

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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FOR RELEASE October 5, 1961

GEORGIA POWER FINANCING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14526) authorizing Georgia Power Company, a subsidiary of The Southern Company (both of Atlanta), to issue and sell at competitive bidding \$10,000,000 of First Mortgage Bonds due 1991 and 70,000 shares of preferred stock. The order also authorizes Georgia to issue and sell to its parent 30,000 additional shares of Georgia's common stock for a cash consideration of \$3,000,000. Net proceeds of the financing will be used by Georgia for the construction or acquisition of permanent improvements, extensions and additions to its property estimated to aggregate \$54,395,000 for 1961 and for the payment of \$4,500,000 of short-term notes to banks made for such purposes.

PROFESSIONAL RESEARCH FUND SEEKS ORDER. Professional Research Fund, Inc., St. Louis, Mo., has applied to the SEC under the Investment Company Act for an order declaring that it has ceased to be an investment company, and the Commission has issued an order (Release IC-3331) giving interested persons until October 26th to request a hearing thereon.

PILLSBURY FILES STOCK PLAN. The Pillsbury Company, 600 Pillsbury Building, Minneapolis, Minn., filed a registration statement (File 2-19097) with the SEC on October 4th seeking registration of 20,000 shares of common stock, to be offered pursuant to its Employees' Stock Purchase Plan.

NYLONET 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 Nylonet Corporation, 2075 N.W. 75th Street, Miami, Fla.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. Nylonet filed a notification in November 1958 relating to a public offering of 600,000 shares of its common stock at 50¢ per share. The size of the offering was reduced by amendment to 426,390 shares, and the offering commenced in February 1959. The company's report of sales, filed in October 1959, reported the sale of 347,345 shares sold for a total of \$173,672.50. The offering was withdrawn as to the unsold portion. The Commission asserts in its suspension order that it has "reasonable cause to believe" that the company has not complied with the terms and conditions of Regulation A; that the company's offering circular is false and misleading in respect of certain material facts; and that the stock offering was made in violation of Section 17 (the anti-fraud provision) of the Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

The alleged misrepresentations in the company's offering circular relate to the failure to disclose adequately and accurately the proposed use of the net proceeds from the offering; the failure to disclose accurately the security holdings of one of the officers and directors of the company; and the inclusion of financial statements which are false and misleading because (a) the company overstated its net sales by approximately \$177,897.00 in its statement of operations for the year ended December 31, 1958; (b) the company included false and fictitious accounts in its Accounts Receivable as shown in its balance sheet dated December 31, 1958, which resulted in an overstatement of this item in the amount of approximately \$177,897.00; (c) the company failed to disclose its operating loss of approximately \$164,000.00 for the year of 1958; and (d) the company failed to disclose a capital deficiency of approximately \$113,000.00.

CHRISLIN PHOTO HEARING POSTPONED. Upon the request of its staff, the SEC has postponed from October 9 to October 30, 1961, the hearing to be held in its New York Regional Office on the question whether to vacate, or make permanent, the Commission's prior order temporarily suspending a Regulation A exemption from Securities Act registration with respect to a proposed offering of stock by Chrislin Photo Industries Corp., of Hicksville, N. Y.

SECURITIES ACT REGISTRATIONS. Effective October 5: Globe Rubber Products Corp. (File 2-18669); Playskool Manufacturing Co. (File 2-18673). Withdrawn October 5: Columbia Research Group (File 2-18336); Varitron Corp. (File 2-18556).

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