

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

July 15, 1957

Statistical Release No. 1466

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended July 12, 1957, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1957, is as follows:

	<u>(1939 = 100)</u>		<u>Percent Change</u>	<u>1957</u>	
	<u>7/12/57</u>	<u>7/5/57</u>		<u>High</u>	<u>Low</u>
Composite	365.0*	361.6	+ 0.9	365.0	322.5
Manufacturing	472.5*	467.6	+ 1.0	472.5	405.7
Durable Goods	438.7*	431.8	+ 1.6	438.7	382.7
Non-Durable Goods	503.5*	500.7	+ 0.6	503.5	427.1
Transportation	307.1	295.5	+ 3.9	317.5	286.1
Utility	159.7	159.4	+ 0.2	163.5	156.2
Trade, Finance & Service	291.5*	289.2	+ 0.8	291.5	274.8
Mining	383.1	390.1	- 1.8	402.3	340.5

* New High

Securities Exchange Act Release Nos. 5545 and 5546

The Securities and Exchange Commission today announced the issuance of decisions revoking the broker-dealer registrations of the following:

Percy Dale Lanphere, doing business as Dale Lanphere
Spokane, Washington

Harold L. Nielsen, doing business as Nielsen Investment Co.
Twin Falls, Idaho

According to the Commission's decisions, both Lanphere and Nielsen have been permanently enjoined by court orders from engaging in certain activities in connection with the purchase and sale of securities. By order dated December 11, 1956, of the U. S. District Court for the Eastern District of Washington, Northern Division, Lanphere was permanently enjoined from selling securities unless and until a registration is in effect with the Commission as to such securities. The complaint in that action recited that Lanphere, as underwriter, sold stock of Dawn Uranium and Oil Company in violation of the registration requirement of the Securities Act of 1933. Nielsen was enjoined on November 21, 1956, by the U. S. District Court for the District of Idaho, Southern Division, from engaging in the securities business while insolvent and while his books and records are not current; from

selling unregistered securities not exempt from registration under the Securities Act of 1933; and from effecting securities transactions while his aggregate indebtedness to all other persons exceeds 2,000% of his net capital.

In view of the court injunctions, the Commission found that the public interest requires that the broker-dealer registrations of Lanphere and Nielsen be revoked. Each waived a hearing before the Commission and consented to revocation of his registration.

Securities Act Release No. 3811

The Securities and Exchange Commission 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 Al-Kem Mines, Inc., formerly Eldorado Uranium Corporation, Austin, Nevada. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a Regulation A notification filed September 13, 1954, Eldorado proposed the public offering of 2,800,000 shares of its common stock at 10¢ per share pursuant to such an exemption. By subsequent amendments, the name of the issuer was changed to Al-Kem Mines, Inc., and the stock offering was changed so as to relate to an offering of 280,000 shares of Al-Kem common stock, 35¢ par, at \$1 per share.

The Commission in its suspension order asserts that Al-Kem's offering circular is false and misleading in respect of material facts, and that its use in the sale of Al-Kem stock "would operate as a fraud and deceit upon the purchasers." Information in the offering circular alleged to be false and misleading concerns, among other things: (1) the stock which the issuer was obligated to issue in addition to the stock reported therein to be outstanding and reserved for options; (2) the interest of Altoe G. Weis, an officer, director and affiliate of the issuer, in stock of the issuer represented to have been issued to him; (3) the direct and indirect material interests of Weis in the issuer by reason of security holdings, contracts, options, and otherwise; (4) the price, terms and conditions on which stock of the issuer had been, was being and would be offered and sold to stockholders and certain other persons, and more particularly the failure to disclose that stock of the issuer had been, was being and would be offered to stockholders and certain other persons at par (35¢), whereas stock of the issuer was and would be offered to the general public at \$1 per share; and (5) the liabilities of the issuer, and more particularly the failure to disclose that the issuer may have incurred contingent liabilities under Section 12 of the Securities Act in connection with stock sales.

With respect to the notification filed by Al-Kem, the Commission's order challenges the disclosures with respect to (a) stock of the issuer reported to have been issued for certain unpatented mining claims purchased from Weis, and more particularly the failure to disclose that Weis acquired the stock as trustee for himself and other persons; and (b) stock of the issuer sold or to be sold by the issuer and by Weis, more particularly the failure to disclose that Weis had contracted to sell approximately 107,700 shares of issuer's stock prior to the date of the last amendment to the notification.