

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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USE OF SUMMARY PROSPECTUS EXPANDED

The SEC today announced the adoption of an amendment to its Rule 434A under the Securities Act of 1933 (Release 33-4094) permitting the expanded use of a "summary prospectus" in the offering of registered securities.

The rule provides for the use of summary prospectuses which omit in part or summarize information required to be set forth in the more complete prospectus required to be used in connection with the offering and sale of such securities. It previously limited the use of summary prospectuses to companies which file annual and other periodic reports by reason of the fact that their securities are listed and registered on national securities exchanges, as well as to companies which have undertaken, in connection with the prior registration of securities for public sale, to file periodic reports keeping current the information contained in the registration statement. The amended rule permits the use of summary prospectuses by certain other companies which do not file such reports but which meet certain standards as to size, earnings and the publication of reports.

Under the amended rule, the use of summary prospectuses would be permitted in the case of companies having net assets of at least \$5,000,000 which file profit and loss or income statements for a period of at least three full fiscal years and have engaged in substantially the same business during such period, which have net income of at least \$500,000 for each of the three years, and which have distributed to stockholders and made available to the public generally an informative annual report for each of its last three fiscal years, including a profit and loss or income statement and appropriate statements of surplus for each year, and a balance sheet as of the end of such year, all prepared in accordance with generally accepted accounting principles and practices and certified in accordance with generally accepted auditing standards. The assets and earnings figures shall be based on consolidated financial statements if such statements are filed.

CENTENNIAL MANAGEMENT & CENTENNIAL FUND FILE FOR OFFERING

Centennial Management and Research Corporation and Centennial Fund, Inc., both newly-organized companies, of 714 Boston Building, Denver, filed a registration statement (File 2-15222) with the SEC on June 10, 1959, seeking registration of securities, as follows: \$10,000,000 of Centennial Management escrow agreements; and 800,000 shares of Centennial Fund capital stock.

The Fund is an open-end investment company. Centennial Management is the investment adviser to the Fund and proposes to offer its Escrow Agreements as a means of acquiring shares of the Fund, which are now available only through the use of such Escrow Agreements. The said agreements provide a procedure for accumulating \$10,000,000 or more in cash or securities in escrow for simultaneous exchange for the shares of an open-end regulated investment company in the pattern which is the basis for the tax ruling. If \$10,000,000 has not been placed in escrow under these agreements by March 1, 1960, all deposited assets will be returned to their Depositors. If assets in excess of \$10,000,000 have been deposited by that time, Centennial Management will report this fact to all Depositors, and will also announce that it has elected to adopt one of two plans which are known as the "private" and the "public" plans. If the private plan is adopted, the assets in escrow would be exchanged immediately for shares of Centennial Fund, Inc. and it would operate as an open-end regulated investment company. If the public plan is adopted, the Management Corporation will make arrangements for a public offering of shares of Centennial Fund, Inc. for cash, under the best underwriting terms then available, and the assets in escrow will be held in escrow until the cash public offering is completed. At that time the assets held in escrow and the cash subscribed by the public would be delivered to Centennial Fund, Inc. in exchange for its shares, and the Fund would then operate as an open-end investment company

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

Centennial Management's prospectus lists Ranald H. Macdonald III as president and William M. Berger as vice president. William Grant of Denver has indicated his intention of depositing in escrow of \$100,000 under the Escrow Agreements, and is the beneficial owner of 8,000 shares of Centennial Fund stock having a net asset value of \$100,000. Berger is president and Macdonald vice president of the Fund. The Fund's basic investment policy "is to acquire assets which appear likely to grow in earning power over the years, in order to increase the shareholders' income and to enable them to share in possible capital appreciation."

U. S. PLYWOOD PROPOSES DEBENTURE OFFERING

United States Plywood Corporation, 55 West 44th St., New York, filed a registration statement (File 2-15223) with the SEC on June 10, 1959, seeking registration of \$15,000,000 of Twenty Year Subordinated Debentures, to be offered for public sale through an underwriting group headed by Eastman Dillon, Union Securities Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company will use the net proceeds from the sale of the debentures, together with the proceeds of its \$58,000,000 issue of Twenty Year 5½% First Mortgage Bonds, its Nine Year Term Bank Loan aggregating \$10,000,000 and other company funds for the purchase of all of the assets (subject to the liabilities) of the Booth-Kelly Lumber Company and the redemption of 38,084 shares of the company's Series A, 3-3/4% cumulative preferred stock, \$100 par, and a maximum of 9,551 shares of its Series B, 3-3/4% Convertible cumulative preferred stock, \$100 par. According to the prospectus, the company on May 27, 1959, made an agreement with Booth-Kelly to purchase its assets and business. Booth-Kelly stockholders will vote on the agreement in July.

The principal asset of Booth-Kelly is said to consist of more than 3,000 million board feet of merchantable timber, primarily old-growth Douglas fir and a large acreage of cut-over timber lands located in Western Oregon.

MICHIGAN SEAMLESS TUBE PROPOSES STOCK OFFERING

Michigan Seamless Tube Company, South Lyon, Mich., filed a registration statement (File 2-15224) with the SEC on June 10, 1959, seeking registration of 100,000 shares of common stock, to be offered for public sale through an underwriting group headed by Paine, Webber, Jackson & Curtis. The public offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiary manufacture and sell cold drawn seamless steel tubing. It now has outstanding 593,864 common shares. Net proceeds of the sale of the additional stock will be added to general funds of the company and used in connection with a program of expansion of the facilities of the subsidiary (Gulf States Tube Corporation) scheduled for completion in September 1960. The expansion program, including necessary additional working capital, will require approximately \$4,500,000. The company also has arranged \$3,000,000 of borrowings from a bank and insurance company, the funds also to be applied to the expansion program.

ADRS FOR BRITISH OXYGEN FILED

Morgan Guaranty Trust Company of New York filed a registration statement (File 2-15225) with the SEC on June 10, 1959, seeking registration of American Depositary Receipts for 60,000 shares of Ordinary Registered Stock of British Oxygen Company Limited.

U. S. POLYMERIC CHEMICALS PROPOSES RIGHTS OFFERING AND SECONDARY

U. S. Polymeric Chemicals, Inc., Stamford, Conn., today filed a registration statement (File 2-15226) with the SEC seeking registration of 75,930 shares of common stock. Of this stock, the company proposes to offer 55,930 shares for subscription by its stockholders at the rate of 1 new share for each share held of record June 30, 1959. The remaining 20,000 shares, representing outstanding stock, are to be offered for sale by the present holders thereof. The subscription and offering price and underwriting terms are to be supplied by amendment. Dominick & Dominick is listed as the principal underwriter.

The company's business consists generally of processing paper, fiber glass and other fibrous materials by impregnating them with a variety of synthetic resins. It now has outstanding 335,850 common shares. Net proceeds of the company's sale of additional stock will be added to its general

and used for corporate purposes, including a \$250,000 expenditure for the purchase and installation of new processing equipment; consisting principally of two additional treaters for its Santa Ana plant.

The selling stockholders are Maarten W. J. Oudegeest, president, and William S. Thornhill, vice president, who now own 46,950 and 43,635 shares, respectively, of which they propose to sell 10,000 shares each. The selling stockholders are also selling to the underwriters the subscription warrants allocable to their present holdings. Other principal stockholders are Pallas Corporation, 86,799 shares; Dominick & Dominick, 70,632; and Cudd & Co., 41,337 (which latter amount is owned by a trust of which a partner of Dominick & Dominick is trustee and in which members of the latter firm have no beneficial interest).

HEARING ORDERED ON MIDLAND SECURITIES

The SEC has scheduled a hearing for June 29, 1959, in its New York Regional Office in the proceedings under the Securities Exchange Act of 1934 to determine whether Midland Securities, Inc., 30 Broad Street, New York, defrauded investors in the sale of Inland Resources Corporation stock and, if so, whether its broker-dealer registration should be revoked and/or whether it should be suspended or expelled from membership in the National Association of Securities Dealers, Inc.

In its order of January 13, 1959, instituting the proceedings (Release 34-5855), the Commission charged that Midland Securities, its president, Ben DiGaetano and certain other individuals offered and sold Inland Resources stock by means of false and misleading representations of material facts and employed "devices, schemes and artifices to defraud . . . and engaged . . . in transactions, practices and a course of business which operated as a fraud and deceit" upon the purchasers of such stock. At the June 29th hearing, inquiry will be conducted into these and related matters for the purpose of determining whether provisions of the Federal Securities Laws were violated and, if so, whether it is in the public interest to revoke the broker-dealer registration of Midland Securities and/or to suspend or expel it from NASD membership.

CANADIAN RESTRICTED LIST

Third Supplement

The SEC today announced the addition of the following Canadian companies to its Canadian Restricted List:

Ava Gold Mining Company Limited
 Americanadian Mining and Exploration Company Limited
 New Surpass Petrochemicals Limited
 North Lake Mines Limited
 Nu-Gord Mines Limited
 Taiga Mines Limited

The list comprises the names of Canadian companies whose securities, the Commission has reason to believe, recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

PRELIMINARY ORDER ENJOINS CORDILLERA MINING STOCK SALE

The SEC Fort Worth Regional Office announced June 6, 1959, that Judge T. Whitfield Davidson (USDC, Dallas) had entered a preliminary injunction enjoining Robert Paul Creson, Creson and Co., Hobart David Lasseter, and Cordillera Mining Company, from further sale of Cordillera Mining stock without prior registration (Lit. Release 1450).

INDICTMENT NAMES SPILLER, BUDGET FUNDING, INTER-CITY SECURITIES

The SEC New York Regional Office announced June 5, 1959, that William Spiller (formerly of ca, N. Y.), Budget Funding Corp., and Inter-City Securities Corp., have been indicted on charges of fraud in the sale of Budget Funding preferred stock (Lit. Release 1451).