevada. The order provides an opportunity for hearing on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration under the Securities Act with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed with the Commission on August 12, 1957, Eljo Oil proposed the public offering of 250,000 common shares at \$1 per share pursuant to such an exemption.

In its order, the Commission asserts that Eljo Oil failed to comply with certain terms and conditions of Regulation A, in that it offered its securities in a jurisdiction (state) not specified in its notification and failed to file certain sales literature, as required. Furthermore, according to the order, the company's offering circular contains untrue statements of material facts, fails to reflect material changes which have occurred in the affairs of the company, and omits to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, particularly with respect to (1) the acquisition of new properties and (2) the use of proceeds from the sale of stock.

AUSTRALIAN GRAZING FILES FOR STOCK OFFERING

Australian Grazing & Pastoral Co., Limited, 1301 Avenue L, Cisco, Texas, filed a registration statement (File 2-14679) today with the SEC seeking registration of 4,000,000 shares of its Common Stock. It is proposed to offer this stock for public sale at its 56 $\frac{1}{4}$ ¢ per share par value.

The company was organized in the Northern Territory of Australia on April 29, 1954, with offices at Darwin, N. T. Australia. Its ranch offices are located at Walhallow Station, Anthony Lagoon P. O., N. T., Australia. The president and U. S. Agent is Robert Kamon, of Cisco, Texas. Robert Kamon serves as vice president and treasurer and Isabel Kamon as secretary. They own all of the 7,082 outstanding common shares. The Kamons are said to have put up the original money and loaned the company over \$31,139 cash and much of the equipment used by it. The company purchased Walhallow Ranch located in the Barkly Tableland district of North Australia, said to cover 887,680 acres.

According to the prospectus, the company proposes to offer 3,200,000 common shares "to further stock and develop the ranch and buy additional ranch." An additional 792,918 shares are under stock option to be issued in payment of money borrowed by the company to establish and develop the ranch, and to buy equipment now on the station owned personally by the Kamon family. The remaining 7,082 shares are held by the Kamons. Some \$1,000,000 of the proceeds will be used to purchase 20,000 head of "good quality breeders" at an estimated cost of \$50 per head; \$400,000 for fixed improvements, chiefly fencing and water wells; and \$200,000 for purchase of an additional ranch in Queensland. Part of the proceeds will be used for general corporate purposes.

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Nucleonics, Chemistry & Electronics Shares, Inc., Englewood, New Jersey investment company, filed an amendment on January 12, 1959 to its registration statement (File 2-12840) seeking registration of an additional \$3,000,000 Monthly Investment Plans with and without Insurance and Single Investment Plans.

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