

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.

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MILWAUKEE GAS LIGHT INTERIM BORROWINGS CLEARED

The SEC has issued an order under the Holding Company Act authorizing Milwaukee Gas Light Company, Milwaukee, Wis., to increase its short-term note indebtedness from \$3,000,000 to \$6,000,000. The proceeds from the notes will be used to meet costs of construction now in progress.

EXEMPTION GRANTED FOR PURCHASE OF EUROPEAN COAL AND STEEL BONDS

The SEC has issued an exemption order under the Investment Company Act of 1940 permitting The Colonial Fund, Inc., and The Bond Investment Trust of America to acquire not more than \$400,000 and \$150,000 principal amount, respectively, of the 5% Secured Bonds (Eleventh Series), due 1978, of the High Authority of the European Coal and Steel Community.

LOUISVILLE GAS FILES EMPLOYEE PLAN

Louisville Gas and Electric Company filed a registration statement (File 2-14248) with the SEC on July 7, 1958, seeking registration of not more than 100,000 shares of its Common Stock, without par value, to be offered to its employees under its Employee Common Stock Purchase Plan.

SEC ORDERS WITHDRAWAL OF EUREKA CO. STOCK FROM EXCHANGE LISTING

In a decision announced today, the Securities and Exchange Commission ordered withdrawal of the common stock of Eureka Company, Los Angeles, from listing and registration on the San Francisco Mining Exchange for violation of the reporting and disclosure requirements and proxy provisions of the Securities Exchange Act of 1934.

Eureka is a Nevada corporation engaged in exploring and developing speculative mining and oil properties. 1,500,000 shares of its assessable stock were first listed on the Exchange in 1936. In January 1956 its authorized capital stock was increased from 1,500,000 assessable shares to 5,000,000 non-assessable shares. The shares listed on the Exchange were then increased to 3,849,500 in March 1957 after the company had issued in excess of 2,000,000 shares in 1956 in exchange for various assets and services. The shares were issued in a series of transactions primarily for oil, gas, and mining interests in a number of Western States including Colorado and California. The Commission's decision states that, as a result of these transactions, Eureka in 1956 more than doubled the amount of its outstanding stock; the book value of its mining properties nearly doubled; and its oil properties and equipment increased in book value nearly nine times.

The Commission found that Eureka had violated the reporting provisions of the Securities Exchange Act which require that substantial and significant changes in a company's assets and outstanding securities be reported within 10 days after the close of the month in which any such change takes place. In one instance no report at all was filed and in the others there were delays of up to nine months. In at least one instance, through the delay in filing, information the acquisition of certain property was not disclosed until after the property was lost to the company.

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In addition, the Commission's decision stated, the tardy reports did not furnish all the required information and contained inaccurate and misleading information; in connection with the acquisition of significant assets, the reports did not furnish the full information required regarding the assets acquired, the nature and amount of the considerations paid for such assets and the basis on which such consideration was determined, the persons from whom the properties were acquired, and the material relationships between certain of such persons and the company and its officers, directors, and associates; and, in connection with the increases in outstanding securities the reports claimed that the shares so issued were exempt from registration under the Securities Act of 1933, whereas, in fact, almost 2,000,000 shares issued by the company in 1956 involved a public distribution of unregistered securities in violation of the Securities Act registration requirements.

The Commission also found that the company had violated the Securities Exchange Act by failing to file an annual report for 1955 and semi-annual financial reports in 1955 and 1956, and by using a proxy statement in 1955 which, in connection with the proposal to increase its capitalization, falsely stated that the management had no present intention with respect to the issuance of additional shares when in fact the company had already entered into an agreement to issue at least 100,000 shares of the new stock for property.

Trading in the company's stock on the Exchange has been suspended pursuant to action taken by the Exchange after the institution of the Commission's proceedings in April 1957.

MISSOURI PUBLIC SERVICE FILES FOR PREFERRED STOCK OFFERING

Missouri Public Service Company, Kansas City, Mo., filed a registration statement (File 2-14249) with the SEC on July 7, 1958, seeking registration of 30,000 shares of Cumulative Preferred Stock, \$100 par value, to be offered for public sale at competitive bidding. The public offering price and underwriting terms are to be supplied by amendment.

Of the net proceeds from the sale of the stock, \$1,500,000 will be used to repay short-term bank loans incurred for construction in 1957, a portion will be used to repay short-term bank loans incurred for construction in 1958, and the balance will be added to the general funds of the company. Short-term bank loans totalling \$4,100,000 were outstanding as of July 7, 1958. It is contemplated that additional First Mortgage Bonds will be issued by the company during 1958 for construction purposes. The company's electric property construction budget for the year 1958 total \$6,990,334; and, in addition, it is estimated that approximately \$863,282 will be expended on expansion of the company's natural gas facilities and that approximately \$146,884 will be required for minor extensions and replacements of its water properties.

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Haydock Fund, Inc., Cincinnati, Ohio investment company, filed an amendment on July 7, 1958 to its registration statement (File 2-12654) seeking registration of an additional 75,000 shares of Capital Stock, no par value.

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