

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

April 22, 1957

Statistical Release No. 1449

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended April 18, 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>		Percent Change	<u>1957</u>	
	<u>4/18/57</u>	<u>4/12/57</u>		<u>High</u>	<u>Low</u>
Composite	341.1	338.6	↑ 0.7	346.0	322.5
Manufacturing	434.8	430.8	↑ 0.9	441.7	405.7
Durable Goods	406.9	404.4	↑ 0.6	419.3	382.7
Non-Durable Goods	460.6	455.2	↑ 1.2	462.5	427.1
Transportation	289.5	290.7	- 0.4	317.5	286.1
Utility	160.1*	159.5	↑ 0.4	160.1	156.2
Trade, Finance & Service	280.4	281.5	- 0.4	290.1	274.8
Mining	355.6	352.4	↑ 0.9	382.0	340.5

*New High

Topp Industries, Inc., Beverly Hills, Calif., filed a registration statement (File 2-13266) with the SEC on April 19, 1957, seeking registration of \$2,750,000 of 6% Convertible Subordinated Debentures, due May 1, 1977. The company proposes to offer the debentures for public sale through an underwriting group headed by Dempsey-Tegeler & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the development, engineering, manufacturing and selling of a variety of electronic systems and products for use in the aircraft and missiles industries. The company proposes to use the net proceeds of this financing as follows: \$1,250,000 to reduce its short-term borrowings; \$650,000 to purchase additional capital equipment, including test equipment and laboratory equipment required by Haller, Raymond and Brown, Inc., of State College, Penna., a subsidiary; and the balance for working capital, required to finance increased sales volume. Of the \$1,250,000 of borrowings, \$500,000 was initially borrowed in connection with the company's acquisition of Heli-Coil Corporation, Danbury, Conn., and the balance was used for working capital.

(OVER)

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

Securities Exchange Act Release No. 5496

The Securities and Exchange Commission has instituted proceedings under the Securities Exchange Act of 1934 to determine whether to order the suspension or withdrawal from listing and registration on the San Francisco Mining Exchange of the 10¢ par Common Capital Stock of Verdi Development Company, of Los Angeles. The hearing for the purpose of taking testimony therein is scheduled for May 27, 1957, in the Commission's San Francisco Regional Office.

In its order, the Commission asserts that it has reason to believe that Verdi Development Company has violated Section 13 of the Act by reason of its failure to file current Form 8-K reports since June, 1956, reflecting events of material importance which have occurred since that date and for which reports were required by Section 13 to be filed with the Exchange and the Commission, as follows:

(1) On December 15, 1956, registrant defaulted in the payment of interest due on that date on its outstanding issue of \$200,000 of 5% Convertible Debentures and the default has not been cured.

(2) On or about October 6, 1956, registrant disposed of a significant asset, to wit, its uranium mill near Rosamond, California, by virtue of a joint venture agreement with Nuclear Industries, Inc.

(3) On or about February 25, 1957, registrant disposed of a significant asset, to wit, reserved oil royalty payments from the "Tapo" leasehold, by sale of such asset for \$40,000.

(4) On or about October 6, 1956, registrant issued options for the purchase of 990,000 shares of its common stock, constituting in excess of 5% of its outstanding common stock, which options were issued as follows: to Nuclear Industries, Inc., 500,000 shares; to Mitchell Kovaleski, 160,000 shares; to Bayard Weibert, 160,000 shares; to Murray Ross, 160,000 shares; to Frank R. Wicks, 10,000 shares. In February, 1957, registrant issued additional options for the purchase of 300,000 shares of its common stock as follows: to Mitchell Kovaleski, 150,000 shares; to Wendell P. Busnack, 50,000 shares; to Edward Mazzarino, 50,000 shares; to William M. Puharich, 50,000 shares.

(5) On or about July 18, 1956, MacAfee & Co. filed suit against registrant in the Superior Court of California, in and for the County of Los Angeles, for \$21,000 alleged to be unpaid for engineering and technical services in connection with the construction of registrant's uranium mill and its mining and milling operations. The action is still pending.

(6) On or about January 18, 1957 a lawsuit brought against registrant by John McQuaid on June 29, 1956 in the Superior Court of the State of California, in and for the County of Los Angeles, the commencement of which was reported by registrant on its Form 8-K for June 1956 filed with the Commission on July 12, 1956, was dismissed with prejudice.

At the May 27th hearing, inquiry will be conducted into the foregoing matters for the purpose of determining whether there has been such a failure by Verdi Development Company to comply with the reporting requirements of Section 13 and, if

so, whether it is necessary or appropriate for the protection of investors to suspend for a period of not exceeding twelve months, or withdraw, the registration of that company's stock from the Exchange.

Securities Act Release No. 3779

The Securities and Exchange Commission has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of securities by the following:

Comanche Creek Oil Company, Rodondo Beach, Calif.

In its Regulation A notification, filed March 14, 1957, Comanche proposed the public offering of 75,000 shares of capital stock at \$1 per share

Universal Petroleum Exploration and Drilling Company, Las Vegas, Nev.

In its Regulation A notification filed May 21, 1954, Universal proposed the public offering of 300,000 shares of common capital stock at \$1 per share

Each of the orders provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

In its order with respect to Comanche, the Commission asserts (A) that no exemption is available under Regulation A for the reason that James R. Saul, president, director, promoter and affiliate of Comanche, is subject to a judgment and decree of the United States District Court for the Southern District of California, issued May 14, 1951, permanently enjoining him from violating Section 5 (the registration requirement) of the Securities Act; (B) that the terms and conditions of Regulation A have not been complied with, for the reason that the notification fails to contain the required information with respect to Western Empire Petroleum Company, a predecessor and affiliate of Comanche, or the required information concerning unregistered securities issued by Western within one year; and (C) the notification contains an untrue statement of material fact, in that the response to Item 6(b), with respect to the existence of any outstanding court injunction orders against management officials.

With respect to Universal, the Commission's order asserts that that company's notification and offering circular (and amendments thereto) are false and misleading in respect of material facts and that the stock offering "operated as a fraud and deceit upon offerees and purchasers" of Universal stock. More particularly, the notification and offering circular are alleged to be false and misleading with respect to (1) the creation and promotion of Economy Exploration and Drilling Company, having the same principal promoter, officers and directors as Universal, and for the purpose of constructing and exploiting the same device as Universal; (2) the nature of Universal's interest as transferee of the "rights, plans, specifications and development services of William M. Davis" with respect to the "Driller Boy" drilling rig; (3) the undertaking of Davis to devote his services to Economy Exploration and Drilling; (4) the inability of Universal and its underwriter to market Universal's stock; (5) the withdrawal of the underwriter from the securities business; and (6) the cost of constructing the "Driller Boy" rig.

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Securities Exchange Act Release No. 5497

The Securities and Exchange Commission today announced the issuance of a further, amended order under the Securities Exchange Act of 1934 to determine whether an application for broker-dealer registration filed by Gregory & Company, Inc., of Montreal, Quebec, Canada, should be denied. The hearing therein is scheduled for April 25, 1957 in the Commission's Washington Office.

In its previous order, issued September 10, 1956 (Release No. 5363), the Commission asserted that it had reason to believe (a) that the applicant company and Kenneth Herbert Gregory, its president, director and controlling stockholder, have violated Section 5 (the registration requirement) of the Securities Act of 1933 through the offering and sale of the non-registered common stocks of Cameron Copper Mines Ltd. and Zenith Mines, Limited, and (b) that the application for broker-dealer registration is false and misleading by reason of its failure to list the connection of Gregory with various companies and firms in addition to those mentioned in the application.

The Commission's amended order alleges a violation of Section 5 of the Securities Act by the applicant company and Gregory in connection with their offering and sale of common stocks of two additional companies, Apollo Mineral Developers, Ltd., and Dupont Mining Co., Ltd. Furthermore, the order asserts that in connection with the offering and sale of such stocks, from approximately December 1, 1955, to April 18, 1957, the applicant company and Gregory (1) made false and misleading representations concerning the market prices of such securities and (2) contrary to representations made in connection therewith, offered and sold such securities to customers at prices bearing no reasonable relation to the prevailing market prices therefor and at prices far in excess of the prevailing market prices.

In addition, according to the amended order, since on or about December 1, 1955, the applicant company has engaged in the conduct of a securities business while not being registered with the Commission as a broker-dealer.

At the hearing, inquiry will be conducted into the foregoing matters for the purpose of determining whether the reported information is true and, if so, whether Gregory & Company, Inc., and Gregory have violated the registration and anti-fraud provisions of the Securities Laws and whether it is in the public interest to deny the company's application for broker-dealer registration.

(Note: The Quebec Securities Commission on December 6, 1956 revoked Gregory & Company's broker-dealer registration for violations of the Quebec securities law. Despite this, the company continued its offer and sale of securities into the United States, as a result of which the Quebec Commission has launched further, court proceedings against Gregory & Company and Gregory based upon the conduct of a securities business while not being registered.)

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Allied Finance Company, Dallas, today filed a registration statement (File 2-13270) with the SEC seeking registration of \$1,200,000 of 6% Sinking Fund Capital Debentures, due 1972. The company proposes to offer these securities for public sale at 100% of principal amount. The underwriter is The First Trust Company, of Lincoln, Nebraska; and the underwriting commission is to be 6%.

Net proceeds of this financing are to be added to the general funds of the company, which is engaged in the general finance business, and may initially be applied to the reduction of short term bank loans.

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Volda Kitter, President, Heliogen Products, Inc., New York, together with four other Voting Trustees under a voting trust agreement for Heliogen Products common stock, filed a registration statement (File 2-13267) with the SEC on April 19, 1957, seeking registration of voting trust certificates for 236,301 shares of the said common stock.

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Interstate Power Company, Dubuque, I., filed a registration statement (File 2-13268) with the SEC on April 19, 1957, seeking registration of \$20,000,000 of First Mortgage Bonds, Series due May 1, 1987, to be offered for public sale at competitive bidding.

Net proceeds of the sale of the bonds, together with the net proceeds of the sale on May 20, 1957, to underwriters of sufficient shares of its Common Stock, to raise approximately \$9,000,000 will be used (a) to provide funds needed for the purchase of certain properties from Kansas City Power & Light Company for an estimated cost of \$17,700,000; (b) to discharge \$2,500,000 of 3-3/4% notes and \$2,000,000 of 4% notes evidencing bank loans made in 1956 for construction purposes; (c) to deposit with the redemption agent in trust, the cash required for the redemption of all outstanding First Mortgage Bonds (\$1,603,000 at December 31, 1956 and \$1,585,000 at May 29, 1957) issued by Northwestern Illinois Gas and Electric Company, which company was purchased and merged into Interstate Power on November 30, 1956; and (d) to apply toward payment for property additions and improvements.

According to the prospectus, Kansas City Power & Light has contracted to sell to Interstate Power the electric, gas and heating utility properties and certain other net assets constituting its Peoples' Gas & Electric Division, which properties are located in a service area of approximately 8,000 square miles having a population of approximately 60,000 of which some 34,000 are in Mason City, Iowa. Interstate Power estimates its construction expenditures will amount to approximately \$9,800,000 in 1957 and \$8,500,000 in 1958.

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In a separate registration statement (File 2-13269), Interstate Power Company seeks registration of 680,000 shares of its \$3.50 par Common Stock, to be offered for public sale through an underwriting group headed by Kidder, Peabody & Co. The public offering price and underwriting terms are to be supplied by amendment. Proceeds of the sale of the stock, together with the proceeds of the sale of \$20,000,000 of bonds, are to be used for the purposes set forth above with respect to the registration of the bonds.

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Securities Exchange Act Release No. 5494

The SEC today announced the issuance of a decision revoking the broker-dealer registration of the following for failure to file the required reports of financial condition for the year 1955:

Western Empire Brokerage Company, Inc.
Salt Lake City, Utah

John R. Weerts, doing business as
John R. Weerts Investment Broker
Miami, Florida

Securities Exchange Act Release No. 5495

The SEC today announced the issuance of a decision revoking the broker-dealer registration of Seaboard Securities, Great Neck, New York. The decision was based upon an October 25, 1956, decree of the United States District Court for the Eastern District of New York, permanently enjoining Seaboard Securities and each of its three partners, Martin M. Swirsky, Bess S. Swirsky and Milton Cohen, from engaging in the securities business while insolvent. The complaint in that action, and supporting affidavits, recite that Seaboard Securities transacted business with customers while its liabilities exceeded its assets and that its books and records were so incomplete that the Commission's inspector was unable to determine definitely the amounts of such liabilities and assets. In these circumstances, the Commission concluded that the public interest requires revocation of the firm's broker-dealer registration.

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Central Hudson Gas & Electric Corporation, Poughkeepsie, N. Y., today filed a registration statement (File 2-13271) with the SEC seeking registration of 280,000 shares of its no par Common Stock, to be offered for public sale through a group of underwriters. The names of the underwriters, the public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of this financing will be applied to the discharge of short-term notes, outstanding in the amount of \$5,975,000 at March 31, 1957. The proceeds of such notes less the amount of deposit balances maintained at lending banks have been applied to the company's construction. The proceeds of this sale of common stock will not be sufficient to retire all short-term notes which will be outstanding at the time of the offering. The company's 1957-59 construction program will involve expenditures estimated at approximately \$56,700,000.

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