

SECURITIES AND EXCHANGE COMMISSION
Washington

Summary of SEC Releases, Monday, July 9, 1956
Prepared for Press Use - Not for Quotation

Statistical Release No. 1389

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended July 6, 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>		<u>Percent Change</u>	<u>1956</u>	
	<u>7/6/56</u>	<u>6/29/56</u>		<u>High</u>	<u>Low</u>
Composite	354.5	347.1	+ 2.1	360.3	319.0
Manufacturing	453.2	442.2	+ 2.5	459.4	398.6
Durable Goods	412.1	404.1	+ 2.0	421.2	369.4
Non-Durable Goods	490.8	477.0	+ 2.9	500.8	425.2
Transportation	333.8	331.8	+ 0.6	353.0	312.8
Utility	157.0	155.6	+ 0.9	160.6	152.4
Trade, Finance & Service	306.6	302.7	+ 1.3	325.5	294.7
Mining	363.6	354.0	+ 2.7	382.5	326.8

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Oral Argument before the Commission on applications of the New York Stock Exchange to delist the common stocks of Exchange Buffet Corporation and Atlas Tack Corporation has been scheduled for Tuesday, July 17, 1956, at 10:00 A. M. Argument was requested by counsel for the issuing companies.

Holding Company Act Release No. 13218

Standard Shares, Inc., has applied to the SEC for an order authorizing a further, one year extension to July 30, 1956, of its \$1,500,000 bank loan indebtedness to The Hanover Bank of New York; and the Commission has issued an order giving interested persons until July 23, 1956, to request a hearing thereon. In support of the requested extension, the company states that it is not practicable, nor is it in the best interests of the stockholders of the company, to pay the loan at its present maturity. To do so would require the sale of a substantial amount of portfolio securities with resulting loss of dividend income; also, that pursuant to an application now pending before the Commission Standard Shares proposes the acquisition of up to 51% of the common stock of Pittsburgh Railways Company, which may require an expenditure of \$3,300,000 or more of cash, to be obtained through the sale of Duquesne Light Company common stock or an additional bank loan, or a combination of both.

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Securities Act Release No. 3656

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 by the following:

- (1) Blackstone Uranium Mines, Inc., Denver, Colorado
Regulation A notification, filed August 3, 1955, proposing the public offering of 15,000,000 shares of common stock at 2¢ per share
- (2) Central Reserve Oil Company, New York City, N. Y.
Regulation A notification, filed May 31, 1955, proposing the public offering of 300,000 shares of capital stock at \$1 per share
- (3) The Scott Uranium, Inc., Loveland, Colorado
Regulation A notification, filed June 24, 1954, proposing the public offering of 24,625 shares of Class B common stock at \$10 per share

Each of the orders provide an opportunity for hearing on the question whether the respective suspension orders should be vacated or made permanent.

In the case of Blackstone Uranium, the Commission's order asserts that there are "reasonable grounds to believe" (A) that the notification is false and misleading in stating that the officers and directors named in the offering circular are also the promoters of the issuer; (B) that the offering circular is false and misleading (1) in stating that Earl N. Murray, president, owns 2,850,000 shares of the issuer's stock but omitting to state that Murray was not in fact in control of the issuer and that he intended to resign as president as soon as the stock offering was completed and further intended to give up any claim to stock of the issuer over and beyond 300,000 shares, and (2) in stating that Murray assigned to the issuer all of his right, title and interest in certain mining leases and that the issuer was obligated to pay him \$9,000 for such leases but omitting to state that Murray acted and is intended to act only as a nominee for others and not on his own behalf; and (C) that the terms and conditions of Regulation A have not been complied with, in that (1) the offering circular fails to name the promoters of the issuer and to give other required information about them, and (2) the issuer has failed to file the required reports of stock sales.

With respect to Central Reserve, the Commission's order asserts that it "has reason to believe" (A) that a Regulation A exemption is not available, since Central Reserve agreed to issue to the underwriter 60,000 shares of stock which were not included in the computation of the \$300,000 maximum limitation upon exempt offerings and since John V. Holmes is an affiliate of the issuer and an affiliate of Arrow Graphic Corporation, which filed a Regulation A notification on February 20, 1956, in connection with an offering of its securities aggregat-

ing \$245,000; (B) that the terms and conditions of Regulation A were not complied with, in that (1) an offering of securities was made by means of communications not filed with the Commission, (2) the notification failed to state all the jurisdictions in which the issuer's securities are being offered, (3) the notification failed to disclose information concerning the sale of securities by the issuer to Holmes, (4) Robert M. Schluster and James S. Richards are acting as underwriters without being named as such in the notification and offering circular, and (5) no notification or offering circular has been filed pertaining to a new and separate offering of Central Reserve stock limited to customers of Petroleum Lease Corporation in connection with the acquisition by Central Reserve of additional properties, a purpose not contemplated as part of the original offering; and (C) that the offering was made in such a manner as "to operate as a fraud and deceit upon the purchasers in that it was not disclosed to the purchasers by way of amendment of the offering circular, or otherwise, that the officers and directors of the issuer resigned and new management took office."

The order in the case of Scott Uranium states that the Commission "has reasonable grounds to believe" that the terms and conditions of Regulation A have not been complied with, in that (A) the stock offering, if made or continued, would be made in such a manner "as to operate as a fraud or deceit upon the purchasers," in that material changes in the condition of the company since June 24, 1954 are not reflected in the filings by the company concerning, among others, (1) annual assessment work and annual rental payments in connection with each of the 146 mining tracts and 6 unpatented mining claims held by the issuer, (2) financial information concerning the company, including information with respect to cash receipts and disbursements, and (3) information concerning the exploratory and development work performed by the company on the tracts and mining claims held and the results thereof; (B) the company used advertising material without filing it with the Commission, as required; and (C) the company failed to file the required reports of stock sales and the use of the proceeds thereof.

Holding Company Act Release No. 13217

The SEC has issued an order authorizing Northampton Gas Light Company (Northampton, Mass.) to issue and sell an additional 6,000 shares of its \$25 par capital stock to its parent, New England Electric System, for a total cash consideration of \$330,000, or \$55 per share. Proceeds are to be applied by Northampton to the payment of a like amount of notes payable to NEES.

Investment Company Act Release No. 2386

The SEC has issued an order permitting Canadian International Growth Fund Limited, Montreal, Quebec investment company, to register as an investment company and to make a public offering of its securities in the United States.

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Sterling Precision Corporation, New York, today filed a registration statement (File 2-12642) with the SEC seeking registration of 379,974 shares of 5% cumulative Convertible Preferred Stock, Series C (\$10 par). The company proposes to offer this stock for subscription by holders of its outstanding Common Stock and Series A and Series B Preferred Stock, at the rate of 1 share of Series C

preferred for each 4 shares of outstanding preferred and 1 share of Series C preferred for each 10 shares of outstanding common. The subscription price is to be \$10 per share.

Sterling has entered into an agreement with Equity General Corporation by which the latter agrees to purchase at par plus accrued dividends any part of 290,000 shares of the Series C preferred not subscribed for by stockholders. Equity General is a wholly-owned subsidiary of The Equity Corporation, an investment company. Equity General owns 137,640 (3.23%) shares of the outstanding common stock of Sterling, plus \$1,800,000 of the \$3,400,000 outstanding $4\frac{1}{2}\%$ Convertible Debentures of Sterling. Three of Sterling's directors are also directors of Equity General and a fourth was suggested by it. Under a Financing Agreement of May 25, 1956, between Sterling and Equity General, the latter advanced \$2,000,000 to Sterling, as follows: \$600,000 evidenced by a 60-day 5% note secured by mortgage; and \$1,400,000 evidenced by a 120-day 5% note secured by pledge of stock.

Net proceeds to be received by Sterling from the sale of the Series C preferred will be used to repay the \$1,400,000 note held by Equity General and may be used to repay existing bank loans, and the balance remaining after such repayments will be added to the funds of the company available for its general corporate purposes.

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