

# 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 June 10, 1957

## Statistical Release No. 1459

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended June 7, 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>6/7/57</u>	<u>5/31/57</u>		<u>High</u>	<u>Low</u>
Composite	356.1*	355.1	↑ 0.3	356.1	322.5
Manufacturing	457.1*	454.7	↑ 0.5	457.1	405.7
Durable Goods	419.8	419.0	↑ 0.2	422.9	382.7
Non-Durable Goods	491.3*	487.6	↑ 0.8	491.3	427.1
Transportation	292.0	293.0	- 0.3	317.5	286.1
Utility	162.3	163.5	- 0.7	163.5	156.2
Trade, Finance & Service	287.0	288.0	- 0.3	290.1	274.8
Mining	402.3*	393.3	↑ 2.3	402.3	340.5

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## Securities Act Release No. 3799

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of securities by American General Oil & Gas Co., ("American General") of Houston, Texas. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration under the Securities Act with respect to public offerings of securities not exceeding \$300,000 in amount. On January 26, 1954, American General filed a notification with the Commission proposing the offering, pursuant to such an exemption, of 1,000,000 shares of its common stock, not for cash, but for oil, gas and mineral leases having an alleged value not to exceed \$100,000.

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

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In its suspension order, the Commission asserts that the terms and conditions of Regulation A were not complied with by American General, in that the required offering circular was not filed and the company failed to file the required semi-annual reports reflecting the sale of stock pursuant to the exemption. Furthermore, according to the order (1) American General's notification appears to contain an untrue statement of a material fact in that it falsely represents that Joe L. Gross took an important part in the organization of the company and in the acquisition of its assets and may be considered a "promoter"; and (2) American General and Robert C. Jones, president and director, were enjoined on April 29, 1955, by the Superior Court of New Jersey from engaging in and continuing certain conduct and practices in connection with the sale of securities.

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Cameron Industries, Inc., New York, filed a registration statement (File 2-13415) with the SEC on June 7, 1957, seeking registration of 300,000 shares of its 10¢ par Common Stock. The stock is to be offered for public sale on a "best efforts" basis by R. G. Worth & Co., Inc., the offering price to be \$1 per share and the selling commission 20¢ per share. In addition, Worth & Co. is entitled to purchase from the company, at one mill per warrant, three-year stock purchase warrants for up to 200,000 common shares, exercisable at \$1.50 per share, and the rate of two warrants for every three shares sold to the public; and Robert Grocoff, president of Worth & Co., has obtained 25,000 additional common shares at no cost. Worth & Co. also is to receive up to \$25,000 for its expenses of the offering, no part of which is returnable to the issuer, \$10,000 of which is payable out of the proceeds after commissions from the first 50,000 shares sold.

Cameron was organized under Delaware law in November 1956 to engage in the acquisition, exploration and development of natural resources. Its primary interest is the exploration for and, if warranted, the development and mining of copper ores. For this purpose, the company has acquired virtually all of the issued and outstanding stock of Compania Minera Sontar, S. A., a Mexican corporation, which is said to hold exploration concessions from the Mexican Government on three properties in the State of Chihuahua, Mexico, about 43 miles southwest of El Paso, Texas. Cameron intends to explore these properties and others, if found, in search for copper ore of commercial grade and quantity, and if such exploration is successful, to develop such properties. It also intends to mine the known surface occurrences to the extent possible. The contemplated exploration and development program is largely dependent upon this financing. Of the proceeds, \$9,000 is to be used to pay off the balance due on certain concessions, about \$24,000 for the acquisition of necessary equipment and supplies, and another \$20,000 for a diamond drilling program. Another \$10,000 will be set aside for additional diamond drilling, depending upon the successful outcome of the initial drilling. The company also may use a portion of the proceeds of this offering to acquire as yet unascertainable additional properties which may be explored for any ore deposits that may be found.

Of the 316,500 shares of Cameron stock heretofore issued, 23,500 were sold to three investors for \$11,750 in cash. The remaining 293,000 shares were issued to Allan Brown in exchange for 99.9% of the issued and outstanding stock of

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Sontar, which holds the exploitation concessions. According to the prospectus, about \$26,500 was spent in connection with the organization of Sontar, the acquisition of certain equipment by it, and the organization and acquisition of the mining concessions, including related legal, travelling and other incidental expenses. The prospectus lists Gerald A. Cameron of New York as president and treasurer. Robert G. Grocoff is a director. Of the 293,000 shares issued to Brown, all but 36,070 have been transferred by him to other persons, including 84,000 shares to eleven persons, including officers, directors and attorneys of the company who contributed an aggregate of \$6,000 in cash, as well as legal and other services. An additional 87,000 shares were issued to Cameron in consideration for his efforts on behalf of the company and as an inducement to his becoming president.

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The City of Montreal (Canada) filed a registration statement (File 2-13416) with the SEC on June 7, 1957, seeking registration of \$7,200,000 of 5 $\frac{1}{4}$ % Sinking Fund Debentures for Local Improvements, due February 15, 1977, and \$17,800,000 of 5 $\frac{1}{4}$ % Sinking Fund Debentures for Public Works, due March 1, 1977. The public offering price and underwriting terms for these debentures, as well as the names of the underwriters, are to be supplied by amendment.

The proceeds to the City from the sale of the Local Improvement Debentures will be applied toward, or to the repayment of interim bank borrowings incurred to finance temporarily, the cost of various condemnations of property in order to open, extend and widen certain streets, and the cost of certain other permanent local improvements, consisting of sewers, pavements and sidewalks. Proceeds of the sale of the Public Works Debentures will be applied toward the cost of some or all of several public works or the repayment of interim bank borrowings incurred in connection therewith, including slum clearance; road and highway construction and grade separation; public garages, parking grounds and markets; trunk sewers; parks; construction of a civic center and concert hall; and numerous other projects.

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Southern California Edison Company, a California public utility, filed a registration statement (File 2-13418) with the SEC on June 10, 1957, seeking registration of \$40,000,000 of first and refunding mortgage bonds, Series I, due July 1, 1982. The approximate date of the proposed public invitation for bids is June 26, 1957. The interest as well as the public offering price and underwriting terms are to be supplied by amendment.

Net proceeds from the sale of the bonds will be used by the Company in part to retire short term bank loans in an amount estimated not to exceed \$16,000,000 and the balance for continuing its construction program. According to the prospectus, the cost of this program is currently estimated at \$307,632,000 for the years 1957-1958, of which \$37,200,000 has been provided

by prior financing. In addition to the proceeds covered by the prospectus, the Company expects to obtain approximately \$145,800,000 of new money from outside sources, with the balance of the construction program to be obtained from internal sources. It is presently expected that gross plant additions for the years 1957-1958 will total approximately \$307,632,000, consisting of \$133,529,000 for steam electric generating plants; \$29,139,000 for hydroelectric generating plants; \$31,147,000 for electric transmission lines and substations; \$96,046,000 for electric distribution lines and substations; and \$17,771,000 for other additions.

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Federal Insurance Company, a New Jersey corporation with its main offices in New York City, filed a registration statement (File 2-13417) with the SEC on June 7, 1957, seeking registration of 400,000 shares of its \$4 par value common stock, as an exchange offer to holders of the \$10 par value capital stock of the Colonial Life Insurance Company of America, at the rate of 4 Federal Insurance Company shares for 1 share of stock of the Colonial Life Insurance Company of America. The exchange offer is to expire at 3:30 p.m. E.D.S.T., on July 26, 1957, unless extended by Federal as provided in the prospectus.

The First Boston Corporation and Spencer Trask & Co., as dealer managers, have agreed to use their best efforts to form and manage a group of soliciting dealers, including themselves, to solicit tenders of Colonial capital stock.

Federal Insurance Co. and its wholly owned subsidiary, Vigilant Insurance Co., are engaged in the business of writing fire, marine, casualty and surety insurance in all of the 48 states of the United States, and in the District of Columbia, Alaska, Hawaii and Puerto Rico. It also does business in Canada, England, Holland and certain other parts of the world. Colonial Life Insurance Co. has been engaged since 1897 in the writing of various forms of life insurance, and at the present time its primary business consists of the writing of ordinary, industrial and group life insurance, all of which is issued on a non-participating basis.

Colonial is presently licensed and transacts business in New Jersey, Pennsylvania, New York, Connecticut and Maryland and in Puerto Rico. If the exchange offer is consummated, it is planned that Colonial will continue to operate as a separate company under the direction of its own Board of Directors and with its present officers and staff.

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