

SECURITIES AND EXCHANGE COMMISSION  
Washington

346  
⑤

Summary of SEC Releases, Monday, July 2, 1956  
Prepared for Press Use - Not for Quotation

Statistical Release No. 1388

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended June 29, 1956, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1956, is as follows:

	<u>(1939 = 100)</u>		Percent <u>Change</u>	<u>1956</u>	
	<u>6/29/56</u>	<u>6/22/56</u>		<u>High</u>	<u>Low</u>
Composite	347.1	344.1	+ 0.9	360.3	319.0
Manufacturing	442.2	437.6	+ 1.1	459.4	398.6
Durable Goods	404.1	396.5	+ 1.9	421.2	369.4
Non-Durable Goods	477.0	475.2	+ 0.4	500.8	425.2
Transportation	331.8	331.4	+ 0.1	353.0	312.8
Utility	155.6	155.1	+ 0.3	160.6	152.4
Trade, Finance & Service	302.7	300.0	+ 0.9	325.5	294.7
Mining	354.0	357.5	- 1.0	382.5	326.8

Securities Act Release No. 3654

The Securities and Exchange Commission has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of securities of the following:

Deal Shore Estates Association, Section II, Asbury Park, N. J.

Acryvin Corporation of America, Inc., New York City (Offering by Nash S. Eldridge, of New York City, selling stockholder)

Segal Lock & Hardware Company, Inc., New York City

National Foods Corporation, Pittsburgh (offering by Weber-Millican Co., of New York City, selling stockholder)

Oil Finance Corporation, Warren, Penna. (offering by Anderson Oil Company, of Warren, selling stockholder)

Marco Industries, Inc., Depew, N. Y.

Charles D. Adams and Joseph H. Neebe, as "The Friendly Persuasion Company," New York City

Air Research & Exploration, Inc., Brooklyn, N. Y.

Verschoor and Davis, Inc., New York City

Regulation A provides a conditional exemption from registration under the Securities Act for public offerings of securities not exceeding \$300,000 in amount. One of the conditions is a requirement that semi-annual reports be filed with the Commission showing the amount of securities sold, the proceeds received by the issuer, and the purposes for which the proceeds are used.

In each of the cases referred to above, the suspension order asserts that there has been a failure to file the reports in question and that the issuer has ignored requests of the Commission's staff for such reports. The respective orders also provide an opportunity for hearing upon request, on the question whether the suspension orders should be vacated or made permanent.

Securities Act Release No. 3652

The Securities and Exchange Commission has issued an order temporarily denying a Regulation D exemption from registration under the Securities Act of 1933 with respect to a proposed stock offering by Key Oil & Gas (1955) Ltd., Vancouver, British Columbia, Canada. The order provides an opportunity for hearing, upon request, on the question whether the temporary denial order should be vacated or made permanent.

Key Oil filed its Regulation D notification with the Commission on May 4, 1956, proposing the public offering of not exceeding 300,000 shares of its 50¢ par stock at 30¢ per share. In its order, the Commission asserts that it has reasonable cause to believe that the terms and conditions of Regulation D have not been complied with, in that (1) the notification fails to disclose that Raymond Shaw is an affiliate, (2) the non-resident officers and directors of the issuer failed to furnish the Commission at the time of the filing of the Notification so-called consents to service of process, as required, (3) the offering circular fails to describe the method by which the securities are to be offered, (4) the offering circular fails to state in tabular form on the outside front cover page the price to the public, underwriting commission, and proceeds to the issuer, (5) the offering circular fails to disclose the respective amounts of proceeds from the sale of securities to be applied to each purpose for which the proceeds are to be used, the priority thereof, and the disposition of proceeds in the event the proceeds are insufficient for the purposes stated, (6) the offering circular fails to state the nature of issuer's interest in properties to be developed and the development which has occurred to date on or near the properties held, (7) the issuer has failed to file copies of pertinent reports and other data to support statements made in the offering circular concerning geology and engineering, and (8) the offering circular fails to include financial statements in appropriate form.

In addition, the order asserts that the offering circular is false and misleading in the following particulars: (a) in stating, "The most noted discoveries of oil producing lands have usually been preceded by indications of oil or gas seepages on, or very close to the surface," (b) in characterizing gamma ray surveys and aerial photography as "the finest exploration methods obtainable today," (c) in stating that "oil of commercial proportions is obtainable" upon drilling to the so-called "Lower Burrard Formation," (d) in stating that according to many experts the issuer's property "could be the more productive extremity of the same formation producing oil in such abundance 2,500 miles farther south in California," (e) in stating that many years of exploratory work and past experience together with modern methods of geological surveying "enable us to minimize risk and abor-

tive effort and locate our drillings in the more logical places," (f) in omitting to state in connection with promises of continuous and complete exploration of the properties the estimated cost of such a program and the proposed method of financing it, and (g) in omitting to state that the State of Washington has issued a cease and desist order against the issuer, making it illegal to sell or offer to sell securities in that state until further order. Use of the said offering circular in the sale of the Key Oil stock, the order states, "would operate as a fraud and deceit upon the purchasers" of the securities.

Securities Act Release No. 3653

The Securities and Exchange Commission has instituted proceedings under the Securities Act of 1933 to determine whether a "stop order" should be issued suspending the effectiveness of a registration statement filed March 29, 1956, by Columbia General Investment Corporation, of Houston, Texas, which proposed the public offering of 100,000 shares of its common stock to stockholders at \$4.50 per share. At a hearing scheduled for July 10, 1956, in the U. S. Post Office Building, Houston, Texas, inquiry will be conducted by the Commission into the question whether the registration statement and prospectus filed by "Investment Corporation" contain false and misleading representations of material fact; and, if so, whether a stop order should be issued.

According to the prospectus, proceeds of the proposed stock offering were to have been used for the purpose of making investments similar to those which Columbia General now has in mortgage loans, real estate, stocks, bonds and other securities, including the common stock of Columbia General Life Insurance Company. The prospectus further lists Thomas E. Hand, Jr., and J. Ed Eisemann, III, both of Houston, as Board Chairman and President, respectively, and principal stockholders of the company.

The Commission also has ordered a public investigation into past sales of Investment Corporation and the Insurance Company stock, by the two companies and by Columbia Securities Company, Hand and Eisemann, during the period February 15, 1954, to about April 30, 1955 to determine whether provisions of the Securities Act of 1933 the Securities Exchange Act of 1934, and the Investment Company Act of 1940 have been violated. In its order, the Commission asserts that information obtained in part from the registration statement and as a result of a private investigation, "if true, tends to show" that stock of the two companies was offered and sold by means of false and misleading representations with respect to (1) the general history and development of the companies and the valuation of their assets; (2) practices followed in connection with the offer and sale of their shares; and (3) activities, transactions and interests of Hand and Eisemann in the formation of the companies and the sale and distribution of their securities. The investigation also seeks to determine whether Investment Corporation held itself out as being engaged primarily, or proposed to engage primarily in the business of investing and reinvesting in securities and, therefore, was required to register under the Investment Company Act.

With respect to the Investment Corporation registration statement and prospectus, inquiry will be conducted at the July 10th hearing into various items of information included therein for the purpose of determining whether the disclosures are complete and accurate in respect of material facts. Among other things, the inquiry will involve questions as to the adequacy or accuracy of information concerning the plan for distributing the Investment Corporation stock; the use of the proceeds thereof; the description of the company's business; the history of the company's organization and the interests of management and others in certain transactions; the capital stock being registered; and the financial statements.

Holding Company Act Release No. 13211

The SEC has issued an order authorizing Standard Shares Inc., to make a cash distribution of 40¢ per share, in part out of earned surplus, to each holder of record on June 29, 1956, of its outstanding 1,430,000 shares of common stock. The distribution out of earned surplus would be made to the full extent thereof (\$178,857 as of May 31, 1956), and the balance out of capital surplus, which as of the same date was \$22,046,157.

\* \* \* \*

Wheeling Steel Corporation, Wheeling, W. Va., filed a registration statement (File 2-12633) with the SEC on June 29, 1956, seeking registration of 100,000 shares of its \$10 par Common Stock, to be offered under a restricted "Stock Option Plan" to Key Employees of Wheeling and its subsidiaries.

\* \* \* \*

The Procter & Gamble Company, Cincinnati, filed a registration statement (File 2-12634) with the SEC on June 29, 1956, seeking registration of 300,000 shares of its \$2 par Common Stock to be offered for sale to certain employees pursuant to the Procter & Gamble Stock Option Plan.

\* \* \* \*

Michigan Wisconsin Pipe Line Company (Detroit) today filed a registration statement (File 2-12635) with the SEC seeking registration of \$25,000,000 of First Mortgage Pipe Line Bonds Series due 1976, to be offered for public sale at competitive bidding.

Prior to or simultaneously with the issuance of the new bonds, Pipe Line Company proposes to issue and sell additional 60,000 shares of its \$100 par common stock to its parent, American Natural Gas Company, for a cash consideration of \$6,000,000. Prior to the purchase by American Natural of the additional common shares, Pipe Line Company proposes to declare and pay American Natural a cash dividend of \$6,000,000. The effect of this dividend declaration and contemporaneous purchase of stock is to convert \$6,000,000 retained earnings into common stock.

Net proceeds are to be used to meet, or reimburse the company's treasury for, expenditures (a) to pay off short-term bank loan indebtedness (amounting to \$14,000,000 at May 31, 1956) originally incurred as temporary financing of property additions and improvements and (b) for construction and acquisition of additional facilities. Pending receipt of proceeds from the sale of the new bonds, the company may temporarily finance additional construction with bank loans which will be repaid from such proceeds.

Holding Company Act Release No. 13212

The Commission has issued an order giving interested persons until July 19, 1956, to request a hearing upon the bond financing proposal of Michigan Wisconsin Pipe Line Company, referred to above, and upon its proposed sale of additional common shares to its parent, American Natural Gas Company.

\* \* \* \*

Continued on Page 5

Jersey Central Power & Light Company, Asbury Park, N. J., today filed a registration statement (File 2-12636) seeking registration of \$10,000,000 of First Mortgage Bonds, Series due 1986, to be offered for public sale at competitive bidding. Of the proceeds, \$3,750,000 will be used to prepay outstanding bank borrowings and the balance, \$6,250,000, will be applied to the cost of the company's construction program (including reimbursement of the company's treasury for 1956 expenditures therefrom and the repayment of short-term bank loans effected in 1956 for that purpose). The company's 1956 construction program contemplates estimated cash expenditures of approximately \$14,650,000.

\* \* \* \*

---oooOooo---