

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.

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ELECTRO-VOICE FILES FOR OFFERING AND SECONDARY

Electro-Voice, Incorporated, Buchanan, Mich., filed a registration statement (File 2-14680) with the SEC on January 13, 1958, seeking registration of 150,000 shares of Capital Stock. Of these shares, 75,000 are now outstanding and are to be offered for sale by the holders thereof; and the remaining 75,000 shares are to be offered for the account of the issuer. The public offering price and underwriting terms are to be supplied by amendment. F. S. Moseley & Co. is listed as the principal underwriter.

Net proceeds to the company from its stock offering will be added initially to its general funds. It is proposed to retire presently outstanding short-term bank loans, but it is anticipated that intermittent bank borrowings in the future will be required. During the next twelve months the company plans to expend approximately \$250,000 of these funds for additions to productive capacity and \$200,000 for expansion of engineering and research facilities.

The company now has outstanding 398,650 common shares, of which 245,350 shares (61.55%) are said to be owned by officers, directors and principal stockholders. The largest individual blocks are held by Albert Kahn, president, 137,250 shares, Anne S. Kahn, 66,000 shares, Robert E. Siekman, executive vice president, of South Bend, Ind., 33,800, and Alpha M. Wiggins, vice president, 32,400 shares. They propose to sell 31,000, 15,000, 7,000 and 6,500 shares, respectively. The balance of the shares are being sold by nine other selling stockholders.

COMPLAINT CITES WEBSTER SECURITIES

The SEC New York Regional Office announced on January 12, 1959, that a complaint had been filed (USDC, SDNY) seeking to enjoin Webster Securities Corporation, 37 Wall St., New York, its president and controlling stockholder Irving Kastner, and Howard F. Hansell, Jr., of Philadelphia, from further violations of the anti-fraud provisions of the Securities Act in the sale of Goldfield Rand Mines Co. of Nevada stock.

FOUNDATION INVESTMENT PROPOSES OFFERING

Foundation Investment Corporation, 515 Candler Bldg., Atlanta, Ga., filed a registration statement (File 2-14681) with the SEC on January 13, 1959, seeking registration of 231,988 shares of Common Stock. The company proposes to offer these shares for subscription by stockholders at \$12.50 per share net to the company, and unsubscribed shares will be offered for public sale at \$12.50 per share. No underwriting is involved. Expenses of the offering, including commissions to company agents and employees, are estimated at \$1.25 per share.

The company's objective and purpose was to organize or purchase one or more new insurance companies, to use its resources to provide and enhance the growth of its subsidiary insurance company, and to invest part of its remaining funds in the common stocks of established old line insurance companies. It owns all but 14 qualifying shares of Union National Life Insurance

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Company, which received a license in 1957 to engage in the life insurance company business in Georgia. It also owns an 85% interest in Gulf States Life Insurance Company, of Birmingham.

Foundation Investment expects to use the proceeds of this stock sale to pay off the \$2,489,071 balance owing on notes issued in part payment of Gulf States Life Insurance (issued in the face amount of \$2,730,843).

SEC EXEMPTS AMERICAN-SOUTH STOCK PURCHASE

The SEC has issued an exemption order under the Investment Company Act (Release 40-2819) authorizing American-South African Investment Company, Limited, to increase its holdings in St. Helena Gold Mines Limited by purchasing an additional 35,000 shares from wholly-owned subsidiary of Engelhard Industries, Inc., of which Charles W. Engelhard, board chairman of the Investment Company, owns a majority of the outstanding voting stock.

SEC ORDER CITES MIDLAND SECURITIES

The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Midland Securities, Inc., 30 Broad Street, New York, N. Y., defrauded investors in the sale of Inland Resources Corporation stock and, if so, whether its broker-dealer registration should be revoked and/or whether it should be suspended or expelled from membership in the National Association of Securities Dealers, Inc.

According to the Commission's order, Midland became registered with the Commission on December 13, 1954. Ben Degaetano is president, Michael DiGaetano is vice president and Nancy DeGaetano is secretary (each is also a director), and since January 1, 1958, Herbert Geist, Marvin Berkrot and Irving R. Winkler have been employed as salesmen. (Spelling of names correct.)

The Commission asserts that information developed in an investigation conducted by its staff tends to show that, in connection with the offering and sale of Inland Resources stock, Midland and the said officers and salesmen made false and misleading representations of material facts and employed "devices, schemes and artifices to defraud ... and engaged .. in transactions, practices and a course of business which operated as a fraud and deceit" upon the purchasers of such stock. The misrepresentations related among other things to the ownership of Inland and its present and proposed corporate activities, the assets and financial condition of Inland, the present and future price of its stock and the listing of Inland stock on an exchange, the source of Inland stock being offered and sold, and the length of time Midland has been engaged in the securities business.

A hearing for the purpose of taking evidence with respect to the foregoing matters will be held at a time and place later to be announced.

(NOTE TO PRESS: Copies of foregoing also available SEC New York Regional Office.)

CITY LANDS PROPOSES STOCK OFFERING

City Lands, Inc., Room 3748, 120 Broadway, New York, filed a registration statement (File 2-14683) with the SEC on January 13, 1959, seeking registration of 100,000 shares of Capital Stock, to be offered for public sale at \$20 per share by Model, Roland & Stone, which will receive a commission of 25¢ per share.

The company was organized in December 1958 at the instance of the underwriter to serve as a medium for investment in a variety of types of real estate in the United States. Advantageous investment opportunities will be sought in (a) improved residential and commercial real estate; (b) unimproved land suitable for development for residential and commercial purposes; (c) improved property suitable for residential and commercial redevelopment purposes. Consideration may also be given to the acquisition or construction of industrial properties.

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It will be the aim of the company to acquire equity interests in properties in which the total equity investment constitutes a relatively small part of the total investment. The company intends to manage properties in which it is a sole investor through agents appointed for this purpose. It is anticipated that, if it enters a group or syndicate which both acquires a property and undertakes its management, Cith Lands will participate in the revenues and obligations of such management on a pro rata basis. The prospectus lists F. Donald Richart as president.

UNIVERSAL OIL PROCESSES FILES FOR OFFERING

Universal Oil Processes, Inc., 30 Algonquin Rd., Des Plaines, Ill., filed a registration statement (File 2-14682) with the SEC on January 13, 1959, seeking registration of 2,900,000 shares of Capital Stock, to be offered for public sale through an underwriting group headed by Lehman Brothers, Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith. The public offering price and underwriting terms are to be supplied by amendment.

Universal was organized under Delaware law on October 21, 1958, by the three underwriting firms to acquire the assets and business of Universal Oil Products Company (UOP). The latter is engaged, directly or through subsidiaries, in research, development, the ownership and licensing of patents and processes, engineering, and the furnishing of operation, maintenance and construction service to the petroleum, petrochemical and chemical industries. It also manufactures and sells catalysts, oxidation inhibitors, additives and antiozonants to the petroleum, chemical, rubber and food industries.

Net proceeds from the sale of Universal stock will be used to purchase from Guaranty Trust Company of New York, as Trustee for The Petroleum Research Fund, all of the outstanding shares of capital stock of UOP. The purchase price of the UOP shares is to be supplied by amendment. Thereafter, the latter will be merged into Universal Oil Processes, and thereby Universal Oil Processes will acquire the assets and business of UOP. At the same time, the surviving company will change its name to Universal Oil Products Company.

The Petroleum Research Fund, a charitable trust, was created under a 1944 agreement between Guaranty Trust Company of New York, as Trustee, and Shell Oil Company, Inc., Standard Oil Company of California, Standard Oil Company (Ind.), Standard Oil Company (N.J.), The Texas Company, and N.V. de Bataafsche Petroleum Maatschappij, as Donors of UOP securities held by such companies. Phillips Petroleum Company donated its UOP securities directly to the American Chemical Society which in turn delivered such securities to the Trustee in December 1944. The American Chemical Society is presently entitled to receive the net income from such trust fund to be used for advanced scientific education and fundamental research in the petroleum field. Pursuant to the terms of the Trust Agreement, the Trustee applied to the Supreme Court of the State of New York, County of New York, for permission to sell the securities of UOP held in the trust. The Trustee has been authorized to sell the stock of UOP as the result of this proceeding. The Attorney General of the State of New York and the American Chemical Society are parties to this proceeding. Several independent oil companies (Intervenors) are also parties through intervention.

In connection with this proceeding UOP has entered into identical agreements with each of the Intervenors providing, among other things, that for a period of ten years UOP shall not discontinue but shall continue to conduct to a substantial extent research and development work within the petroleum field and will continue its ownership and licensing of processes, patents and patent rights relating to the petroleum field. In addition, during such period, UOP shall, to the extent that it is possible and consistent with sound business practices, follow its policy with respect to the making available of technique and know-how and the rendering of technical services to the petroleum refining industry. UOP has also undertaken to enter into similar agreements with certain other companies occupying a substantially similar position in the petroleum refining industry. The execution of such agreements has been approved and ratified by the Trustee, as sole stockholder of UOP, and the proposed assumption thereof by the Company upon the merger of UOP into the Company has been approved and ratified by Lehman Brothers, at present the sole stockholder of the Company.

The prospectus lists David W. Harris as board chairman and chief executive officer of UOP; and it indicates that he and the other officers and directors have agreed to serve in the same capacities upon the merger of UOP into Universal Oil Processes.

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