

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.

July 23, 1957

FOR RELEASE

Investment Company Act Release No. 2561

The SEC today announced that, at the request of certain stockholders of The Great American Life Underwriters, Inc. ("Great American," of Springfield, Ill.), it had ordered a hearing for October 23, 1957, upon the application of Great American for an exemption from the Investment Company Act.

Previously, under date of June 10, 1957, the Commission had issued a notice of the filing of the exemption application which gave interested persons an opportunity to request a hearing thereon. In its application, Great American had requested an order of the Commission declaring that it is not, or has ceased to be, an investment company by reason of the exemption contained in Section 3(c)(8) of the Act or, in the alternative, that the Commission grant an exemption on the ground that the company is not an investment company, being primarily engaged in the life insurance business through a controlled company. Great American outlined in its application the history of the company and various transactions with affiliated persons which were subject to certain prohibitions of the Act, unless specifically exempted by the Commission, and for which exemptions were not obtained.

Upon the basis of the requests for hearing filed by certain stockholders, the Commission scheduled the application for hearing on October 23rd.

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Old American Life Company, Seattle, Washington, filed a registration statement (File 2-13486) with the SEC on July 22, 1957, seeking registration of 15,825 shares of Class A Stock (\$10 par) and 3,165 shares of Common Stock (\$10 par). The company proposes to offer these securities for public sale in Combined Units, each consisting of one common and five Class A shares, and at the purchase price of \$260 per unit. Offering of the units will be made by the company through authorized representatives working under the supervision of its officers; and the selling commissions and expenses will not exceed 12%.

Net proceeds of the stock sales will be used to increase the paid-in capital and surplus of the company, considered necessary to enable the company to accelerate its rate of growth, to increase its agency force, and to provide greater margins of financial stability and protection to its policyholders and assist its agents in the sale of insurance policies.

Investment Company Act Release No. 2560

The Colonial Fund, Inc., Boston investment company, has applied to the SEC for exemption order permitting its acquisition of not to exceed 2,000 shares of

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

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Cumulative Convertible Preferred Stock, \$100 par, of McLouth Steel Corporation, of Detroit; and the Commission has issued an order giving interested persons until July 31, 1957, to request a hearing thereon.

In a registration statement filed by McLouth on July 3, 1957, that company proposed the public offering of 105,000 shares of preferred stock. The principal underwriter is The First Boston Corporation; and James H. Orr, a First Boston director, is also a director of Colonial. Because of this inter-company affiliation, purchase of McLouth stock by Colonial is prohibited by the Investment Company Act unless an exemption order is issued by the Commission. Its purchase is to be made from an underwriter or member of the selling group other than First Boston.

Securities Act Release No. 3815

The Securities and Exchange Commission has ordered "stop order" proceedings under the Securities Act of 1933 to determine whether to suspend the effectiveness of a registration statement filed by Woodland Oil & Gas Co., Inc., of New York City.

Woodland's registration statement, filed May 28, 1957, proposed the public offering of 700,000 shares of Woodland common stock at \$1.50 per share maximum, 600,000 by the issuer and 100,000 by Ralph J. Ursillo, the principal promoter of the company. Proceeds of the company financing were to be used to drill and complete oil wells on the company's Pennsylvania and Kentucky properties, and for working capital.

In its order for hearing, the Commission challenges the accuracy and adequacy of various informational disclosures contained in the registration statement and prospectus; and at the hearing, scheduled for August 5, 1957, in the Commission's Washington office, inquiry will be conducted for the purpose of determining whether the registration statement and prospectus are false and misleading or omit to state material facts and, if so, whether a stop order should be issued suspending the effectiveness of the registration statement.

More particularly, the Commission asserts that it has reasonable cause to believe that the registration statement and prospectus are false and misleading, in that information therein is inadequate or inaccurate in respect of various material facts, including the following: (1) the terms of the underwriting arrangement, including failure to designate the underwriter and disclose that the underwriter will receive an option to purchase one share for every ten shares sold for the issuer; (2) the history and business of the issuer, including failure to disclose clearly that, in connection with a prior stock offering, Ursillo and Penn-York Oil Company, Inc., received 1,050,000 shares of Woodland stock for the Pennsylvania properties and failure to disclose their investment in such properties; (3) the properties of the company, including estimations of recoverable reserves from the Pennsylvania properties and failure to disclose that the production of oil from such properties has been negligible over the period Woodland has been operating them and that it is economically unfeasible to operate such properties; (4) failure to disclose that Woodland's interest in certain Kentucky properties have nominal value only, that the properties are wildcat acreage, and that they are available to anyone willing to drill wildcat wells thereon; (5) the geology of the properties, including estimated future gross monetary return from the Pennsylvania properties; (6) the application of the net proceeds of the offering; and (7) failure to include in the forepart of the prospectus a concise informative description of the speculative features of the offering.

(Continued)

Securities Exchange Act Release No. 5551

The Securities and Exchange Commission today announced the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934, suspending trading on the American Stock Exchange in the \$1 par Capital Stock of Bellanca Corporation, New Castle, Delaware, for a further ten-day period, July 24 to August 2, 1957, inclusive.

The action was taken on the basis of Bellanca's failure to comply with the reporting requirements of Section 13 of the Act and the disclosure requirements of the Commission's proxy rules under Section 14.

Upon the basis of a finding by the Commission that such suspension is necessary to prevent fraudulent, deceptive, or manipulative acts or practices in connection with trading in Bellanca stock, trading by brokers and dealers in such stock in the over-the-counter markets also is prohibited during the period of the suspension.

The Commission previously ordered a hearing pursuant to Section 19(a)(2) of the Act on the question whether the Bellanca stock should be suspended for a period not exceeding 12 months, or withdrawn, from listing and registration on the Exchange. This hearing is now in progress (see Release Nos. 5500 and 5544).

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