

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

July 8, 1957

Statistical Release No. 1464

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended July 5, 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>		<u>Percent Change</u>	<u>1957</u>	
	<u>7/5/57</u>	<u>6/28/57</u>		<u>High</u>	<u>Low</u>
Composite	361.6*	352.4	+ 2.6	361.6	322.5
Manufacturing	467.6*	454.6	+ 2.9	467.6	405.7
Durable Goods	431.8*	420.7	+ 2.6	431.8	382.7
Non-Durable Goods	500.7*	485.9	+ 3.0	500.7	427.1
Transportation	295.5	293.6	+ 0.6	317.5	286.1
Utility	159.4	156.9	+ 1.6	163.5	156.2
Trade, Finance & Service	289.2	281.9	+ 2.6	290.1	274.8
Mining	390.1	380.3 R	+ 2.6	402.3	340.5

* New High

R: Revised

Securities Act Release No. 3808

The Securities and Exchange Commission today announced that, at the request of Mon-O-Co Oil Corporation, Billings, Montana, a hearing has been scheduled for September 3, 1957, in the Commission's Seattle Regional Office on the question whether to vacate or make permanent a previous order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of securities by Mon-O-Co.

In a Regulation A notification filed March 6, 1957, Mon-O-Co proposed the public offering of 4,000 shares of Class A common stock and 96,000 shares of Class B common stock, in units of 1 Class A and 24 Class B shares and at an offering price of \$75 per unit, as well as 14,474 shares of the Class A common and 347,376 shares of the Class B common to be offered in exchange for properties. By order dated May 13, 1957 (Securities Act Release No. 3785), the Commission temporarily suspended the Regulation A exemption with respect to such offering by Mon-O-Co on the basis that the terms and conditions of Regulation A were not complied with by Mon-O-Co, that its offering circular was false and misleading in respect of various material facts, and that the use of said offering circular in the offering and sale of Mon-O-Co stock "would operate as a fraud and deceit" upon purchasers of the stock (for details, see Release No. 3785).

At the September 3rd hearing, inquiry will be conducted into the question whether there was a failure by Mon-O-Co to comply with Regulation A and whether its offering circular was false and misleading, for the purpose of determining whether the temporary suspension of the Regulation A exemption with respect to the public offering of Mon-O-Co stock should be vacated or made permanent.

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Tennessee Gas Transmission Company, Houston, filed a registration statement (File 2-13466) with the SEC on July 5, 1957, seeking registration of \$25,000,000 of Debentures due 1977, to be offered for public sale through an underwriting group headed by Stone & Webster Securities Corporation, White, Weld & Co. and Halsey, Stuart & 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 applied by Tennessee Gas toward the payment of its outstanding short-term notes issued under the company's Revolving Credit Agreement. The proceeds of the notes were used by the company in the expansion of its gas transmission and production and plant properties. The short-term notes issued and outstanding under this Agreement on June 30, 1957, amounted to \$45,000,000. At May 31, 1957, the cost of completing the company's current expansion program was estimated at \$32,000,000. Applications now pending before the Federal Power Commission propose the construction of additional facilities would involve additional expenditures estimated at \$147,400,000.

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Colonial Aircraft Corporation, Sanford, Maine, filed a registration statement (File 2-13467) with the SEC on July 5, 1957, seeking registration of 248,132 shares of its 10¢ par Common Stock.

According to the prospectus, Colonial made a public offering in 1955 of 269,250 shares of its stock at \$1 per share. The offering was made on a "best efforts" basis by Glick & Co., Inc., New York underwriter, which received a selling commission of 20¢ per share. As additional compensation, Glick & Co. received warrants to purchase 140,000 common shares at an exercise price of 10¢ per share, exercisable for a three year period commencing August 15, 1956. Said warrants were issued to Glick & Co. and certain of its designees. An additional 50,000 shares each were issued to Morris J. Laurie (New York) and Andrew Krivy (Forest Hills) as a finder's fee. The registration statement covers 238,132 of the shares, the subject of these warrants, together with an additional 10,000 shares being offered for sale by Frederick W. Uccellini, of Springvale, Maine, a former officer and director.

Colonial has been notified that Glick and some of its designees holding said warrants, together with Messrs. Laurie and Krivy, intend to exercise the warrants, to purchase the common stock, which prompts the filing of this registration statement covering the common shares. In addition to the proposed offerings by Messrs. Laurie, Krivy, and Uccellini, Glick & Co. proposes to offer 52,637 shares; Earl A. Glick, 45,000; Herbert K. Shipper and Samuel Shipper of Glick & Co., 18,500 shares each; Milton Zeller, of Belle Harbor, N. Y., 1,255 shares; Robert Ayers, of New York, 1,740 shares; and Simon Messitti, of New York, 500 shares.

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Holding Company Act Release No. 13514

The Columbia Gas System, Inc., New York holding company, has joined with its wholly owned subsidiary, The Preston Oil Company, of Columbus, Ohio, in the filing of an application with the SEC for an order authorizing Columbia to supply an additional \$800,000 of new capital to Preston; and the Commission has issued an order giving interested persons until July 24, 1957, to request a hearing thereon.

Preston is said to be engaged principally in the production and sale of oil, working in collaboration with Columbia's subsidiary gas companies. It also sells natural gas recovered in connection with its oil operations. Preston's 1957 construction program will involve expenditures of approximately \$1,364,600, requiring \$800,000 of new capital in addition to cash generated from internal sources. Columbia proposes to supply such new capital, to be evidenced by Preston's Installment Promissory Notes.

Securities Exchange Act Release No. 5539

TRANSACTIONS IN RUSSIAN BONDS

The SEC today issued a statement reiterating its warning against misstatements and misleading omissions of material facts in connection with transactions in Russian bonds which are the subject of claims filed with the Foreign Claims Settlement Commission (FCSC) pursuant to the International Claims Settlement Act of 1949, as amended by Public Law No. 285, 84th Congress.

At the same time, the Commission stated that it has been informed by FCSC that the latter has begun to make awards on certain claims, including those based on Russian bonds; that such Commission will certify the award for payment by the Secretary of the Treasury only in favor of the original claimant, and only if such claimant presents the bonds to the FCSC so that they may be properly stamped; that the transfer or purchase of a Russian bond on which an award has been made does not in and of itself confer any rights in the award on the purchaser or transferee; that there is no assurance that any award will be paid in full; that the extent to which any award will be paid from the funds available cannot properly be determined; and that the payment of any award will not fully extinguish the claim unless such payment is for the full amount of the claim.

Previously, the Commission had pointed out, among other things, that the amounts which may be awarded with respect to claims based on Russian bonds may vary because of the amounts which the claimants paid for particular securities or because of the date on which such securities were acquired; and that it was expected the amount of valid claims filed would far exceed the amount available to pay such claims.

With respect to the prohibitions of SEC laws against misstatements and misleading omissions of material facts, the Commission's statement today said:

"While the material facts which would have to be disclosed in connection with any particular transactions [in Russian bonds] would have to be determined in each particular case, they would generally include the fact that the transfer or sale of a bond which was the basis of an award does not in and of itself entitle the purchaser to the award, and the fact that the obligation represented by the bond will be or has been reduced by the amount of any payment made on the bond."

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The FCSC will maintain a register of bonds and securities, appropriately identified, with respect to which awards have been made. Questions concerning the identity of bonds on which awards have been made, the amount of awards, or the nature or effect of any such awards, should be addressed to the Foreign Claims Settlement Commission at Washington 25, D. C.

The Commission also noted that Bulgarian, Hungarian and Roumanian bonds may be the subject of awards in certain cases by the Foreign Claims Settlement Commission, but that the Commission is not in possession of any information which it feels would justify it in withdrawing its earlier request that brokers and dealers continue to refrain from trading in securities issued by Bulgaria, Hungary and Roumania and by issuers in any of these countries.

Holding Company Act Release No. 13515

The SEC has issued an order authorizing Jersey Central Power & Light Company (Asbury Park) to issue and sell \$15,000,000 of bonds at competitive bidding. Jersey Central proposes to issue and sell the \$15,000,000 of additional first mortgage bonds, series due July 1, 1957, and to apply the proceeds to its 1957 construction program or the repayment of short-term borrowings for construction purposes. This program is expected to involve expenditures of approximately \$22,500,000.

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