

# 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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Washington 25, D.C.

FOR RELEASE February 5, 1960

**WINDELS WINS FLEMING AWARD.** Paul Windels, Jr., SEC New York Regional Administrator, has been selected by the Arthur S. Fleming Awards Commission of the Junior Chamber of Commerce of Washington, D. C., as one of the ten outstanding young men in the Federal service. Mr. Windels joined the Commission's Staff as Administrator in August 1956.

**TWO STOCK OFFERINGS SUSPENDED.** The SEC has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to proposed public offerings of securities by the following:

Aetna Oil Dev. Co., Inc., 840 First National Bank Building, Phoenix, Arizona

Proposed offering, pursuant to notification filed January 4, 1960, of 2,450 five-year callable-convertible 4½% debentures, \$100 par, at \$112.50 per debenture

American Reserve Life Insurance Company, 1926 East McDowell Road, Phoenix, Arizona

Proposed offering, pursuant to notification filed September 11, 1959, of 300,000 common shares at \$1 per share

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In its suspension orders, the Commission asserts that the offering circular of Aetna Oil and sales literature of American Reserve are false and misleading in respect of certain material facts and that the offering of the respective companies' securities by means thereof would violate Section 17 (the anti-fraud provision) of the Securities Act. The suspension orders further state that certain terms and conditions of Regulation A have not been complied with by the respective companies. Each of the orders provide an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

With respect to Aetna Oil, the Commission's order challenges the accuracy and adequacy of information in its offering circular, including the following: the unqualified statements therein as to commercial production by nationally known companies from fields allegedly surrounding the issuer's property and with respect to the geological structure of the area, including the issuer's properties and the claim that production can be economically marketed; failure to disclose the distance of the issuer's properties from producing properties and the existence and location of dry holes between such properties; and the over-statement of assets in the balance sheet, failure to disclose speculative aspects of the offering, the failure to disclose the material terms and conditions of the various leases, and the failure to disclose adequately the issuer's relation to United Gas and Oil, Inc. and Monarch Gas Corporation. The Commission's order also asserts that Aetna Oil's notification and offering circular fail to set forth certain required information, including the costs to promoters and management officials of the assets transferred to the issuer in exchange for debentures and stock.

The suspension order pertaining to American Reserve asserts that that company failed to file copies of sales material, as required, and that its sales literature contained false and misleading statements concerning the profits and investment return of stocks of other insurance companies and their relationship to the profits and investment return on American Reserve stock.

**THREE STOCKS DELISTED.** The SEC has issued an order (Release 34-6174) granting applications of the New York Stock Exchange to delist the 7% preferred stock of A. M. Byers Company and the 4½% preference and 4½% preferred stocks of The General Tire & Rubber Company, effective at the close of the trading session February 15, 1960, because of the limited number of outstanding shares and limited public distribution thereof.

**UNLISTED TRADING IN ZENITH SOUGHT.** The Philadelphia-Baltimore Stock Exchange has applied to the SEC for unlisted trading privileges in the common stock of Zenith Radio Corporation, which is listed and registered on the New York and Midwest Stock Exchanges; and the Commission has issued an order (Release 34-6174) giving interested persons until February 19, 1960, to request a hearing thereon.

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For further details, call ST.3-7600, ext. 5525

**TRADING IN SKIATRON COMMON SUSPENDED.** The SEC today announced the further suspension of trading in the common stock of Skiatron Electronics and Television Corporation, 180 Varick Street, New York, on the American Stock Exchange during the period February 6 to 15, 1960, inclusive. The suspension order, which was issued pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934, states that the suspension is necessary to prevent fraudulent, deceptive or manipulative acts or practices in Skiatron stock, thus prohibiting trading in such stock by brokers and dealers in the over-the-counter market during the period of the suspension by virtue of the Commission's Rule 15c2-2.

The hearing in administrative proceedings involving questions as to the accuracy and adequacy of factual disclosures contained in the registration statement filed by Skiatron under the Securities Act of 1933 and whether a stop order should be issued suspending the said statement (See Release 33-4174), will resume February 10, 1960, at 2:00 P. M.

**FLORIDA PATSAND FILES FOR SECONDARY.** Florida-Patsand Corp., 1601 Alfred I. duPont Bldg., Miami, filed a registration statement (File 2-16093) with the SEC on February 4, 1960, seeking registration of 1,987,000 shares of its outstanding common stock.

According to the registration statement, the 1,987,000 shares constitute all the outstanding common stock of the company. The company and its consolidated subsidiaries have outstanding, in addition, various mortgage and other indebtedness.

Of the 1,987,000 common shares, 1,587,500 shares were issued during 1957 in consideration of properties and services. The remaining 400,000 shares were issued during 1959 in consideration for properties. The prospectus further indicates that "subsequent sales of some of the securities" may have violated provisions of the Securities Act. The shares are being registered for possible public sale by the present holders thereof, the selling price to be determined by the market value of the stock upon the date of sale. The purpose of registration is said to be to provide a current prospectus for the information of the general public, including current stockholders, possible purchasers, brokers and others, and to provide registration of stock currently owned by the management and control persons so that the same may be disposed of in whole or in part by such persons.

The company was organized in 1956 under Delaware law under the name American-Caribbean Oil Corp. (later changed to Florida Land Company and then to Florida-Patsand Corp.). The business of the company and its subsidiaries, except National Home Insurance Company, Emergox, Inc., and Sidras Corporation, is that of land development. National was acquired in September 1959 in exchange for 400,000 shares of Florida-Patsand stock, is engaged in writing casualty insurance, and expects to be engaged in the land development business. Emergox is engaged in distributing portable oxygen units. Sidras Corp. is engaged in the restaurant business.

The principal stockholders of the company are Irving Katz, executive vice-president, who with members of his family owns 289,250 shares; and James E. Moore, president, and his brother, William R. Moore, who own 182,718 and 47,971 shares, respectively.

**PUEBLO SUPERMARKETS FILES FOR OFFERING AND SECONDARY.** Pueblo Supermarkets, Inc., Caparra Heights, San Juan, Puerto Rico, today filed a registration statement (File 2-16093) with the SEC seeking registration of 200,000 shares of common stock. Of this stock, 70,000 shares are to be offered for public sale by the issuing company and the balance, being outstanding stock, by the present holders thereof. The public offering will be made through an underwriting group headed by Merrill Lynch, Pierce, Fenner & Smith, the offering price and underwriting terms are to be supplied by amendment. The company will make an initial offering of 10,000 shares (of the 70,000) to certain of its employees.

Organized in 1955, the company is engaged in the operation of six supermarkets, five in Greater San Juan and one in Ponce. It now has outstanding 130,000 shares of common stock and 520,000 shares of Class A common. Net proceeds of its sale of additional stock will be used to defray part of the cost of the company's expansion program, the remainder of such cost to be financed from retained earnings, depreciation accruals and borrowings. The program contemplates the opening of approximately six supermarkets during the next three years.

Of the outstanding shares, 60% of the common and 61.92% of the Class A common are held by Harold Toppel, company president; and the balance of the shares of each class is held by two other officers, George and Milton Toppel.

**ADDITIONAL STATE BOND SECURITIES IN REGISTRATION.** State Bond & Mortgage Company, New Ulm, Minn., investment company, filed an amendment to its registration statement (File 2-11838) on February 4, 1960, seeking registration of an additional \$4,000,000 of Series 120 certificates and \$10,000,000 of Series 115 certificates.

**COLD LAKE PIPE LINE PROPOSES STOCK OFFERING.** Cold Lake Pipe Line Company, Inc., 1410 Stanley St., Montreal, Canada, today filed a registration statement (File 2-16095) with the SEC seeking registration of 200,000 shares of common stock, to be offered for public sale at \$6 per share. Underwriting terms and identity of the underwriters will be supplied by amendment.

CONT INUED

The company was organized in 1952 as a subsidiary of Bonnyville Oil & Refining Corporation, and is engaged in the transmission of natural gas from gas fields owned by Bonnyville Oil to a Canadian military installation at Cold Lake, Alberta, Canada. The company now has outstanding 520,200 common shares. Of the net proceeds of the sale of additional stock, \$200,000 will be applied in satisfaction of indebtedness incurred in connection with pipeline construction; \$20,000 in repayment of loans by a company officer; \$50,000 to increase working capital; and the balance for exploration, wildcat drilling and land acquisition. The company has a commitment for a bank loan of \$150,000 which also will be used to pay in part the indebtedness incurred in construction.

According to the prospectus, Bonnyville Oil originally owned all the 520,200 outstanding shares of common stock. Since May 1959, however, it sold 89,295 shares through Canadian brokers for an aggregate of \$205,872; and it is estimated that about 46,000 shares were sold to investors in the United States. No Securities Act registration statement was in effect with respect to the shares sold in this country, thus creating possible contingent liabilities. The prospectus lists Dr. Hans C. A. Swolfs of Rye, New York, as president of the company. Management officials own an aggregate of 6,650 common shares.

COURT ORDER BARS SALE OF LAND DEVELOPMENT STOCK. The SEC San Francisco Regional Office announced February 2, 1960, entry of a court order (USDC, Las Vegas) permanently enjoining Land Development Company of Nevada, Washburn Associates, and Richard A. Washburn from further offering and sale of Land Development securities in violation of Securities Act registration requirement (Lit. Release 1574). Defendants consented to the court decree.

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