

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington 25, D.C.

FOR RELEASE

September 3, 1957

Statistical Release No. 1478

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended August 30, 1957, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1957, is as follows:

	<u>(1939 = 100)</u>		<u>Percent Change</u>	<u>1957</u>	
	<u>8/30/57</u>	<u>8/23/57</u>		<u>High</u>	<u>Low</u>
Composite	337.4	332.7	+ 1.4	365.0	322.5
Manufacturing	432.9	425.4	+ 1.8	472.5	405.7
Durable Goods	400.3	393.6	+ 1.7	438.7	382.7
Non-Durable Goods	462.9	454.7	+ 1.8	503.5	427.1
Transportation	275.6 *	275.7	0.0	317.5	275.6
Utility	154.9	154.3	+ 0.4	163.5	154.3
Trade, Finance & Service	276.4	275.3	+ 0.4	292.1	274.8
Mining	347.6	339.7	+ 2.3	402.3	339.7

* New Low

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Institutional Shares Ltd., of New York, filed an amendment on August 30, 1957 to its registration statement (File 2-4049) seeking registration of an additional 1,000,000 Institutional Growth Fund Shares and 850,000 Institutional Foundation Fund Shares.

READING TUBE PROPOSES COMMON STOCK FINANCING

Reading Tube Corporation, New York, filed a registration statement (File 2-13582) with the SEC on August 30, 1957, seeking registration of 155,014 shares of its \$1 par Common Stock. Of this stock, 120,326 shares are to be offered for subscription by holders of outstanding common shares at the rate of one new share for each five shares held on the record date. The record date and subscription price are to be supplied by amendment. Emanuel, Deetjen & Co. is listed as the underwriter. With respect to 82,202 shares, for which certain stockholders have agreed to subscribe, no underwriting is involved. A flat fee of \$25,000 is to be paid the underwriter for its commitment relating to the remaining 38,124 shares. The 34,688 balance of shares being registered is reserved against possible conversion of outstanding preferred stock.

Net proceeds of the sale of stock will be added to the general funds of the company and will be available for any proper corporate purpose. The additional working

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capital will be applied to fulfillment of the terms and conditions of a loan agreement with The First Pennsylvania Banking and Trust Company and Berks County Trust Company. These loans, including short-term borrowings, amount to \$5,375,000. As to \$1,000,000 of the long-term borrowings, repayment is to be extended over five, rather than one, years under terms of the loan agreement, conditional upon the raising of an additional \$900,000 equity capital by December 1, 1957.

SEC TEMPORARILY SUSPENDS REGULATION A EXEMPTION OF McCULLOUGH MOTOR CORP.

The Securities and Exchange Commission has issued an order under the Securities Act of 1933 temporarily suspending a Regulation A exemption from registration under that Act with respect to a public offering of securities by McCullough Motor Corporation, of Philadelphia.

Regulation A provides a conditional exemption from registration for public offerings of securities not exceeding \$300,000 in amount. In its Regulation A notification filed with the Commission on October 19, 1957, McCullough Motor proposed the public offering, pursuant to such an exemption, of ~~61~~ 7,500 shares of Class A common stock and 7,500 shares of Class B common stock for a maximum of \$45,000.

In its suspension order, the Commission asserts that the terms and conditions of Regulation A have not been complied with, in that the issuer's notification and offering circular contained false and misleading representations of material fact and that use of the offering circular in the offering of the McCullough Motor stock "would and did operate as a fraud or deceit upon the purchasers." The order provides an opportunity for hearing, upon request, on the question whether the suspension order should be vacated or made permanent.

More particularly, the order of the Commission alleges that the offering circular failed to disclose (1) that William L. McCullough, who was listed as president, director, general manager, principal promoter and controlling stockholders of the issuer, and the person upon whose designs and inventions the success of the issuer's business depended, has severed all relationship and connection with the issuer; (2) that McCullough, both prior to and subsequent to the incorporation of the issuer, was vice president and general manager of another corporation which was organized for identical purposes as the issuer, namely, to develop a "light weight truck"; (3) that while employed by such other corporation, McCullough had assigned to it all present and future rights, title and interest in his designs and inventions for such "light weight truck"; and (4) that such other corporation is to receive royalties on all of the "light weight trucks" produced and sold by the issuer. (See Securities Act Release No. 3835.)

GOB SHOPS AND NEW ENGLAND URANIUM GRANTED HEARINGS

The Securities and Exchange Commission today announced that, at the request of the following companies, hearings have been scheduled in the Commission's Boston Regional Office on the dates indicated to determine whether prior orders of the Commission temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to proposed public offerings of securities by the respective issuing companies, should be vacated or made permanent:

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<u>Issuer</u>	<u>Hearing Date</u>
Gob Shops of America, Inc. <u>Providence, R. I.</u>	9/23/57
New England Uranium-Oil Corporation, Inc. <u>Oklahoma City, Okla.</u>	9/25/57

In a Regulation A notification filed by Gob Shops on January 21, 1957, that company proposed the public offering of 240,000 shares of its common stock "at the market" but in no event for more than \$300,000. New England Uranium's notification, filed November 8, 1954, proposed the public offering of 300,000 shares of its capital stock at \$1 per share. The Regulation A exemption for these offerings was temporarily suspended by orders of the Commission issued under dates of July 25, 1957, and December 17, 1956, respectively. (See Securities Act Release Nos. 3818 and 3730.) These orders alleged a failure on the part of the respective issuers to comply with the terms and conditions of Regulation A, including false and misleading representations contained in their notifications and offering circulars. At the hearings, inquiry will be conducted into these matters for the purpose of determining whether the temporary suspension orders should be vacated or made permanent. (See Securities Act Release No. 3836.)

ATLAS CORP. PROPOSES ADDITIONAL INVESTMENT IN WELCO CORP.

Atlas Corporation, New York investment company, has applied to the SEC for authorization to make an additional \$75,000 investment in Wellco Corporation; and the Commission has issued an order giving interested persons until 1:00 P. M., September 12, 1957, to request a hearing thereon.

Wellco is a North Carolina corporation engaged in the manufacture and sale of footwear directly and through Moda Shoe Corporation, its wholly-owned Puerto Rican subsidiary. It now contemplates additional manufacturing facilities in Jamaica, B. W. I., the output of which will be exported to the United Kingdom. Pursuant to an arrangement with The Rollmans, a general partnership which renders consulting services throughout the world to concerns engaged in the manufacture and sale of footwear and co-owner with Atlas of Wellco, Atlas will purchase an additional 4,000 common shares of Wellco for \$75,000. Coincident therewith, The Rollmans will transfer to Wellco all of its assets related to the manufacture, distribution and sale of footwear, including all the outstanding capital stock of Ro-Search, Inc., which owns a number of United States and foreign patents relating to the manufacture of footwear, in exchange for which The Rollmans will receive 13,834 shares of Wellco common stock. Thereupon, Atlas will own approximately 35% and The Rollmans 65% of the Wellco common. The common shares are then to be reclassified, with Atlas receiving all of the new Class A (with a dividend preference) and The Rollmans all of the Class B common stock. (See Investment Company Act Release No. 2591.)

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