

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 5, 1958

HELICOPTER TRANSPORTS OFFERING SUSPENDED

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

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. Helicopter Transports on May 9, 1956, filed a notification proposing sale of 30,000 common shares at \$10 per share pursuant to such an exemption. The company's offering circular stated that proceeds of the offering would be used to operate a helicopter transport service in the Reno area and to build a helicopter service and maintenance base. The circular further indicated that proceeds of the stock sale, less selling expenses not to exceed 20%, would be impounded and made available to the company only after the net sum of \$110,000 cash had been received from stock subscriptions. A March 1958 report reflected sales of 45 shares for a total consideration of \$1,450, with the net amount of \$1,160 placed in escrow. The report indicated that no further offering of stock was to be made.

In its suspension order, the Commission asserts that the March 1958 report was false and that the Helicopter Transports stock was offered and sold in jurisdictions other than those specified in the Regulation A notification. The order also alleges that the offering circular contains false and misleading statements of material facts and fails to reflect material changes in the affairs of the company, and that the offering is being and would be made "in such a manner as to operate as a fraud or deceit upon purchasers." More particularly, the Commission challenges the representations as to the use of proceeds of the sale of Helicopter Transports stock and concerning the purported escrow of the net proceeds of the stock sale and the promised refund to purchasers in the event a minimum of \$110,000 in net proceeds is not received from such sale; and it also charges that monies from the company's bank account have been transferred to the personal bank account of its president (Mrs. Mary A. Lambie).

CITIZENS LIFE INSURANCE PROPOSES STOCK OFFERING

Citizens Life Insurance Company of New York, New York City, filed a registration statement (File 2-14342) with the SEC on September 4, 1958, seeking registration of 150,000 shares of its \$2 par Common Stock, to be offered for public sale through an underwriting group headed by Lee Higginson Corporation. The public offering price and underwriting terms are to be supplied by amendment. Net proceeds of the stock sale will be added to the company's general funds to permit it to expand its business by enlarging its sales force, extending its territory and increasing the maximum amount of insurance which it may retain on any one life insured from \$10,000 to \$25,000.

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SEC ISSUES NOTICE ON NATIONAL FUEL GAS DEBENTURE OFFERING

The SEC has issued an order giving interested persons until September 19, 1958, to request a hearing upon the debenture financing proposal of National Fuel Gas Company, New York City. As previously reported (SEC News Digest of August 22, 1958), National proposes to issue and sell at competitive bidding \$25,000,000 of Sinking Fund Debentures due 1983. Of the net proceeds, \$15,987,000 will be used to redeem \$15,000,000 of outstanding 5½% debentures due 1982 at 106.58% of their principal amount, and the balance will be used to prepay at least \$9,000,000 of bank loans (outstanding in the amount of \$9,650,000) due July 15, 1959.

NORWAY FILES FINANCING PROPOSAL

The Kingdom of Norway today filed a registration statement (File 2-14343) with the SEC proposing the public offering of \$15,000,000 of Fifteen Year External Loan Bonds of 1958, to be offered for public sale through an underwriting group headed by Harriman Ripley & Co., Inc., Kuhn Loeb & Co., Lazard Freres & Co., and Smith, Barney & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds from the sale of the bonds will, in the first instance, be added to Norway's foreign exchange reserves. It is the present intention of the Kingdom that the net proceeds will be applied to the acquisition and importation of capital equipment required for the development of the Norwegian economy.

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