

# 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 19, 1957

Abbott Laboratories, North Chicago, Ill., filed a registration statement (File 2-13479) with the SEC on July 18, 1957, seeking registration of 800 participations in the Abbott Laboratories Stock Retirement Plan, together with 32,000 Common Shares of Abbott Laboratories which may be acquired pursuant thereto.

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The Sire Plan, Inc., New York, filed a registration statement (File 2-13480) with the SEC on July 18, 1957, seeking registration of \$4,000,000 of Nine-month 8% Funding Notes. The notes are to be offered for sale at 100% of principal amount, with a 5% commission to the underwriter, Sire Plan Portfolios, Inc. Although as much as \$5,000,000 of the notes may be sold, not more than \$1,000,000 will be outstanding at any time. The larger amount of notes is being registered to enable the company to offer new notes to meet maturities.

Sire Plan is engaged in the business of purchasing and marketing rental income real estate to the public under what is called the SIRE (Small Investors Real Estate) Plan. Proceeds of the sale of the notes, which will not exceed \$1,000,000 in face amount, will be used to provide working funds for the making of cash deposits, and, where feasible and appropriate, to acquire title to properties pending resale of properties either through the public offering of securities or by private sale.

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J. Ray McDermott & Co., Inc., Houston, filed a registration statement (File 2-13481) with the SEC on July 18, 1957, seeking registration of \$20,292,000 of Convertible Subordinated Debentures, due August 1, 1957. The company proposes to offer the debentures for subscription by holders of its common stock at the rate of \$100 of debentures for each 10 shares of common stock held. The record date, interest rate, subscription price and underwriting terms are to be supplied by amendment. Dominick & Dominick and Kidder, Peabody & Co. are named as the principal underwriters.

Net proceeds of the sale of the debentures will be available for such corporate purposes as the company's management may determine. It is the company's present intention to use approximately \$15,000,000 for the purchase of additional construction equipment, principally to permit expansion of Venezuelan construction activities; to invest approximately \$3,000,000 in The Offshore Company, principally in connection with that company's Venezuelan operations; and to the expend approximately \$2,000,000 for expansion of the company's steel fabricating facilities. The company's principal business is the engineering and construction of offshore

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drilling platforms, man-made islands from which oil and gas wells are drilled under water. This work is being done by the company in the Gulf of Mexico on a contract basis for major and independent oil and gas companies. A newly-formed Venezuelan subsidiary is being equipped to do similar work for the oil companies in Lake Maracaibo and the Gulf of Paria. Through ownership of approximately one-third of the capital stock of The Offshore Company, the company also participates in drilling for other offshore, as well as inshore, oil and gas wells. The Offshore Company has drilling rigs and mobile drilling barge units operating in the Gulf of Mexico, and has also recently formed a Venezuelan subsidiary to do drilling work in that country.

Securities Act Release No. 3813

The Securities and Exchange Commission today announced that, at the request of Interstate Holding Corporation, of Memphis, Tennessee, a hearing has been called for August 1, 1957, in the Commission's Washington office for the purpose of determining whether to vacate or make permanent the July 8, 1957, 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 Interstate.

At the same time, the Commission amended the July 8th suspension order so as to specify additional grounds for the temporary suspension order, including allegations that Interstate's offering circular is false and misleading in respect of various material facts and that its use in the offer and sale of Interstate stock would violate the fraud prohibitions of the Securities Act.

More particularly, the Commission's amended order asserts that the Regulation A notification filed by Interstate and its offering circular are false and misleading with respect to (1) the identity of affiliates of Interstate, (2) the securities of affiliated issuers issued and proposed to be issued by such persons, (3) the direct and indirect interests of Interstate's officers, directors, promoters and controlling persons in Interstate and in material transactions effected and proposed to be effected, to which Interstate or any of its predecessors or affiliates were or were to be parties, (4) the business transactions contemplated to be effected between Interstate and its directors, officers and promoters, and between Interstate and companies in which said persons are interested and (5) the purposes for which the net cash proceeds to Interstate from the sale of its securities were to be used. The amended order also alleges a failure to comply with the terms and conditions of Regulation A, including failure to identify all affiliates of Interstate, in particular G. & S. Corporation; failure to reflect information with respect to securities issued by G. & S. Corporation within one year and offerings of that company's securities in progress and contemplated; failure to include a statement of cash receipts and disbursements of Interstate; and failure to describe all direct and indirect interests in Interstate of its officers, directors, promoters and controlling persons, including failure to describe certain loan arrangements made by Interstate with such persons, investments made and to be made by Interstate in securities of affiliated issuers, including G. & S. Corporation and Comico Corporation, and arrangements made and to be made by Interstate and Comico for the rental of office space from such persons.

General Telephone Company of the Southeast, Durham, North Carolina, filed a registration statement (File 2-13482) with the SEC on July 18, 1957, seeking registration of 120,000 shares of 5.80% Cumulative Preferred Stock, \$25 par value. The company proposes to offer the stock to the holders of the following outstanding securities: the 5-1/2% and 6% Cumulative Preferred Stocks of Durham Telephone Company, the 6% Cumulative Preferred Stock of Georgia Continental Telephone Company, the 5 1/2% Cumulative Preferred Stock of South Carolina Continental Telephone Company, and the 5 1/2% Cumulative Preferred Stock of Southern Continental Telephone Company. The exchange offer will be made on a share for share basis, plus, in each case, cash equivalent to the redemption premium for each such share offered in exchange.

The exchange offer is part of a proposed plan of merger of Durham Telephone Company, South Carolina Continental Telephone Company, Sumter Telephone Company, Seacoast Telephone Company, Southeastern Carolina Telephone Co., Georgia Continental Telephone Company and Southern Continental Telephone Company into General Telephone Company of the Southeast. All of the companies constituent to the merger are part of the General Telephone System, their parent, General Telephone Corporation, owning all of their outstanding common stocks. The objective of the proposed merger is to combine these eight subsidiaries into a single entity operating in the states of Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Tennessee. The prospectus states that the exchange of the 5.80% Preferred Stock of General for the outstanding Preferred Stocks of Durham, South Carolina, Georgia, and Southern Continental is a step in the proposed merger but is not contingent upon the consummation of the merger. Durham, South Carolina, Georgia, and Southern Continental have called for redemption in September, 1957, all the outstanding shares of their Preferred Stocks. Accordingly, all shares not surrendered for exchange will be redeemed at the applicable redemption prices, which are, respectively, \$26 per share for the 5 1/2% and 6% Durham Preferred, \$26.25 per share for the 6% Georgia Continental Preferred, \$26.25 per share for the South Carolina Continental Preferred, and \$26 per share for the Southern Continental Preferred, plus, in each case, accrued dividends to the redemption date.

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