

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington 25, D.C.

A brief summary of financial proposals filed with and actions by the S.E.C.

(In ordering full text of Releases from Publications Unit, cite number)

FOR RELEASE February 4, 1959

SEC ORDER CITES GRAVIS, INC.

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether R. B. Gravis, Inc., 52 Broadway, New York, and certain individuals, violated the registration and anti-fraud provisions of the Securities Act of 1933 and, if so, whether the registration of Gravis, Inc., as a broker-dealer should be revoked.

According to the Commission's order, information developed in an investigation conducted by its Staff if true tends to show that Gravis, Inc., and the said individuals offered and sold common stock of Mono-Kearsarge Consolidated Mining Company in violation of the Securities Act registration requirement. The order further asserts that, in the offer and sale of Mono-Kearsarge stock, Gravis, Inc., and the said individuals "engaged in acts, practices and a course of business which would and did operate as a fraud and deceit upon certain persons," in that they induced such persons to purchase Mono-Kearsarge stock by means of false and misleading representations with respect to the assessment feature of the stock, the market price of the stock, the increase in the price of the stock, the merger of the issuing company with, and the purchase of its assets by, a large steel company, the splitting of the stock, dividends to be paid, discovery of uranium by the issuer, and the bringing in of a new well by the issuer.

The individuals named in the order are Robert B. Gravis, president of Gravis, Inc., and eleven of its salesmen. The order provides for a hearing to inquire into the foregoing matters, at a time and place to be designated later.

SEC SUSPENDS EXEMPTIONS ON SEVEN STOCK OFFERINGS

The Securities and Exchange Commission has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to 1955 and 1956 stock offerings by the following:

Arizona Uranium Corporation, Las Vegas, Nevada

Offering of 1,785,000 common shares at 10¢ per share

The Brown-Miller Enterprises, Incorporated, Denver, Colo.

Offering of 10,000 common shares at \$5 per share

Brown Mineral Research, Inc., Denver, Colo.

Offering of 95,000 common shares at \$1 per share

Mecca Uranium & Oil Corporation, Moab, Utah

Offering of 150,000 common shares at \$1 per share

Niagara Uranium Corporation, Salt Lake City, Utah

Offering of 2,400,000 common shares at 10¢ per share

O'Bannon Uranium Company, Odessa, Texas

Offering of 600,000 common shares at 50¢ per share (405,000 shares by the issuing company and 195,000 by certain individuals)

Uranium Enterprises, Inc., Durgano, Colo.

Offering of 1,500 common shares at \$100 per share

The offerings of the foregoing securities were proposed pursuant to the conditional exemption from registration provided by Regulation A. The respective orders of the Commission provide

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an opportunity for hearing, upon request, on the question whether the suspensions should be vacated or made permanent.

The Commission's orders with respect to Brown-Miller Enterprises, Brown Mineral Research, Niagara Uranium, O'Bannon Uranium, and Uranium Enterprises, assert that the respective companies failed to file the required semi-annual reports of stock sales and the use to which the proceeds were applied. Except for Brown-Miller Enterprises, these orders also allege that the offering circulars of the several companies are false and misleading in respect of certain material facts and that, under such circumstances, their stock offerings would operate as a fraud and deceit upon purchasers of the stock.

With respect to Arizona Uranium and Mecca Uranium, the Commission's orders assert that the offering circulars of the respective companies likewise contain false and misleading statements of material facts.

PIEDMONT NATURAL GAS PROPOSES RIGHTS OFFERING

Piedmont Natural Gas Company, Inc., 523 South Tryon St., Charlotte, North Carolina, today filed a registration statement (File 2-14725) with the SEC seeking registration of 56,301 shares of Common Stock. The company proposes to offer the stock for subscription by common stockholders at the rate of one new share for each ten shares held. The record date, subscription price and underwriting terms are to be supplied by amendment. White, Weld & Co. is listed as the principal underwriter.

In addition to the stock offering, the company has entered into a revolving credit agreement with eight banks under which a \$3,000,000 loan commitment is now available and an additional \$3,000,000 will be available upon said sale of the stock. The proceeds of the financing will be applied to the company's construction program, involving expenditures estimated at \$7,000,000 for 1959.

ILLINOIS BELL TELEPHONE PROPOSES BOND OFFERING

Illinois Bell Telephone Company, 212 W. Washington St., Chicago, today filed a registration statement (File 2-14726) with the SEC seeking registration of \$50,000,000 of First Mortgage Bonds, Series F, due March 1, 1994, to be offered for public sale at competitive bidding.

Net proceeds of the sale of the bonds will be used to reimburse the company's treasury for expenditures made for property additions and improvements (including repayment of some \$21,000,000 of advances by American Telephone and Telegraph Company, parent), and to use the balance of the proceeds for general corporate purposes, including further property additions and improvements.

AMERICAN FURNITURE MART FILES INDENTURE

American Furniture Mart Corporation, 666 North Lake Shore Drive, Chicago, filed an application (File 22-2505) with the SEC on February 3, 1959, seeking qualification of a trust indenture pursuant to which \$4,133,075 of Fifteen Year 5% Registered Income Debentures are to be issued. The debentures are to be issued solely in exchange for shares of the Furniture Mart's common stock which voluntarily may be offered in exchange for the debentures on the basis of the issuance of one \$25 debenture for one share of common stock under a Plan of Recapitalization.

CANADIAN PYRITES APPLIES FOR ORDER

Canadian Pyrites, Limited, has applied to the SEC for an exemption order under the Investment Company Act permitting its sale of certain property located in Canada to Du Pont Company of Canada Limited for \$2,510; and the Commission has issued an order (Release 40-2825) giving interested persons until February 17, 1959, to request a hearing thereon. Canadian Pyrites is an affiliate of Delaware Realty and Investment Company and Christiana Securities Company, registered investment companies; and Du Pont of Canada is presumptively controlled by such investment companies. The property involved consists of some 645 acres located in the southern part of the Algoma District of the Province of Ontario.