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 24, 1958

SEC ORDERS WITHDRAWAL OF NEV-TAH OIL AND MINING STOCK FROM EXCHANGE LISTING

The Securities and Exchange Commission today announced the issuance of a decision ordering withdrawal from registration on the Salt Lake Stock Exchange of the common stock of Nev-Tah Oil and Mining Company, of Salt Lake City, for violations of the reporting requirements of the Securities Exchange Act of 1934. This stock has been suspended from trading by action of the Exchange since June 26, 1957, the day following the institution of the Commission's proceedings.

The Commission found that Nev-Tah failed to file annual reports for 1955 and 1956, and did not file current reports to disclose acquisitions and dispositions of significant amounts of assets, the entry of a $100,000 judgment against it, the fact that A. L. Damon, its principal promoter, controlled and was the parent of Nev-Tah within the meaning of the Commission's rules, and the grant of options to purchase a total of 1,000,000 shares of Nev-Tah stock to 8 persons, including Damon and C. M. Dollarhide, the president of Nev-Tah.

In addition, the Commission found that Nev-Tah filed current reports that falsely stated that issues of its securities in amounts aggregating 2,395,130 shares were registered under the Securities Act of 1933, when in fact, as admitted by Nev-Tah, such shares not only were unregistered but were offered to the public in violation of the registration provisions of that Act and sales of such shares by Nev-Tah, Damon, Dollarhide, and Oscar Zapf, Nev-Tah's secretary-treasurer and general counsel, were enjoined by a United States District Court.

The Commission's decision states that Nev-Tah also failed to file a number of current reports in 1953 and 1954 within the required 10-day period after the close of the month, one of such reports having been filed eight months late.

The Commission concluded that the evidence "shows a persistent failure to report or to report accurately, adequately and within the prescribed time the significant events occurring over a four-year period. The purpose of the reporting provisions is to inform existing and potential investors of material corporate activities as they occur. The reports that were filed served only to materially mislead the public and registrant ignored its obligations under the Exchange Act not only by not filing reports to disclose those matters required to be reported, but also by failing to file annual reports for two years."

Nev-Tah, which in 1957 had 8,000,000 shares outstanding and 1,800 stockholders, is insolvent, has ceased operations, and has no physical assets. It conceded that, absent any prospect of rehabilitation in the near future, withdrawal of its registration would be appropriate. It asserted, however, that its management was engaged in formulating a plan of rehabilitation, and requested that the Commission defer its decision for 90 days to permit submission of such a plan. The Commission denied this request because no attempt had been made to bring the filings up to date and the record did not indicate any basis on which such a plan might be achieved.

* * * * *

OVER

SEC ORDERS PROCEEDINGS AGAINST ALLIED SECURITIES CORPORATION

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Allied Securities Corporation, Atlanta, Ga., should be revoked for alleged violation of the registration and disclosure requirements and fraud prohibitions of the Federal Securities Laws, as well as the Commission's net capital and record-keeping rules and Regulation T, and whether the corporation should be suspended or expelled from membership in the National Association of Securities Dealers, Inc.

According to the Commission's order, information developed in an investigation conducted by its staff "tends to show" that in the offering and sale of stock of Life Insurance Company of South Carolina and Georgia-Pacific Underwriters, Inc., from approximately December 1, 1957, to March 15, 1958, Allied Securities Corporation, together with Jack R. Parkman, president, treasurer, director, and controlling stockholder of Allied, and William E. Powell, a salesman for Allied, "employed devices, schemes and artifices to defraud," obtained money and property through false representations of material facts, and "engaged in acts, practices and a course of business which operated as a fraud and deceit upon certain persons." The Commission's order also charges that the stocks of Life and Georgia were sold in violation of the registration and disclosure requirements of the Securities Act of 1933.

The Commission's order asserts, among other things, that Allied, Parkman, and Powell, in the offering and sale of the stocks of Life and Georgia, made false and misleading statements and omitted to state material facts concerning the financial condition of Life, the value of the stock of Life, an investment made in Life by an international financier, the marketability of the stock of Georgia, the market price of the stock of Life, the availability of the stock of Life, and commissions charged customers on purchases of Georgia. The order also asserts (1) that Allied used, and that Parkman and Powell "caused" Allied to use, a financial statement purporting to give effect to the receipt and application of part of the proceeds from the sale and exchange of such securities which did not clearly set forth the assumptions upon which such financial statement was based; (2) that Allied and Parkman solicited and induced a certain customer to purchase securities from Allied and that Allied obtained monies from such customer upon the representation that such monies would be used in payment for such securities, when in fact, Allied appropriated such monies to the use and benefit of Allied and Parkman; (3) that Allied effected transactions in and induced the purchase and sale of securities when its aggregate indebtedness to all other persons exceeded 2,000 per centum of its net capital and (4) that during the period from approximately February 1, 1957, to approximately June 1, 1958, Allied did not make and keep currect certain books and records relating to its business and that it made false and fictitious entries in its book and records with respect to its capital account, confirmations, customers' accounts, and deposit tickets. In addition, the Commission's order alleges that Allied violated Regulation T, promulgated by the Board of Governors of the Federal Reserve System pursuant to Section 7 of the Securities Exchange Act of 1934, in that (1) if effected purchases of securities for customers in special cash accounts when sufficient funds were not already held in the respective accounts of such customers and when the purchases were not in reliance upon agreements by Allied in good faith that such customers would promptly make full cash payment for such securities and that such customers did not contemplate selling such securities prior to making such payments, and (2) it failed to promptly cancel or otherwise liquidate purchases by customers of securities (other than exempted securities) in special cash accounts, notwithstanding the failure of such customers to make full cash payment within seven days after date of purchase.

At a hearing scheduled for August 11, 1958, in the Commission's Atlanta Regional Office, inquiry will be conducted into the foregoing matters for the purpose of determining whether Allied, Parkman, and Powell have wilfully violated the Federal Securities Laws and, if so, whether it is in the public interest to revoke the broker-dealer registration of Allied or to suspend or expe it from membership in the NASD, and whether Parkman and Powell, or either of them, should be foun to be causes of any such order of revocation, suspension, or expulsion.

* * * * *

Continued

JACKSONVILLE CAPRI ASSOCIATES PROPOSES OFFERING OF PARTICIPATIONS

Jacksonville Capri Associates, Ltd., Jacksonville, Fla., filed a registration statement (File 2-14264) with the SEC on July 23, 1958, seeking registration of $325,000 of limited partnership interests to be sold at a price of $5,000 per participation unit. No underwriting is involved.

The prospectus states that Jacksonville Capri Associates, Ltd., is a partnership organized on May 8, 1958, under the laws of the State of Florida, for the purpose of acquiring and operating the Capri Motel in Jacksonville. The members of the partnership, who are also partners in the real estate firm of Allan S. Feldman & Co., New York, are Allan S. Feldman, Gilbert Gertner, and Leon Slade. On May 8, 1958, Leon Slade, as nominee for the partnership, entered into an agreement to purchase the Capri Motel for the sum of $744,000, payable partly by cash and partly by mortgages. According to the prospectus, Jacksonville Capri Associates, Ltd., has no paid-in capital at present. $25,000 has been advanced by the general partners as a deposit on the purchase contract which is to be repaid to them upon the formation of the limited partnership out of the proceeds of sale of the limited partnership interests proposed to be offered. The balance of the initial capital will also be obtained from the sale of such interests.

---oooOooo---