

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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



Washington 25, D.C.

FOR RELEASE

June 6, 1957

Standard Oil Company (New York) filed a registration statement (File 2-13407) with the SEC on June 5, 1957, seeking registration of 1,058,967 shares of its \$7 par Capital Stock, to be offered from time to time by Standard Oil to certain executives of the company and of its wholly-owned subsidiaries pursuant to the terms of the company's "Incentive Stock Option Plan for Executives."

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Louisiana-Delta Offshore Corporation, New Orleans, filed a registration statement (File 2-13408) with the SEC on June 5, 1957, seeking registration of 346,289 shares of its 2¢ par Common Stock. Of this stock, 246,281 shares represent approximately 50% of the presently outstanding common stock of the company which are to be offered for public sale by the present holders of the common stock of the company (with the exception of one employee). The remaining 100,008 shares are to be offered for public sale by and for the account of the issuing company. The public offering price and underwriting terms of the two offerings are to be supplied by amendment. Smith, Barney & Co. is listed as the principal underwriter.

Louisiana-Delta was organized under Delaware law on May 31, 1957, by the consolidation of three companies, Louisiana Offshore Drilling Company, Inc., a Delaware company organized in January 1956; Delta Offshore Drilling Company, Inc., a Delaware company organized in October 1955; and D. E. Vasser, Inc., a Louisiana corporation organized in October 1952. Its principal business is the drilling of oil and gas wells for others on a contract basis in the tideland waters off the Gulf Coast and in the inland waters, bays and marshes adjacent thereto. Net proceeds of the company from its sale of the 100,008 shares will be added to its general funds, to be used for general corporate purposes and to retire \$175,000 of its 5% debentures. These debentures were sold by Delta Offshore Drilling in November, 1956, to those stockholders of that company who had guaranteed bank loans of that company in order to provide funds to meet final construction costs for its offshore drilling barge which was placed in operation in November 1956. The company also has under construction a drilling barge expected to be delivered in the fall of 1957 and which is expected to cost \$3,700,000. It has already paid \$325,409 of this cost and has arranged for the financing of the balance of the cost through a bank loan of \$2,200,000, a note of a supplier for \$866,000, and approximately \$310,000 to be provided from general funds of the company.

The prospectus lists over 70 selling stockholders. They presently own 492,556 of the 499,992 outstanding shares of common stock of the company. They also own 518 of the 11,600 shares of outstanding 6% Preferred Stock, \$100 par; and substantially all of the bank loans of the company are guaranteed by certain of these

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stockholders. Persons selling the largest blocks are as follows: Dudley S. Blossom, Jr., 11,250 shares; Joseph M. Bruening, 11,250; Ben P. Gale, a director, 11,250; Alvin H. Howard, Board Chairman, 19,201; Moran Towing Corporation, 10,875; Edward L. Norton, Director, 10,125; J. Robert Norman, Director, 13,312; and Dave E. Vasser, President, 20,830 shares. The combined holdings of the selling stockholders, after such sale, will be 246,275 shares.

The company has agreed to sell to Smith, Barney & Co., for a price to be supplied by amendment, warrants to purchase 25,000 common shares of the company.

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Chance Vought Aircraft, Incorporated, Dallas, filed a registration statement (File 2-13409) with the SEC on June 5, 1957, seeking registration of \$12,500,000 of Subordinated Debentures (Convertible), due July 1, 1977. The company proposes to offer these debentures for public sale through an underwriting group headed by Harriman Ripley & Co., Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

A substantial portion of the net proceeds of the sale of the debentures will be used to reduce presently outstanding bank loans. The recent growth of the company is said to have required increased amounts of working capital. At June 1, 1957, the company had short-term bank loans of \$25,000,000 which were incurred primarily to finance increased inventories and accounts receivable. The continued growth of the company's business, it is indicated, will require funds in addition to those provided by depreciation and retained earnings; and it is expected that such additional funds will be needed principally for increased inventories and for additions to facilities and equipment, which additions are expected to amount to about \$20,000,000 (of which about one-half is expected to be spent for machinery and equipment and the balance for construction of laboratory and test facilities and for improvements to leaseholds).

Securities Exchange Act Release No. 5526

In a decision announced today, the Commission dismissed proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Donald L. Tiffany, Inc., ("Registrant"), of Syracuse, N. Y., should be revoked, or whether it should be suspended or expelled from membership in the National Association of Securities Dealers, Inc., for failure to comply with the net capital and reporting requirements of Commission rules under that Act.

Registrant was organized and registered as a broker-dealer in 1953 as a successor to the sole proprietorship of Donald L. Tiffany, its president. Tiffany and E. Lawton Bishop, vice-president, were the only employees, except for a stenographer and part-time bookkeeper. Registrant, Tiffany and Bishop stipulated in the Commission's proceedings that at various times from November 1953 to November 1955 Registrant engaged in the securities business when it had a net capital deficiency under the Commission's rules; that financial reports filed as of these dates were false in that they overstated Registrant's assets in showing an excess over required net capital of \$59,830, \$75,298, and \$69,131, respectively; and that the financial reports were not certified. Thus, there was a violation of the Commission's net capital and reporting rules.

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Registrant urged that the imposition of a sanction is not required because the violations were inadvertent, there was no intent to deceive, and no customer was injured. The Commission observed that the credit balances here involved were small and that additional capital was immediately supplied by Bishop and Tiffany when the deficiency was called to their attention by the Commission's Staff; and it was further noted that this is the first disciplinary proceeding involving Registrant, Tiffany or Bishop, and that they represent that they now have become fully familiar with the requirement of the Commission's rules and intend to abide by them scrupulously. Accordingly, the Commission concluded that it was not necessary or appropriate in the public interest and for the protection of investors that disciplinary action be taken.

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The Municipality of Metropolitan Toronto (Ontario, Canada) filed a registration statement (File 2-13410) with the SEC on June 6, 1957, seeking registration of \$34,919,000 of Sinking Fund Debentures (maturing respectively in 1962, 1967, 1972, 1977, 1982, and 1987), together with \$4,453,000 of Installment Debentures (maturing from 1958 through 1977). The \$39,372,000 of debentures are to be offered for public sale through an underwriting group headed by Harriman Ripley & Co., Inc., the Dominion Securities Corporation, The First Boston Corporation, Smith, Barney & Co., Wood, Gundy & Co., Inc., A. E. Ames & Co., Inc., and McLeod, Young, Weir, Inc. The interest rate, public offering prices and underwriting terms are to be supplied by amendment. Net proceeds of the sale of the debentures will be applied by the Metropolitan Corporation, as follows: \$14,067,000 to schools; \$6,838,000 for water-works; \$4,176,000 to local improvements; \$3,246,000 to roads and sewage; \$2,304,000 to parks and recreation; \$1,719,000 to municipal buildings; \$1,500,000 to Canadian National Exhibition (new building); and the balance to six other projects.

Holding Company Act Release No. 13493

Middle South Utilities, Inc., (New York), and Kentucky Utilities Company (Lexington) have applied to the SEC for an order authorizing Middle South to sell its stock interest (6,200 shares) in Electric Energy, Inc., to Kentucky Utilities for \$675,000 (plus interest at 5% from May 1, 1957).

The Commission has scheduled these matters for hearing at 9:15 A.M. on June 24, 1957; and the applications have been consolidated with pending proceedings with respect to EEI and the several companies which acquired EEI stock in 1951 and 1953. Stock of EEI was then acquired 40% by Union Electric Company; 20% by Illinois Power Company; 10% by Middle South; and 10% by Kentucky Utilities, pursuant to Commission orders. (The remaining 20% was acquired by Central Illinois Public Service Company, not subject to SEC approval). In authorizing such purchases, the Commission reserved jurisdiction to determine at a later date the question whether such acquisitions will serve the public interest by tending towards the economical and efficient development of an integrated public-utility system," as required by Section 10(c)(2) of the Act. The Commission heretofore ordered proceedings, now pending, with respect to this reserved issue, with which proceedings the applications with respect to sale of EEI stock by Middle South to Kentucky Utilities have been consolidated.

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Securities Act Release No. 3797

The Securities and Exchange Commission today announced the addition of the following Canadian company to its "Canadian Restricted List":

Canadian Natural Resources Limited

As previously indicated in the April 24, 1956 announcement of the original list (Release No. 3632), the Canadian Restricted List is composed of the names of Canadian companies whose securities, the Commission has reason to believe, recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933.

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