

# 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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**WOLF CORP. FILING CHALLENGED.** The SEC has ordered proceedings under the Securities Act of 1933 which question the accuracy and adequacy of informational disclosures contained in a registration statement filed by The Wolf Corporation, 10 East 40th Street, New York. A hearing has been scheduled for October 8, 1962, to take evidence with respect to the alleged deficiencies in the statement for the purpose of determining whether certain representations therein are false and misleading and, if so, whether a "stop order" should be issued suspending the statement.

According to the Wolf Corp. prospectus, the company was organized in January 1961 to engage in the real estate business, acquiring at that time the fee of the Mayflower Hotel and Lake Trail Apartments, Palm Beach, Fla., and the operating leaseholds of the Mayflower Hotel and Mayflower Motel, both in Atlantic City, N. J. It proposed the public offering, through Troster, Singer & Co. of New York, of \$1,321,500 of 6 $\frac{1}{2}$ % subordinated convertible debentures and 264,300 shares of Class A common stock, such securities to be offered in units of \$250 principal amount of debentures and 50 shares of stock.

The principal items of disclosure challenged by the Commission relate to the adequacy and accuracy of the amount of funds available for distribution to stockholders, the increase in the monthly rate of such distributions to Class A stockholders, the continued payment at the increased rate, and the conversion of Class B shares into Class A. Other alleged deficiencies relate to the investments which Joseph Wolf, president and board chairman, Leon Spilky, treasurer, and Joseph Eckhaus, secretary, may make which will not conflict with the company's interests; the acquisition of properties at organization and the supervisory management contracts in force between said officers and certain partnerships the interests in which were acquired by the company; the failure to disclose the circumstances under which the company paid \$56,000 to Joseph Levin for the account of Wolf and Levin in satisfaction of obligations in that amount due them from Tidelands Motor Inn or Morin Scott and the charge of that amount on the books of the company to rent receivable due from Tidelands; and the Consolidated Statement of Operations for 1961 and for January-March 1962, with respect to income and charges thereto.

The issuer now has outstanding 784,600 Class A and 305,000 Class B common shares. Wolf, Eckhaus and Spilky own 65.57%, 16.39% and 16.39%, respectively, of the Class B shares. Management officials as a group also own 8.98% of the Class A stock.

**GLAS FOAM HEARING POSTPONED.** Pursuant to the joint request of counsel for the company and counsel for its staff, the Commission has authorized a postponement from September 28 to October 29, 1962, of the hearing in the Commission's Atlanta Regional Office in proceedings involving the temporary suspension of a Regulation A exemption from registration with respect to a proposed public offering of stock by Glas Foam Corporation of Hialeah, Fla.

**GREEN SHIELD SALES, OTHERS ENJOINED.** The SEC Denver Regional Office announced September 21 (LR-2378) the entry of a Federal court order (USDC Denver) permanently enjoining Green Shield Sales, Inc. Jack Londen, Jr., Herbert Greenberg and Jay D. Kuhl from further violating the Securities Act registration requirement in sale of stock of Green Shield Plan, Inc.; and Londen also was enjoined from further violations of the anti-fraud provisions of that Act. The order was entered pursuant to a stipulation of the parties under which the complaint was dismissed in its entirety as to Green Shield Life Insurance Company, Green Shield Plan, Inc., and Management Operations, Inc., and the fraud charges were dismissed as to Green Shield Sales, Herbert Greenberg and Jay D. Kuhl.

**MISSISSIPPI RIVER FUEL FILES EXCHANGE PLAN.** Mississippi River Fuel Corporation, 990 Clayton Road, St. Louis, Mo., filed a registration statement (File 2-20746) with the SEC on September 24th seeking registration of 1,200,000 shares of common stock. It is proposed to offer such stock in exchange for Class A capital stock of Missouri Pacific Railroad Company, at the rate of 1-1/3 shares for each share of Missouri Pacific. The company now owns 35.12% of the outstanding voting shares (including Class B shares) of Missouri Pacific. Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, New York, and Dempsey-Tegeler & Co., Inc., 1000 Locust St., St. Louis, will manage a group of dealers who will solicit exchanges. The amount of commissions to be paid the dealers (including the managers) is to be supplied by amendment.

The issuing company, through divisions and subsidiaries, is engaged in the ownership and operation of two main natural gas transmission lines extending from Perryville, La. to the St. Louis area (and another from Clay County, Illinois to St. Louis); in the exploration for, development, production and sale of crude oil, natural gas and condensate in Louisiana, Kansas, Texas and other States; and in the mining, processing and sale of barite (used for controlling underground pressures in the drilling of oil and gas wells), and the sale of chemicals and other products used in drilling fluids. In addition to certain indebtedness, the company has outstanding 3,652,298 shares of common stock. William G. Marbury is board chairman and Glenn W. Clark is president. Missouri Pacific is an operating railroad carrier and is the parent corporation of a number of railroad subsidiaries which in combination make up an integrated rail carrier system known as the Missouri Pacific System.

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**TWO RULE PROPOSALS WITHDRAWN.** The SEC has concluded not to adopt rule revision proposals under the Securities Exchange Act as set forth in: (a) Release No. 5299 of April 17, 1956, proposing the adoption of a new Rule 14B-1 prescribing the conditions under which certain exchange members, brokers or dealers may give proxies, consents or authorizations in respect of listed securities carried for the account of a customer, and (b) Release No. 5900 of March 6, 1959, proposing a new Rule 17a-8 to require brokers and dealers to report promptly to the Commission transactions with non-residents of the United States involving a significant amount of any security.

While these proposals in their present form may now be considered abandoned, the problems involved will receive the continuing study of the Commission as a result of its further experience in the administration of the present rules.

**M A HANNA SEEKS ORDER.** The M.A. Hanna Company, Cleveland investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to the proposed purchase from it by Midland-Ross Corporation, of up to 152,839 Midland-Ross common shares owned by M.A. Hanna (constituting about 11% of the outstanding stock of Midland-Ross); and the Commission has issued an order (Release IC-3543) giving interested persons until October 9th to request a hearing thereon. Midland-Ross is engaged in the manufacture of specially engineered machinery and equipment for the paper, steel, plastic and other industries; products for the automotive industry; rayon tire cord and rayon textile yarns; heating and air-conditioning equipment; and aircraft and missile equipment. According to the application, Midland-Ross has been purchasing shares of its common stock from time to time for use in connection with possible acquisitions in its current diversification program. It presently has under consideration the possibility of making, within a period of 30 days after the issuance of the order requested, a general offer to its shareholders to purchase up to 225,000 shares of its outstanding common stock, provided M. A. Hanna indicates its willingness to tender a substantial part of its holdings pursuant to the offer. Assuming a satisfactory market price, M. A. Hanna would be willing to give Midland-Ross such assurance, if the price is not more than 5% below the market price as evidenced by the last transaction in such stock on the New York Stock Exchange on the day prior to the day of the making of the offer.

**COASTAL CHEMICAL SHARES IN REGISTRATION.** Coastal Chemical Corporation, Yazzo City, Miss., filed a registration statement (File 2-20748) with the SEC on September 24th seeking registration of 100,000 Class A, 39,239 outstanding Class C and 70,000 Class D shares. 60,000 of the Class A shares are to be issued in connection with acquisition of properties; 50,000 of the Class D shares are to be issued in exchange for outstanding Class C stock when presented for transfer; and the remaining Class A and Class D shares are to be offered for public sale at \$35 per share on a best efforts basis through the company's parent, Mississippi Chemical Corporation, which will receive 33¢ per share for expenses. The 39,239 outstanding Class C shares are owned by Mississippi Chemical which proposes to sell same at \$35 per share. The parent presently owns 3.41%, 100%, and 22.26%, respectively, of the outstanding Class A, B and C stock of the company.

The company manufactures a variety of high analysis fertilizers, anhydrous ammonia, and other fertilizer materials and components, and its principal purpose is to provide its products to stockholders who are users of such products. The net proceeds from the company's sale of additional Class A and D stock will be added to general funds and used for working capital, including completion of construction of the addition to anhydrous ammonia and related facilities, and for general corporate purposes. In addition to certain indebtedness, the company has outstanding 276,885 Class A, 2,500,000 Class B (all owned by Mississippi Chemical), 176,231 Class C and 102,514 Class D shares (including 95,386 shares subscribed and to be issued upon completion of ammonia facilities), of which management officials as a group own 1.45% of the Class A and 3.37% of the Class C shares. The ownership of Class A or Class B stock gives the holder preferred patronage rights to purchase products manufactured by the company (other than "straight nitrogen fertilizer"), and ownership of Class C or Class D stock gives preferred patronage rights to purchase anhydrous ammonia and/or other "straight nitrogen fertilizer" from the company. LeRoy P. Percy is board chairman and Owen Cooper is president; and they hold like positions with the parent.

**SECURITIES ACT REGISTRATIONS.** Effective September 24: Montgomery Ward & Co., Inc. (File 2-20686); Pomeroy-Smith-Ewing & Hungville, 63 Ltd. (File 2-20648). Effective September 25: Jaylis Industries, Inc. (File 2-19152). Withdrawn September 24: Alaska Pacific Lumber Co. (File 2-19314); Tamarack Country Club, Inc. (File 2-16785); Unimed, Inc. (formerly Wynlit Pharmaceuticals, Inc.) (File 2-19542).

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