

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 October 22, 1958

BENJAMIN & COMPANY REGISTRATIONS REVOKED

The Securities and Exchange Commission today announced the issuance of a decision revoking the broker-dealer registration of David Joel Benjamin, doing business as Benjamin and Company, of Houston, Texas, and of Benjamin and Company, Inc., also of Houston, of which Benjamin is president, a director, and principal stockholder. Benjamin and Company, Inc., also was expelled from membership in the National Association of Securities Dealers, Inc.

The Commission's action was based upon wilful violations by Benjamin of the registration, anti-fraud and other provisions of the Federal Securities Laws.

According to the decision, Benjamin was the underwriter on a "best efforts" basis of a public offering of 240,000 shares of common stock of Hardy-Griffin Engineering Corporation at \$1.25 per share, or an aggregate offering price of \$300,000. This stock was offered and sold during the period October 1955 to July 1956 pursuant to a claimed Regulation A exemption from registration under the Securities Act of 1933.

However, the Commission observed, a Regulation A exemption is available only if the terms and conditions of the Regulation are complied with. The Hardy-Griffin offering circular stated that no unregistered securities had been sold within a year; that Benjamin owned of record and beneficially 50,000 shares of Hardy-Griffin stock; that the officers, directors and promoters of Hardy-Griffin had paid \$20,000 in cash to the company for stock issued to them; and that if all the 240,000 shares offered were sold there would be 540,000 shares outstanding of which 300,000 shares were owned by the officers, directors and promoters.

These statements were admittedly untrue, the Commission ruled. In May 1955, Benjamin and his agent, on instructions from the management of Hardy-Griffin, sold approximately 30,000 of the 50,000 shares to some 65 persons for approximately \$20,000, which was turned over to the issuer, and on which Benjamin received a \$4,000 commission. These shares were not registered under the Securities Act. And the statement of the number of outstanding shares became untrue when 53,336 shares were issued by Hardy-Griffin in December 1955 for machinery.

In addition, according to the decision, Benjamin sold about 3,000 shares of his Hardy-Griffin stock during the course of the public offering which were not registered. In such sales, Benjamin did not disclose to purchasers his personal ownership of stock and used the Hardy-Griffin offering circular containing the statement that the proceeds of the offering would be used by Hardy-Griffin in effectuation of its corporate purposes. This, the Commission stated, created the misleading impression that sales which he was actually making for his own account constituted part of the public offering and that the proceeds would inure to the benefit of Hardy-Griffin.

Thus, the Commission ruled, Benjamin violated the registration and anti-fraud provisions of the Securities Act in the offering and sale of Hardy-Griffin stock. It also held that Benjamin violated the Commission's bookkeeping and net capital rules.

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

SEC ORDERS FURTHER SUSPENSION OF TRADING IN CORNUCOPIA STOCK

The Securities and Exchange Commission announced today the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934 suspending trading on the American Stock Exchange in the \$.05 par value Common Stock of Cornucopia Gold Mines, with offices formerly in Pittsburgh, Pennsylvania, for a further ten day period, October 23, 1958 to November 1, 1958, inclusive.

The action was based on the company's failure to comply with the reporting requirements of Section 13 of the Act and the disclosure requirements of the Commission's proxy rules under Section 14.

Upon the basis of a finding by the Commission that such suspension is necessary to prevent fraudulent, deceptive, or manipulative acts or practices in connection with trading in stock of Cornucopia Gold Mines, trading by brokers and dealers in such stock in the over-the-counter market is also prohibited during the period of the suspension.

The Commission previously ordered proceedings pursuant to Section 19(a)(2) of the Act on the question whether the stock of Cornucopia Gold Mines should be suspended for a period not exceeding 12 months, or withdrawn, from listing and registration on the Exchange. These proceedings, in which hearings are now in progress, involve charges of non-compliance with the reporting and disclosure requirements of the Act.

COLONIAL FUND PURCHASE OF OXFORD PAPER DEBENTURES CLEARED

The SEC has issued an order authorizing The Colonial Fund, Inc., Boston, Mass. investment company, to purchase not to exceed \$400,000 principal amount of 4-3/4% Convertible Subordinated Debentures due October 1, 1978, of Oxford Paper Company. These debentures are part of an offering of \$10,000,000 of Debentures being made by Oxford Paper.

RAPID-AMERICAN CORP. SEEKS EXEMPTION

Rapid-American Corporation, of New York City, has applied to the SEC for an order declaring that it is primarily engaged in a business other than that of an investment company, as defined in the Investment Company Act; and the Commission has issued an order giving interested persons until November 14, 1958, to request a hearing thereon.

Organized under Ohio laws in 1902 under the name Rapid Electrottype Company, the company adopted its present name on December 31, 1957, following a merger with American Colortype Company, a New Jersey company. According to the application, it is engaged in the business of manufacturing, merchandising and retail sales promotion of various products through various divisions and companies. These include: The Rapid Electrottype Division, American Art Works Division, Colortype Publishing Division, L & C Mayers/Temple, Inc., American Catalog Division, American Merchandising Association, and Butler Brothers. L & C Mayers/Temple, Inc. is a wholly-owned subsidiary. Applicant owns 38% of the outstanding stock of Butler Brothers which, it alleges, it has controlled since March 1957.

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ATLAS CORP. FILES FOR MERGER OF FIVE COMPANIES

Atlas Corporation, New York investment company, has applied to the SEC for an order of exemption from the Investment Company Act with respect to certain transactions incident to the merger of the following companies, and the Commission has scheduled the application for hearing on November 18, 1958:

The Hidden Splendor Mining Company
Lisbon Uranium Corporation
Rio De Oro Uranium Mines, Inc.
Radium King Mines, Inc.
Mountain Mesa Uranium Corporation

The Hidden Splendor Mining Company will continue in existence as the surviving corporation under its present name. The respective Boards of Directors of the several companies have approved the proposed merger, which will also require the affirmative vote of a majority of the outstanding shares of stock of Lisbon and the affirmative vote of two-thirds of the outstanding shares of stock of each of the other merging companies.

Atlas owns 100% of the 2,400,000 outstanding common shares and all of the outstanding \$14,087,517 of promissory notes of Hidden Splendor; 75.87% of the 5,660,238 shares of outstanding Lisbon common stock; 1.59% of the 11,335,656 shares of Rio common (an additional 6,825,728 shares, or 60.20%, are held by Hidden Splendor), plus 100% of the outstanding warrants to purchase 1,000,000 shares of Rio common; 30.68% of the outstanding 7,268,250 shares of Radium King common, and options to purchase an additional 731,750 shares of Radium King common; and, through Hidden Splendor, \$3,040,180 (100%) of the outstanding notes of Mountain Mesa. Atlas owns none of the 1,795,187 outstanding shares of Mountain Mesa common.

Under the merger proposal, (1) each share of Hidden Splendor common is to be converted into one share of the surviving company common; (2) each share of Lisbon common will be converted into .3 shares of the surviving company common (less .001 shares of the latter for each \$.01 per share of cash dividends by Lisbon after the date of the merger agreement); (3) each share of Rio common will be converted into .095 shares of the surviving company common; (4) each share of Radium King common will be converted into .0225 shares of the surviving company common; and (5) each share of Mountain Mesa common will be converted into .01 shares of the surviving company common. Outstanding warrants covering the purchase of 1,000,000 shares of Rio common at 30¢ per share will be converted into warrants covering the purchase of an aggregate of 95,000 shares of the surviving company common at \$3.16 per share (the validity of such warrants is now the subject of litigation); and presently outstanding options to purchase 731,750 shares of Radium King common at 10¢ per share will be converted into options to purchase an aggregate of 16,464 shares of the surviving company common at \$4.45 per share.

Stockholders in the merging companies will be entitled, in the alternative, to exchange their stockholdings for new five year debentures of the surviving company, on the basis and subject to limitations prescribed in the plan.

As indicated, Atlas holds \$14,087,517 of 5% promissory notes of Hidden Splendor, as to which accrued interest aggregated \$496,054 at August 31, 1958. It is proposed that \$6,500,000 of such notes and 520,000 shares of Uranium Reduction Company common stock now owned by Atlas will be exchanged for a total of 379,000 shares of Hidden Splendor common prior to the merger, subject to a favorable order of the Commission.

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