

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 25, 1957

Associates Investment Company, South Bend, Indiana, filed a registration statement (File 2-13489) with the SEC on July 24, 1957, seeking registration of \$50,000,000 of Debentures, due August 1, 1977. The company proposes to offer these debentures for public sale through an underwriting group headed by Salomon Bros. & Hutzler and Lehman Brothers. 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 used to increase or maintain the working capital of the company but will be initially applied to the reduction of short-term notes due within one year. The additional working capital of the company may be used for the purchase of receivables in the ordinary course of its financing activities, may be advanced to or invested in subsidiaries for such purposes, including, among other things, the bulk purchase of receivables, or may be advanced to or invested in subsidiaries for such other purposes as relate to their respective businesses. The amounts of working capital to be used for such purposes are not now determinable and may vary from time to time.

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Texas-U. S. Chemical Company, New York, filed a registration statement (File 2-13490) with the SEC on July 24, 1957, seeking registration of \$920,160 of Participations in that company's Employees Savings Plan. The company is owned 50% each by The Texas Company and United States Rubber Company. Eligible employees may direct the investment of his funds in certain U. S. Government bonds, the capital stock of The Texas Company, the common stock of U. S. Rubber Company, or common shares of certain investment companies.

Securities Act Release No. 3817

The Securities and Exchange Commission has vacated its May 21, 1957, order suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of stock by Lockhart Basin Uranium Corporation, Ogden, Utah.

In a Regulation A notification filed March 4, 1955, Lockhart proposed the public offering of 2,500,000 shares of its common stock pursuant to the conditional exemption from registration provided by Regulation A. The Commission on May 21st temporarily suspended the exemption on the ground that Regulation A had not been complied with, in that the company had failed to file semi-annual reports of stock sales and that Lockhart's offering circular was misleading by reason of its failure to reflect certain post-filing developments.

(OVER)

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

Subsequently, Lockhart filed a report in which it represented that the stock offering was never commenced, nor is one intended under the Regulation A filing; that no sales were made under the filing; and that the failure to file sales reports and to amend the circular was due to the failure of Lockhart's officers to appreciate the necessity for such action in light of the status of the offering.

Under the circumstances, the Commission vacated its suspension order and permitted withdrawal of the Regulation A notification.

Securities Exchange Act Release No. 5552

The Securities and Exchange Commission today announced the issuance of a decision revoking the broker-dealer registration of McInnes & Co., Inc., of Miami, Florida, and expelling the company from membership in the National Association of Securities Dealers, Inc.

McInnes & Co. waived a hearing and filed an answer and consent to revocation. Based thereon, the Commission found that the company accepted monies and securities from customers without disclosing its insolvency; transacted business while its aggregate indebtedness exceeded 2000% of its net capital; made false and misleading statements and omissions in the sale of securities of Alabama General Insurance Company with respect to the return on an investment in such securities and the government contracts of a subsidiary of that company; offered and sold unregistered securities of that company; made false and misleading statements in its application for broker-dealer registration, in that it failed to disclose certain officers and directors; failed to file promptly amendments correcting information which had become inaccurate; and failed to make and keep current required books and records.

In view of these violations of the registration and reporting requirements and of the fraud prohibitions of the Securities laws, the Commission concluded that it was in the public interest to revoke the broker-dealer registration of McInnes & Co. and to expel it from NASD membership. Raymond McInnes, president, was found to be a cause of such revocation and expulsion.

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