

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.

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## EMPIRE OIL OFFERING SUSPENDED

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 proposed stock offering by Empire Oil Corporation, 245 West 44th St., New York City.

Regulation A provides a conditional exemption from Securities Act registration for public offerings of securities not exceeding \$300,000 in amount. Empire Oil, which has oil and gas interests in Kansas, Oklahoma and Texas, filed a notification with the Commission on March 17, 1959, proposing the public offering of 370,000 common shares, 140,000 for cash sale at 35¢ per share and 230,000 as part of the purchase price for additional oil and gas leases in Oklahoma. The Commission's suspension order asserts (1) that Regulation A has not been complied with, in that certain required information has not been disclosed; (2) that Empire Oil's offering circular is false and misleading in respect of certain material facts; and (3) that the stock offering would violate Section 17 (the anti-fraud provision) of the Securities Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

The alleged misrepresentations pertain to the following: (a) the failure to disclose adequate information concerning Empire Oil, the prior public offering of its securities, its operations to date, the transactions whereby the control of the company has been acquired by the present controlling group and the extent of control acquired, and the cost of such controlling interest; (b) the failure to disclose, with respect to properties, the net production of crude oil and of natural gas for the years 1956 and 1957 and by month thereafter through February 1959, the estimated proved crude oil reserves net to the issuer's interest shown separately as to royalty interests and working interests for properties considered developed and undeveloped, and the date of acquisition of each such property; (c) various references to the favorable prospects for earnings from these properties; (d) failure to include an itemized statement of the purposes to which the proceeds of the stock sale are to be used; (e) failure to disclose whether promoters and managing officials have any interests in Empire Oil or its properties or operations; and (f) failure to include adequate financial information.

## SEC ORDER CITES DVORETSKY-DENNIS & CO.

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Alexander Dvoratsky, doing business as Dennis & Company, 744 Broad Street, Newark, N. J., should be revoked. An initial hearing is to be held before the Commission at 2:00 P. M. on April 20, 1959, to determine whether Dvoratsky's registration should be suspended pending further hearings and ultimate decision on the question of revocation.

Dvoratsky filed his application for broker-dealer registration in June 1957. In response to an item of the application it was stated that neither he nor any of his salesmen or employees had been enjoined from engaging in or continuing any conduct or practice relating to the purchase or sale of securities. According to the Commission's order, information developed in an investigation conducted by its staff, if true, tends to show that this information became inaccurate on or about January 1, 1959, when Dvoratsky employed John V. Holmes, Kenneth C. Meierdiercks, and Harry Karkovitz, C.F.R.

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and that Dvoretzky failed to file an amendment to his application to correct such inaccuracy.

In support thereof, the Commission's order further recites that Holmes was permanently enjoined in 1956 from engaging in securities transactions in New York; that Meierdiercks was permanently enjoined in 1931 from the sale of securities in New Jersey and in 1938 from engaging in the purchase and sale of securities in New York; and that Kaskowitz was permanently enjoined in 1955 from engaging in securities transactions in New York. It further appears, according to the order, that Dvoretzky since February 28, 1959, has engaged in the conduct of a securities business in violation of the net capital and bookkeeping rules of the Commission.

#### INVESTMENT CORP. OF FLA. FILES FOR OFFERINGS

Investment Corporation of Florida, 1750 East Sunrise Blvd., Fort Lauderdale, filed a registration statement (File 2-14974) with the SEC on April 13, 1959, seeking registration of 275,000 shares of its common stock, which are to be offered for public sale at \$4.50 per share through an underwriting group headed by Aetna Securities Corp. and Roman & Johnson. The underwriting commission is to be \$.675 per share; and the underwriters also are to receive \$30,000 in reimbursement for expenses. An additional 15,000 shares purchased by the two managing underwriters from the two principal officers of the company at 10¢ per share also are included in the registration statement, as are 138,250 additional shares which are to be exchanged by holders of \$60 cumulative preferred stock, \$800 par value, at the ratio of 250 common shares for each preferred share.

Investment Corp. was organized in 1956 to invest in and develop Florida real estate. The main scope of its operations has been and will be the acquisition and development of land in Florida; and the form of development has consisted of the promotion and construction of cooperative apartments. Other developments will include construction of other rental units including homes, apartments, motels, hotels and light industrial buildings. It has acquired a 99-year lease (with option to purchase) on a 34-acre tract located in the Harbor Beach area of Fort Lauderdale, and has exercised its options to purchase parts of this property, as well as an option to purchase the balance of the Abraham and Frederick Dreier interests in Fort Lauderdale. Net proceeds of the public sale of the 275,000 shares will be used to make payments aggregating \$528,500 for the purchase of certain of these properties. The balance, or \$483,375, will provide additional working capital, probably to be invested in other real estate ventures.

The company initially issued 553 preferred shares at \$1,000 per share to its initial subscribers, who also subscribed to ten common shares at 10¢ per share for each share of preferred purchased (later split 5 for 1, or 50 shares of common for each share of preferred), bringing the total of outstanding common shares to 145,084. The prospectus lists Harry P. Greep as board chairman and Gilbert P. Edwards as president; and they are listed as the owners of 23.3% and 33% of the outstanding common stock. All officers and directors own 69.6% of the common and 17.7% of the preferred. Greep and Edwards have sold 15,000 common shares to the underwriters at 10¢ per share.

#### AMERICAN M.A.R.C. PROPOSES OFFERING

American M.A.R.C., Inc., 1601 West Florence Ave., Inglewood Calif., filed a registration statement (File 2-14975) with the SEC on April 13, 1959, seeking registration of 400,000 shares of its common stock, to be offered for public sale through an underwriting group headed by Auchincloss, Parker & Redpath and Wilson, Johnson & Higgins. The public offering price and underwriting terms are to be supplied by amendment. The underwriters also have received warrants to purchase an additional 12,500 shares until May 1, 1964, the exercise price to be supplied by amendment.

American M.A.R.C. manufactures small, light-weight diesel engines ranging in horsepower from 1½ H.P. to 18 H.P.; and it also manufactures electric generators. The bulk of its sales to date have been to, or in connection with orders from, the Defense Department. Net proceeds of this financing will be added to the working capital of the company; and the company intends to engage, as soon as the proceeds become available, in a program of expansion and re-equipment of its production facilities for the purpose of enlarging its output capacity and of lowering its unit manufacturing costs (at a cost estimated at \$1,750,000). To the extent the proceeds of this financing are insufficient, the company expects to obtain the balance of the necessary funds from internal sources and bank borrowings.

The company now has outstanding 2,299,016 common shares, of which Arthur Vining Davis owns 1,435,000 or 62.4%. The prospectus lists W. Denis Kendall as president and board chairman.

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### FLORIDA-SOUTHERN LAND PROPOSES OFFERING

Florida-Southern Land Corp., Tom's Harbor, Monroe County, Fla., filed a registration statement (File 2-14978) with the SEC on April 13, 1959, seeking registration of 2,000,000 shares of common stock. The stock is to be offered for public sale at \$2 per share. The offering is to be made on a best efforts basis by Alkow & Co., Inc., for which it will receive a 36¢ per share selling commission. The underwriter also will receive an expense allowance of \$50,000, payable at the rate of 5¢ per share on each of the first 1,000,000 shares sold; and it will be entitled to purchase, at one mill each, 200,000 four-year warrants to purchase a like number of common shares at prices ranging from \$2 to \$3 per share. A finder's fee of \$15,000 also is payable to Roy Garcia of New York in the event 750,000 shares are sold in this offering.

The issuer was organized in 1956 to engage in the business of buying, selling, developing and operating real properties. Its present business consists of the ownership and development of a 300-acre tract known as Duck Key, located on the Atlantic Ocean in the Florida Keys. It proposes to develop Duck Key as a luxury-type, island resort community. The Duck Key properties were acquired in 1956 from Florida corporations controlled by Bryan W. Newkirk, president of the issuer. In consideration thereof, the company issued 2,750,000 common shares to Newkirk Realty Corp. Newkirk Realty, which is said to have expended \$1,731,362 on the properties, has been liquidated; and of the 2,750,000 shares, 2,529,000 were distributed to Lorita Trading Corp., a Liberian company owned by Mr. Newkirk, and 138,000 shares to Newkirk personally. The company now has outstanding 2,807,655 common shares, of which 220,888 shares owned by Newkirk are to be donated back to the company.

The company first proposes to expend some \$770,000 for the construction of 50 motel units and other facilities on Indies Island, one of its island properties, plus \$153,000 for furnishings and equipment. \$400,000 will be reserved for working capital, \$125,093 will be used to repay advances by Newkirk, and \$1,736,907 added to general funds to be used for either the construction of lease accommodations on Duck Key or the acquisition of additional land sites in other areas.

### UNIVERSAL OIL PRODUCTS FILES OPTION PLAN

Universal Oil Products Company, 30 Algonquin Rd., Des Plaines, Ill., filed a registration statement (File 2-14979) with the SEC on April 13, 1959, seeking registration of 153,000 shares of capital stock. The company has reserved these shares for stock options to its officers and employees of which 114,750 shares have been optioned at \$23.0375 per share. The remaining 38,250 shares may be optioned in the future at 95% of the then fair market value.

### ADRs FOR ELLIOTT-AUTOMATION FILED

Guaranty Trust Company of New York filed a registration statement (File 2-14980) with the SEC on April 13, 1959, seeking registration of American Depositary Receipts for 80,000 Ordinary Registered Shares of Elliott-Automation Limited, of England.

### JOHN MORRELL FILES OPTION PLAN

John Morrell & Co., 208 South LaSalle St., Chicago, filed a registration statement (File 2-14981) with the SEC on April 13, 1959, seeking registration of 11,900 shares of its capital stock, representing the number of shares initially issuable upon the exercise of stock options under the company's 1957 Restricted Stock Option Plan, plus an additional 28,100 shares which remain available for the purpose of stock options under said Plan.

### VENTURE SECURITIES STOCK ACQUISITION CLEARED

The SEC has issued an exemption order under the Investment Company Act (Release 40-2863) permitting Venture Securities Fund, Inc., Boston, Mass., investment company, to purchase up to 100,000 shares of the common stock of Alco Oil & Chemical Corporation. An underwriting group has offered for public sale 600,000 outstanding shares of Alco Oil stock (21.3% of the total shares outstanding) which are owned by controlling stockholders. The public offering price is \$1.50 per share, which includes underwriting commissions of \$0.215 per share. Because of an affiliation between the Fund and one of the underwriters, the Fund's purchase is prohibited by the Investment Company Act unless the Commission grants an exemption from such prohibition.