

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

(In ordering full text of numbered items from Publications Unit, cite number)

Washington 25, D.C.

FOR RELEASE November 6, 1958

JERSEY CENTRAL POWER STOCK SALE APPROVED

The SEC has issued an order (Rel. 35-13861) authorizing Jersey Central Power & Light Company, Liberty Park, N. J., subsidiary of General Public Utilities Corp., to issue and sell to GPU an additional 850,000 shares of its common stock for a cash consideration of \$8,500,000. Of the proceeds, the subsidiary will use \$5,500,000 to reimburse its treasury for construction expenditures made through August of 1958 (including repayment of a \$2,000,000 note the proceeds of which were used for construction expenditures). The remainder of the proceeds will be applied to the payment of construction expenditures subsequent to August 31, 1958, or to reimburse the company's treasury for expenditures for such purposes.

JOHN B. SULLIVAN COMPANY REGISTRATION REVOKED

In a decision announced today (Rel. 34-5815), the SEC revoked the broker-dealer registration of John B. Sullivan, doing business as John B. Sullivan Company, 135 Broadway, New York City, for wilful violation of the Commission's reporting requirements by reason of Sullivan's failure to file the required report of financial condition for the year 1956.

Failure to file the 1956 report was admitted. However, Sullivan contended that this violation was not wilful, that his failure to file was inadvertent, that he did not do any business in securities in 1956, and that he was solvent during that period.

The Commission concluded on the evidence that the violation was wilful. It noted, among other things, that the Commission's staff had called Sullivan's attention to the reporting requirement in December 1955 and November 1956, and again by certified mail in March 1957 when he was advised that an extension had been granted to March 26, 1957, to file the 1956 report. Although Sullivan disclaimed knowledge of this letter, which was mailed to his listed address and signed for by his wife, the Commission ruled that the circumstances were not such as to negate the existence of wilfulness.

Furthermore, according to the decision, the record evidence disputed Sullivan's claim that he had not engaged in business in 1956. In fact, according to the Commission, he and his associate sold a total of 2,905 shares of stock to or for 14 customers in the last three months of 1956. Three customers testified that they were solicited to purchase securities by telephone by a person who identified himself either as Sullivan or his representative; that they received confirmations of their purchases on Sullivan's stationery; and that they drew their checks in payment of their stock purchases to Sullivan's order. The record contains checks of these witnesses endorsed by Sullivan and deposited to his account, a letter to a customer written in longhand by Sullivan and signed by him enclosing information concerning the issuer of the stock, and offering circulars and confirmations bearing Sullivan's business name. Thus, the Commission ruled that Sullivan's assertion that he effected no securities transactions in 1956 cannot be accepted.

BROWN AND LEVY PROMOTED

SEC Chairman Gadsby has announced the promotion of Alexander J. Brown, Jr., Chief Trial Attorney in the Chicago Regional Office, to the position of Assistant Regional Administrator, Washington (DC) Regional Office, effective November 17, 1958 (Rel. U-272).

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For further details, call ST. 3-7600, ext. 5526

The Chairman also has announced the promotion of Aaron Levy, Special Counsel, Office of the General Counsel, to the position of Assistant Chief Counsel, Division of Corporate Regulation, effective November 10, 1958 (Rel. U-273).

GENERAL FOODS STOCK PLAN FILED

General Foods Corporation, 250 North St., White Plains, N. Y., filed a registration statement (File 2-14495) with the SEC on November 5, 1958, seeking registration of 526,162 shares of Common Stock, to be offered to salaried officers and other key employees of the company and its subsidiaries pursuant to its Executive Stock Option Plans.

NORTHERN NATURAL GAS FILES FOR DEBENTURE OFFERING

Northern Natural Gas Company, 2223 Dodge St., Omaha, Nebraska, filed a registration statement (File 2-14497) with the SEC on November 5, 1958, seeking registration of \$30,000,000 of Sinking Fund Debentures, due November 1, 1978, to be offered for public sale through an underwriting group headed by Blyth & Co., Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the debentures will be used to repay bank loans incurred for payment of 1958 construction costs, including the purchase of securities issued by subsidiary companies for their construction costs, and for other corporate purposes. Construction expenditures of the company and its subsidiaries in 1958 are estimated at \$46,300,000 and include \$9,200,000 carried over from 1957. The sale of the debentures will complete the financing for expenditures related to property additions in 1958.

HOME-STAKE PRODUCTION PROPOSES STOCK OFFERING

Home-Stake Production Company, 2202 Philtower Bldg., Tulsa, Okla., filed a registration statement (File 2-14498) with the SEC on November 5, 1958, seeking registration of 116,667 shares of Common Stock. The company proposes to offer the stock for public sale at \$6 per share. No underwriting is involved.

The company was organized under Oklahoma law on April 8, 1955, to engage in the business of exploring, acquiring interests in, selling, developing and operating oil and gas properties. It acquires and sells oil and gas leasehold blocks of acreage to purchasers not connected with the company. These purchasers thereafter perform the exploratory drilling and the development of the oil and gas leases sold. The company, whenever able, reserves a free or "carried" interest in each lease, or each lease block, and thus shares in the discoveries of oil or gas.

Net proceeds of the present stock offering will be added to the company's general funds and will be used for such corporate purposes as the directors may determine. Such net proceeds will constitute added working capital and will enable the company to increase the scope of its operations.

POLAROID CORP. PROPOSES STOCK OFFERING

Polaroid Corporation, 730 Main St., Cambridge, Mass., today filed a registration statement (File 2-14499) with the SEC seeking registration of 173,616 shares of its \$1 par Common Stock. The company proposes to offer this stock for subscription by holders of outstanding common shares at the rate of one share for each 21 shares held of record November 25, 1958. The subscription price and underwriting terms are to be supplied by amendment. Kuhn, Loeb & Co. is listed as the principal underwriter.

Net proceeds of the stock sale will be added to the general funds of the company. It is the present intention of the company to use such proceeds, together with retained earnings and depreciation funds, (a) to finance the cost of additional plant, facilities and equipment for expansion of photographic product lines and products, (b) to provide increased working capital required to carry higher inventories and receivables caused by expanding sales volume and (c) for general corporate purposes. If research and development activities progress according to schedule, the Company estimates that its expenditure for plant, facilities and equipment during the next two years will substantially exceed recent expenditures for such purposes which aggregated \$4,214,928 in 1957 and are expected to aggregate about \$3,000,000 in 1958. The Company believes that the net proceeds from the sale of the Common Stock offered hereby, together with retained earnings and depreciation funds, will be sufficient to meet such expenditures.