

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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)



Washington 25, D.C.

FOR RELEASE June 10, 1959

CONSOLIDATED PETROLEUM OFFERING SUSPENDED

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of securities by Consolidated Petroleum Industries, Inc., of 908 Alamo National Bank Bldg., San Antonio, Texas.

Regulation A provides a conditional exemption from registration for securities offered for public sale in amounts not exceeding \$300,000. Consolidated filed a notification on April 30, 1959, proposing the public offering of 80,000 shares of 6% preferred stock, \$3.50 par, and 80,000 shares of 10¢ par common stock, to be sold in units of one share of preferred and one share of common at a unit price of \$3.75. The Commission's suspension order asserts that Consolidated's offering circular contains false and misleading statements of material fact and that the offering of stock by means of such circular would violate Section 17 (the anti-fraud provision) of the Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Various informational disclosures are challenged by the Commission. Among these are various estimates of oil reserves, recoverable oil, and net future income from certain leases, including a statement that there are 343,200 barrels of recoverable oil worth \$1,098,240 underlying one such lease; the inclusion of \$261,636 in the financial statements representing appraised values of oil reserves and of equipment, such amount being arbitrary and having no relation to the nominal cost actually paid; and statements concerning the stock holdings of promoters and management officials and the consideration paid therefor in relation to the consideration to be received from the public offering of stock.

ROWE FURNITURE FILES FOR SECONDARY

Rowe Furniture Corporation, Salem, Va., filed a registration statement (File 2-15221) with the SEC on June 9, 1959, seeking registration of 165,000 outstanding shares of its common stock, to be offered for public sale by the present holders thereof through an underwriting group headed by Francis I. duPont & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of "medium-priced upholstered living room furniture." It has outstanding 371,400 common shares. Management officials and their wives own 285,450 shares, or about 77%. The two principal stockholders are Donald E. Rowe, president, 111,490 shares, and his wife, Gladys B. Rowe, 109,210 shares. They propose to sell 55,745 and 54,605 shares, respectively, or one-half of their present holdings. Other selling stockholders listed also propose to sell one-half of their holdings.

NATIONAL SECURITIES SHARES IN REGISTRATION

National Securities & Research Corporation, New York investment company, filed an amendment on June 9, 1959, to its registration statement (File 2-11745) seeking registration of 15,000,000 additional shares in National Securities Series.

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

BASIC ATOMICS WITHDRAWS FILING

Basic Atomics, Inc., 36 West 44th St., New York, has withdrawn its registration statement (File 2-14801), filed March 5, 1959, which proposed the public offering of 444,246 outstanding shares of common stock by the present holders thereof. The withdrawal was attributed to a derivative stockholders suit pending in the Chancery Court for the State of Delaware, New Castle County, and a complaint filed in the U. S. District Court for the Southern District of New York, which challenge "the validity of most of the very securities which are sought to be registered. In view of the pendency of these actions, it is practically impossible for the registration statement to become effective until after the disposition of these actions."

AMERICAN-SOUTH AFRICAN FUND REQUEST GRANTED

The SEC has issued an order under the Investment Company Act (Release 40-2886) permitting American-South African Investment Company, Limited, Johannesburg, through its custodian or its custodian's agent, to exercise in South Africa the rights issued to it as a shareholder in other companies for the purchase of securities and to take any necessary action in connection with such transactions, subject to prescribed conditions.

TRADING IN JACOBS CO. STOCK SUSPENDED

The SEC has issued an order (Release 34-5986) suspending trading in the common stock of F. L. Jacobs Co. on the New York and Detroit Stock Exchanges and in the over-the-counter markets for a further ten-day period, June 11 to June 20, 1959, inclusive.

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