

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 December 11, 1956

Securities Exchange Act Release No. 5418

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Stein, Botwinick & Company, Inc., should be revoked. The hearing therein, scheduled for January 15, 1957, in the Commission's New York Regional Office, also will concern itself with the question whether the respondent should be suspended or expelled from membership in the National Association of Securities Dealers, Inc.

As basis for the proceedings, the Commission's order asserts that the respondent, together with Leonard Stein and Benjamin Botwinick, is permanently enjoined by a decree of the Supreme Court of the State of New York, County of New York, entered on or about July 25, 1956, from engaging in or continuing certain conduct or practices in connection with the purchase and sale of securities.

At the hearing, inquiry will be conducted concerning this injunction decree and the question whether it is in the public interest to revoke respondent's broker-dealer registration and/or to suspend or expel it from the NASD.

Securities Act Release No. 3726

The Securities and Exchange Commission has issued an order temporarily suspending the Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Vanura Uranium, Inc., Moab, Utah. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Vanura's Regulation A notification was filed with the Commission on June 16, 1955. It proposed the public offering of 3,000,000 common shares at 10¢ per share. I. J. Schenin & Co., of New York City, was named as underwriter.

In its suspension order, the Commission asserts that there is "reasonable cause to believe" that the terms and conditions of Regulation A have not been complied with in that (1) the notification failed to state each of the state jurisdictions within which the securities were to be offered; (2) Vanura failed to file the required reports of stock sales and use of proceeds; and (3) Vanura failed to file certain literature or communications used by Schenin in connection with the stock offering, namely, a four page circular entitled "Latest Highlights of Federal Uranium Corporation," a telegram from one Jack Turner to Schenin, a telegram from John R. Black to Schenin, and certain newspaper clippings.

In addition, the Commission's order asserts that, in the offering of Vanura stock, certain false and misleading statements were made orally "which would and did operate as a fraud or deceit upon purchasers," to wit: that the market price of Vanura shares would double in value, that Vanura was to merge with a large and successful company, that in June of 1956 only 1,000 shares remained unsold, and that Vanura was soon to be merged into a company which had a contract with the Atomic Energy Commission and that such company had finalized plans for a processing mill.

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New England Telephone and Telegraph Company, Boston, today filed a registration statement (File 2-12946) with the SEC seeking registration of \$35,000,000 of Twenty-Nine Year Debentures, due January 1, 1986, to be offered for public sale at competitive bidding. Net proceeds are to be applied toward repayment of advances from American Telephone and Telegraph Company (parent), which are expected to amount to about \$36,300,000. Such advances are obtained in conformity with an established practice of borrowing from that company, as need therefor arises, for general corporate purposes, including property additions and improvements.

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Southern Sportsman, Inc., Atlanta, Ga., filed a registration statement (File 2-12944) with the SEC on December 7, 1956, seeking registration of 436,300 shares of Common Stock. The company proposes the public offering of 375,000 of such shares at \$3 per share. The offering is to be made on a "best efforts" basis by Investment Underwriters, Inc., which has recently entered the securities business as an adjunct to the promotion of the securities to be offered by Southern Sportsman. The selling commission is to be 45¢ per share. The balance of the stock, 111,300 shares, are reserved on exercise of options to be granted to employees of the company, the options being exercisable on or before December 31, 1956, at \$3 per share. Philip H. Dohn, Jr., and Roger H. Bell, who are the sole stockholders of the underwriter, are officers and directors of Southern Sportsman.

Southern Sportsman was organized under Georgia law on October 8, 1956. According to the prospectus, it proposes "to bring to the southeast the first complete one-stop sporting goods house where everything connected with sports, boating, hunting, fishing, camping, etc. will be collected under one roof. A mail order department will be included." The object of the incorporators is to buy out a large competitor or to start a new sporting goods house in Atlanta. If the competitor's business is purchased, it will be enlarged and expanded considerably. Net proceeds of the sale of shares will be used to acquire a controlling, substantial or the entire interest in such competitor's business, for which some \$300,000 of the proceeds have been allocated. As an alternative to such purchase, the proceeds or approximately \$500,000 thereof will be used for the purpose of establishing such a firm in Atlanta. The second priority of the proceeds will be the establishment of a Marina at Lake Lanier, northeast of Atlanta, requiring approximately \$300,000. The balance of the proceeds will be held for future expansion and for peak season inventory increases.

The prospectus names Dohn and Bell as the promoters of Southern Sportsman. Both are directors. Dohn has subscribed and paid for 1,500 common shares at \$1 per share; and Bell has subscribed and paid for 1,500 shares at \$1 per share.

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CORRECTION: The SEC NEWS DIGEST of 12/10/56, page 2, under Holding Company Act Release No. 13331, referred to the contemplated merger of two subsidiaries of The Columbia Gas System, Inc. In the first paragraph, the subsidiaries were identified as Natural Gas Company of West Virginia and The Columbia Gas System, Inc. This latter reference to Columbia Gas was in error. The second subsidiary, with which Natural Gas Company is to be merged, is Ohio Fuel Gas Company, as indicated in the balance of the item.

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