

# 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 February 7, 1957

## Investment Company Act Release No. 2482

The SEC has issued an exemption order under the Investment Company Act of 1940 permitting the acquisition by National Aviation Corporation, New York investment company, of not to exceed \$500,000 principal amount of 4% Convertible Subordinated Debentures, due February 1, 1977, of Douglas Aircraft Company, Inc., at the public offering price of such securities. Under a registration statement which became effective February 5, 1957, Douglas proposed the public offering of \$27,900,000 of debentures. Because two of the directors of National are affiliated with two of the underwriters of the offering, its acquisition of Douglas Aircraft debentures is prohibited by the Investment Company Act unless an exemption order is issued by the Commission.

## Securities Act Release No. 3751

### CANADIAN RESTRICTED LIST Fourth Supplement

The Securities and Exchange Commission today announced the addition of seven Canadian companies to its "Canadian Restricted List," as follows:

Canadian Alumina Corporation Limited  
Can American Copper Limited  
Torbrook Iron Ore Mines Limited  
Trio Mining Exploration Limited  
Triton Uranium Mines Limited  
Wayne Petroleums Limited  
Woodgreen Copper Mines Limited

As previously indicated in the April 24, 1956 announcement of the original list (Release No. 3632), the Canadian Restricted List is composed of the names of Canadian companies whose securities, the Commission has reason to believe, recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933. The original list contained the names of 135, the first supplement, Securities Act Release No. 3647, contained the names of fourteen such companies, the second supplement, Securities Act Release No. 3705, contained nineteen names, and the third supplement, Securities Act Release No. 3737, ten names. Of the 185 names of Canadian issuers which have been included in the Restricted List, 3 were heretofore dropped from the list.

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Securities Act Release No. 3752

The Securities and Exchange Commission today announced the issuance of orders temporarily suspending exemptions from registration under the Securities Act of 1933 with respect to public offerings of securities by the following:

Amalgamated American Oil, Incorporated, Las Vegas, Nevada

In its Regulation A notification, filed August 8, 1955, Amalgamated proposed the public offering of 300,000 shares of common stock at \$1 per share

Arizona Cheese & Cattle Company, Inc., Phoenix, Arizona

The Regulation A notification of this company, filed June 11, 1954, proposed the public offering of 100 5% convertible debentures at \$500 per debenture, 5,000 shares of 6% preferred stock at \$10 per share, and 5,300 shares of common stock at \$10 per share

Chemical and Fibre Associates, Inc., Reno, Nevada

Associates' Regulation A notification was filed on April 16, 1954, and proposed the public offering of 8,750 shares of common capital stock at \$10 per share

Kwik-Fizz, Arcadia, California

In its Regulation A notification, filed March 14, 1955, this company proposed the public offering of 200,000 shares of stock at \$1 per share

Regulation A provides a conditional exemption from the registration requirements of the Securities Act for public offerings of securities not exceeding \$300,000 in amount. One of such conditions is a requirement for the filing of semi-annual reports reflecting the amount of securities sold and the use of the proceeds thereof.

The Commission's suspension orders in the four cases above listed are based upon a failure to comply with this reporting requirement, despite requests from the Commission's staff for such reports. Each of the orders provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Corporate Reorganization Release No. 106

The Securities and Exchange Commission today announced the filing with the United States District Court for the Western District of Kentucky, Owensboro Division, of a Supplemental Report of the Commission pursuant to Sections 172 and 173 of Chapter X of the National Bankruptcy Act on an amended plan of reorganization for Green River Steel Corporation, which manufactures and sells semi-finished steel products in Owensboro, Kentucky.

Previously, the Commission in an Advisory Report filed on January 26, 1957, concluded that the plan proposed by Roy Burlew, Trustee, based on an offer by Jessop Steel Company of Washington, Pennsylvania, which manufactures highly specialized alloy steels, was not feasible because the long-term debt of Green River after

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reorganization would be excessive and new debentures to be issued by the reorganized company would be illusory to subsequent purchasers and that the treatment proposed for the debenture holders was not fair. At a hearing in Louisville Federal Court on February 1, 1957 certain amendments were made to the plan.

The Commission's Supplemental Report concludes that the amended plan is a substantial improvement over the Trustee's original plan with respect to the treatment to be accorded the debenture holders and in strengthening the terms of the new debentures. However, the Commission concluded that it was unable to advise the Court that the amended plan was feasible or fair. Concern was expressed in the Supplemental Report because the debenture holders would not be compensated fully for their matured claims and because the amended plan failed to rectify the inordinately high debt ratio proposed for the reorganized company.

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Plymouth Fund, Inc., newly organized investment company of Miami, Fla., filed a registration statement (File 2-13070) with the SEC on February 5, 1957, seeking registration of 500,000 shares of its \$1 par Capital Stock. The prospectus lists Joseph A. Rayvis of Miami as President and Plymouth Bond and Share Corporation as investment advisor and underwriter.

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General Public Utilities Corporation, New York City, filed a registration statement (File 2-13072) with the SEC on February 6, 1957, seeking registration of 646,850 shares of its \$5 par Common Stock. GPU proposes to issue to holders of 15 or more shares of its common stock transferable warrants evidencing rights to subscribe for additional common shares at the rate of one additional share for each 15 shares held. The record date and subscription price are to be supplied by amendment. Each holder of less than 15 shares will, in lieu of the warrant otherwise deliverable to him, receive the cash equivalent thereof.

Net proceeds of the financing will be used by GPU to pay \$8,500,000 of short-term bank loans effected in 1956, the proceeds of which were used in 1956 for additional investments in its domestic subsidiaries. The balance of the proceeds will be added to the general corporate funds of GPU and utilized, together with funds derived from operations and possibly from short-term bank loans effected in the latter part of 1957, for investments in domestic subsidiaries. The 1957 cash construction requirements of GPU's domestic subsidiaries are estimated as approximately \$75 million.

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Missouri Portland Cement Company, St. Louis, Mo., today filed a registration statement (File 2-13073) with the SEC seeking registration of 101,233 outstanding shares of its \$12.50 par Capital Stock. These shares are to be offered for public sale by the present holders thereof, through an underwriting group headed by Blyth & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company has outstanding 742,789 shares of stock, of which 101,233 shares are held by the seven selling stockholders. The names of the selling stockholders and the number of shares being sold by each are as follows: Blyth & Co., Inc., 25,750 shares; Boettcher & Company, 7,210; The First Boston Corporation, 12,360; Lehman Brothers, 16,477; Newhard, Cook & Co., 21,630; Smith, Barney & Co., 10,300; and Tri-Continental Corporation, 7,506.

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