

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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Washington 25, D.C.

FOR RELEASE June 12, 1959

AMERICAN TELEVISION STOCK 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 offering of stock by American Television & Radio Co., 300 East Fourth St., St. Paul, Minnesota.

Regulation A provides a conditional exemption from registration with respect to offerings of securities not exceeding \$300,000 in amount. In a notification filed March 23, 1959 (as amended), American proposed the public offering of 100,000 shares of common stock at \$3 per share pursuant to such an exemption. The Commission asserts in its suspension order, among other things, that the company's offering circular contains false and misleading representations and that the stock offering violates Section 17 (the anti-fraud provision) of the Securities Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Among the representations challenged in the Commission's order is a statement that American's vibrators are used as original equipment in auto radio sets and in the vibrator replacement market, as is the failure to disclose that the original equipment auto radio vibrator market has materially declined in each year since 1955 and is now almost non-existent, and that the replacement market for auto radio vibrators can be expected to decline materially in the next few years. Other references to the company's position in the vibrator field, including sales potential and growth prospects, also are questioned.

The Commission also challenges a statement that American, "while relatively new in the Television Set manufacturing business, having entered it in 1955, has, in its opinion, developed a unique method of merchandising from factory directly to TV technician to the consumer;" the failure to disclose that sale of the additional \$300,000 of stock would result in a \$235,000 increase in the equity of the company's president, while the public's equity would be reduced from \$300,000 to \$134,000; and the failure to disclose adequately the purposes for which the net cash proceeds of the stock sale are to be used.

SUSPENSION OF MACINAR OFFERING PERMANENT

Macinar, Incorporated, Washington, D. C., has withdrawn its request for hearing upon, and its motion to vacate, the March 30, 1959, order of the Securities and Exchange Commission temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock and warrants by Macinar.

Consequently, the Commission has discontinued proceedings on the question whether the order of temporary suspension should be vacated, which had been requested by the company; and the suspension has become permanent.

Macinar made a public offering of 160,000 common shares at 75¢ per share and 178,110 warrants for stock, exercisable at 75¢ per share, under an exemption from registration pursuant to a Regulation A notification filed April 14, 1958. In its March 30th order temporarily suspending the exemption from registration, the Commission asserted that certain terms and conditions of Regulation A had not been complied with and that the company's notification and offering circular contained false and misleading representations of material fact, by reason of which the offering violated Section 17 (the anti-fraud provision) of the Securities Act.

OVER

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

URAN MINING HEARING POSTPONED

The hearing scheduled for June 29, 1959, in proceedings on the question whether to vacate, or make permanent, the February 12, 1959, order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Uran Mining Corporation, Rochester, N. Y., has been postponed until July 20, 1959. The temporary suspension order charged that the offering of Class A and B shares by Uran Mining was made in such manner "as to operate as a fraud or deceit upon the purchasers" by reason of false and misleading representations made with respect to the company and its properties.

MONTAUP ELECTRIC FINANCING PROPOSED

Eastern Utilities Associates, Boston holding company, has joined with its subsidiaries in the filing of a financing proposal for Montaup Electric Company of Fall River, Mass; and the Commission has issued an order (Release 35-14024) giving interested persons until June 25, 1959, to request a hearing thereon.

Montaup is a subsidiary of Blackstone Valley Gas and Electric Company, Brockton Edison Company, and Fall River Electric Light Company, which in turn are subsidiaries of EUA. Montaup proposes to sell an additional 32,521 shares of common stock with an aggregate par value of \$3,252,100, together with \$3,950,000 of 5% Debenture Bonds, due July 1, 1989, to its parent companies. Proceeds of the sale of the securities will be used to prepay a portion of Montaup's unsecured short-term bank indebtedness incurred in connection with its construction program.

INVESTORS DIVERSIFIED SEEKS ORDER ON QUANTITY DISCOUNT SALES

Investors Diversified Services, Inc., Minneapolis investment company and principal underwriter and distributor for the shares of five affiliated mutual fund companies, has joined with the said five companies in filing an application with the SEC for an exemption order under the Investment Company Act permitting the issuance and sale of shares of the five companies to certain associations for the account of the individual members of said associations, on the basis of a reduced sales load applicable to quantity purchases; and the Commission has issued an order (Release 40-2887) scheduling the application for hearing on July 9, 1959. The associations referred to are the Los Angeles Physicians Retirement Association and Los Angeles Dentists Retirement Association, non-profit California membership corporations having as members, respectively, about 1100 physicians and 500 dentists and the University Retirement-Investment Association, a non-profit organization whose members are full-time faculty and staff personnel of the University of Minnesota and number 230.

DILBERT'S PROPERTIES FILES FINANCING PROPOSAL

Dilbert's Properties, Inc., 93-02 151st Street, Jamaica, N. Y., filed a registration statement (File 2-15227) with the SEC on June 11, 1959, seeking registration of \$4,400,000 of Twenty Year 5½% Convertible Debentures, due July 15, 1979, and 1,056,000 shares of 1¢ par common stock. It is proposed to offer these securities in units consisting of \$50 principal amount of debentures and 12 shares of common stock, and at \$51.20 per unit. The underwriting group is headed by S. D. Fuller & Co., which will receive a commission of \$3.84 per unit.

Organized under Delaware law on May 25, 1959, the company intends to engage in the business of investing in, acquiring, constructing, financing, managing, operating and developing shopping centers, supermarkets and other types of retail stores; and it also intends to engage in the business of leasing equipment, machinery and fixtures for use in supermarkets and self-service stores. It was organized by Dilbert's Quality Supermarkets, Inc. ("DQS"), of Glendale, N. Y., which with its subsidiaries operates a retail chain of 54 supermarkets, 8 retail meat stores and 17 retail food stores, as well as the wholesale meat and meat products business.

Upon organization of Dilbert's Properties, DQS acquired 1,000,000 shares of its common stock \$10,000; and it also transferred to the issuing company certain tracts of land (in Oyster Bay and Smithtown, Long Island) and has assigned certain contracts to purchase land (in East Islip, Massapequa and Smithtown, Long Island), for the sum of \$188,562 evidenced by non-interest demand notes. Said sums represented DQS's actual cash outlay. Upon sale of the units to the public, DQS will own approximately 45.8% of the common shares then outstanding; and certain directors and partners of the underwriter will own 125,000 shares (5.7%) at a cash cost of \$12,500.

Net proceeds of the sale of the units are estimated at \$4,100,000, which will be used in part to repay the \$188,562 of notes. About \$400,000 will be used to complete the payment for the three tracts under contract, and \$420,000 to purchase from Kollner's Inc., a wholly-owned subsidiary of DQS, a building located in Jamaica. Approximately \$1,250,000 is to be used for purposes relating to the construction of three "One-Stop Shopping Centers" in Smithtown, East Islip and Massapequa, Long Island, and a supermarket in Oyster Bay, Long Island. The total cost of such construction will be about \$3,750,000, two-thirds of which is expected to be obtained from borrowings, including borrowings secured by liens upon the properties. The remainder of the proceeds will be available for working capital and other general corporate purposes. It is expected that the company will have no substantial income until the third quarter of 1960. The company expects to obtain a major portion of the money for the acquisition, development and improvement of the real estate acquired and being acquired and for future real estate ventures, through mortgage financing, sale-lease transactions and other forms of real estate financing.

The prospectus lists S. Solon Cohen of Harrision, N. Y. as president.

NEW PACIFIC COAL FILES FOR OFFERING AND SECONDARY

New Pacific Coal & Oils Limited, 145 Yonge St., Toronto, Ontario, Canada, filed a registration statement (File 2-15228) with the SEC on June 11, 1959, seeking registration of 1,265,000 common shares. Of this stock, 1,000,000 shares are to be offered for public sale by the issuing company; 100,000 shares are to be offered by the present holder thereof; and a maximum of 165,000 shares are being paid as additional compensation to brokers and dealers. The company and selling stockholder (Albert Mining Corporation Limited) propose to sell the shares through or to brokers and dealers, at a price related to the current market price for outstanding shares on the American Stock Exchange at the time of offering. A discount or commission of 10% of such price will be paid to brokers and dealers. As additional compensation to them such brokers and dealers will be paid by the company or the selling stockholder, as the case may be, 15 common shares for each 100 shares sold.

The present and proposed business of the company, which consists of real estate operations at Calgary and Hinton in the Province of Alberta, and guano fertilizer distribution on the west coast in this country, is carried on through subsidiaries. The company has outstanding 4,273,000 common shares (along with various indebtedness and preferred stock). Net proceeds to the company from its sale of the additional 1,000,000 shares will be used in part to repay a \$25,000 bank loan incurred for working capital and \$100,000 of bank borrowings for working capital by a subsidiary, United States Guano Corporation. The company also intends through another subsidiary, Athabasca Valley Development Corporation Limited, to apply part of the net proceeds to the cost of installing the necessary water and sewage utilities and laying heavy gravel roads in connection with developing the first block of 50 (of 750) acres of undeveloped Calgary industrial property at an estimated cost of about \$2,000 per acre, and also to the payment to the Canadian Pacific Railway of about \$63,580 toward the cost of constructing a railroad spur line into said property. The balance of the proceeds will be added to the funds of the company and used for general corporate purposes. The company estimates that these remaining net proceeds, together with the proceeds to be received from the sale of industrial lands at Calgary as and when they are developed, will be sufficient to pay the costs of installing the water and sewage utilities and building the roads as required there, and to pay the balance of the purchase price of said lands now under option to Athabasca Valley Development.

LEE NATIONAL LIFE INS. PROPOSES RIGHTS OFFERING

The Lee National Life Insurance Company, 1706 Centenary Blvd., Shreveport, La., filed a registration statement (File 2-15229) with the SEC seeking registration of 200,000 shares of common stock. The company proposes to offer the stock for subscription at \$5 per share by holders of outstanding stock of the company, on the basis of one new share for each share held, during the period ending June 25, 1959. Thereafter, the balance of the shares unsold will be offered for public sale at \$6 per share. Management officials will make the public offering, for which a selling commission of 90¢ per share is to be paid.

The company is engaged in the business of selling life insurance and annuities and accident and health insurance. It now has outstanding 200,000 common shares. Net proceeds of the sale of the additional stock, according to the prospectus, will enable the company to continue the expansion of its organization and volume of business.