

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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FOR RELEASE August 5, 1960

FLOYD E. DUZAN SENTENCED. The SEC Chicago Regional Office announced August 1st (LR 1744) that Floyd E. Duzan, following his guilty plea, had been sentenced by U. S. District Court (Minn.) to three years' imprisonment on first count of indictment charging violations of anti-fraud provisions of Securities Act, and to five years' probation thereafter on second count.

MON-O-CO OIL ENJOINED. The SEC Seattle Regional Office announced August 1st (LR 1745) entry of Federal court order (USDC WD Wash.) permanently enjoining Mon-O-Co Oil Corporation and Ben Haugner of Billings, Mont., and Frank LeCocq of Everett, Wash., from further sale of interests in oil properties in Fallon County, Mont., in violation of Securities Act registration and anti-fraud provisions.

J P HOWELL & CO. ENJOINED. The SEC New York Regional Office announced August 3 (LR 1746) entry of Federal court order (USDC NJ) preliminarily enjoining J. P. Howell & Co., Inc., Montclair, N. J., from further violations of anti-fraud provisions of Securities Exchange Act and net capital rule thereunder.

TRINITY SMALL BUSINESS CO. TO DISSOLVE. The SEC has issued an order under the Investment Company Act (Release 40-3089) declaring, on request of Trinity Small Business Investment Company, of Greenville, S. C., that it has ceased to be an investment company. The company has no outstanding stock and is to be dissolved.

CITIZENS & SOUTHERN SMALL BUSINESS CO. WITHDRAWS APPLICATION. The Citizens and Southern Small Business Investment Company, Atlanta, Ga., has withdrawn its application for an order under the Investment Company Act (Release 40-3090) declaring that it has ceased to be an investment company, the company now contemplating that it will make a public offering of its securities.

COLO. DIVERSIFIED INVESTMENT SEEKS EXEMPTION. Colorado Diversified Investment Co., Denver, has applied to the SEC for an order exempting it from all provisions of the Investment Company Act; and the Commission has issued an order (Release 40-3091) giving interested persons until August 18, 1960, to request a hearing thereon. The company was organized in October 1959, has no operating history and no securities outstanding, and proposes to offer 39,500 shares of capital stock at \$2.50 per share only to residents of Colorado, the proceeds to be invested in common stocks with the objective of capital appreciation.

OIL RECOVERY CORP. PROPOSES DEBENTURE OFFERING. Oil Recovery Corporation, 405 Lexington Ave., New York, filed a registration statement (File 2-16879) with the SEC seeking registration of \$1,600,000 of Convertible Debentures due September 1, 1970, to be offered for public sale through a group of underwriters headed by Lehman Brothers and Allen & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The registration statement also includes common stock issuable upon conversion of the debentures and upon conversion of convertible notes to be issued in exchange for outstanding 3% notes due October 1, 1961, and 80,000 common shares deliverable upon the exercise of options granted or to be granted under the company's Restricted Stock Option Plan for Key Employees.

Until 1958 the company was engaged primarily in the development and testing of the Orco Process for the secondary recovery of oil and had no revenue. In 1958 it commenced the commercial use of its Orco Process on its own properties and in 1960 commenced the licensing of others to use said process. It now has outstanding 1,339,800 common shares in addition to indebtedness. Of the net proceeds of the sale of the debentures, an amount equal to the interest thereon for the period to September 1, 1963, will be deposited in trust for such payment. Of the balance, about \$700,000 will be used for the development and initial operation, employing the Orco Process, of certain properties presently owned by the company, and of one additional property which it may hereafter acquire with existing funds. The balance will be available for general corporate purposes and for expansion of the company's business of licensing the use of the Orco Process by others.

The prospectus lists James A. Bentley as president and Valentine E. Macy, Jr., as a director. They own 278,960 and 246,000 shares, respectively, of the outstanding stock.

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For further details, call WOrth 3-5526

HERMETIC SEAL CORP HEARING SCHEDULED. At the request of Hermetic Seal Corporation, Newark, N. J., the SEC has scheduled a hearing for September 19, 1960, in its New York Regional Office on the question whether to vacate or make permanent the June 10, 1960, order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by that company.

In its June 10th order, the Commission asserted, among other things, that the company's offering circular relating to its offering of 100,000 common shares at \$3 per share pursuant to a notification filed in March 1959, contained false and misleading representations of material fact. The hearing requested by the company was first scheduled for August 8th and has been postponed to September 19th on request of its counsel.

FURTHER BARNETT & CO HEARING ORDERED. The SEC has scheduled for further hearing, commencing August 23, 1960, the proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Barnett & Co., Inc., 40 Exchange Place, New York, should be revoked.

In an interim decision issued July 5, 1960, the Commission ordered the suspension of the said company's registration pending final decision on the ultimate question whether to revoke said registration. That decision was based upon false and misleading representations in the offer and sale of stock of Steuben Electronics Corporation, Inc., in violation of the anti-fraud provisions of the Securities Act.

Further evidence is now to be taken on the question of revocation. The hearing will be held in the Commission's New York Regional Office.

EASTMAN KODAK FILES SECURITY PLANS. Eastman Kodak Company, 343 State Street, Rochester, N. Y., filed a registration statement (File 2-16880) with the SEC on August 4, 1960, seeking registration of \$44,000,000 of interests in the Eastman Kodak Employees' Savings and Investment Plan.

ADRs FOR OLIVETTI FILED. Morgan Guaranty Trust Company of New York filed a registration statement (File 2-16881) with the SEC on August 4, 1960, seeking registration of American Depositary Receipts for 50,000 Preference Shares of Ing. C. Olivetti & Co., S. P. A.

ADRs FOR UNILEVER FILED. Morgan Guaranty Trust Company of New York filed a registration statement (File 2-16882) with the SEC on August 4, 1960, seeking registration of American Depositary Receipts for 50,000 shares of Ordinary Registered Stock of Unilever Limited.

ADRs FOR TUBOS DE ACERO FILED. Morgan Guaranty Trust Company of New York filed a registration statement (File 2-16883) with the SEC on August 4, 1960, seeking registration of American Depositary Receipts for 50,000 Bearer Shares of Tubos De Acero De Mexico, S. A.

FEDERATED PLANS FILES FOR OFFERING. Federated Plans, Inc., Pittsburgh, Sponsor and principal distributor of Investment Plans for the accumulation of shares of Federated Growth Fund, a class of capital stock of Federated Funds, Inc., filed a registration statement (File 2-16877) with the SEC on August 3, 1960, seeking registration of \$25,000,000 Systematic Investment Plans with and without insurance and \$5,000,000 fully-paid Plans.

TITAN SUPERMARKET FILES FOR OFFERING. Titan Supermarket Associates, 666 Third Ave., New York, today filed a registration statement (File 2-16884) with the SEC seeking registration of \$735,000 of partnership interests, to be offered for sale in \$1,000 units without underwriting.

Associates is a partnership consisting of Joseph Lotterman, Fred J. Fredericks, Norman M. Kranzdorf, Stanley A. Spano and Ralph R. Weiser. It proposes to acquire and exercise an exclusive option to purchase three tracts of land located, respectively, in Maplewood, Chatham and Newark, N. J., together with the existing and operating supermarket building on each tract. The properties will be purchased subject to existing first mortgages upon the tracts which approximate \$685,000 in the aggregate. The purchase price, over and above the mortgages, is \$740,000 payable in cash.

Each of the five partners will contribute \$1,000 to the partnership and is offering participations of \$147,000 in his partnership interest. The total partnership capital will thus be \$740,000, which will be used to acquire the option and purchase the property. The option is being acquired by Associates from Titan Properties, Inc., which holds an option agreement from Suss-Leaf New Jersey, Inc., the present owners of the properties. The five partners are the sole stockholders of Titan Properties, Inc. Lotterman & Weiser, Esqs. will supervise the operation of the partnership agreement and will maintain the requisite books and records of the partnership.