

# 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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## SECURITY FINANCE PLAN 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 public offering of securities by Security Finance Plan, Inc., of 73 North Street, Pittsfield, Mass.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed January 23, 1957, Security Finance proposed the public offering of \$75,000 of 7% subordinate capital debentures pursuant to such an exemption. The Commission's order asserts that certain terms and conditions of the Regulation were not complied with; that the company's offering circular is inaccurate and incomplete in respect of certain material facts; and that, by reason thereof, offering of the debentures would violate Section 17 of the Securities Act.

The inaccurate and incomplete disclosures relate to the use of financial statements examined by a public accountant not independent of the management of Security Finance and the failure to disclose the current financial status of the company. The company also failed to file an amended offering circular and a current report of the sale of debentures, as required by the Regulation.

## CANADIAN RESTRICTED LIST Ninth Supplement

The SEC today announced the addition of the following Canadian companies to its Canadian Restricted List:

1. Jomac Mines Limited
2. Savoy Copper Mines Limited

The List is comprised of the names of Canadian companies whose securities recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

## NATIONAL INDUSTRIAL MINERALS FILES FOR OFFERING

National Industrial Minerals Ltd., 1950 Broad St., Regina, Canada, filed a registration statement (File 2-15427) with the SEC on August 4, 1959, seeking registration of 150,000 shares of common stock, to be offered for public sale at \$1 per share. The offering is to be made by Laird & Rumball (Sask.) Ltd., of Regina, for which it will receive a selling commission of 35¢ per share.

The company was organized in March 1958 and is primarily an industrial company engaged in the business of quarrying, processing and selling various forms of clay ordinarily referred to as "ball clays" and certain other similar types of clay. Its principal asset is its plant and equipment; and it is for the payment of certain outstanding accounts with respect thereto that this offering is to be made. It has sold about 640,000 shares to the public at prices ranging from 23.5¢ to 70¢; and the underwriter has exercised an option to purchase 10,000 shares at 60¢ each, net to the treasury for resale to the public at 80¢, and stands obligated for the payment of \$6,000 on account of this obligation.

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The underwriter is the principal promoter of the company. It received 150,000 shares of stock in exchange for the transfer to the company of its quarrying properties, which the underwriter had acquired for a consideration of \$10,000. The company commenced construction of its plant at Assiniboia, Saskatchewan, in August, 1958.

Net proceeds of the stock sale are estimated at \$92,000, of which \$30,000 will be used to retire an indebtedness for construction of the plant. Other liabilities respecting equipment, etc., and totalling about \$35,000 will also be paid. The remainder of the proceeds will be used for capital expansion of the plant facilities and operating capital.

#### UNITED INDUSTRIES CO. PROPOSES PREFERRED STOCK OFFERING

United Industries Company, Inc., 1235 Shadowdale, Houston, Texas, today filed a registration statement (File 2-15428) with the SEC seeking registration of 100,000 shares of 60¢ Cumulative Convertible Preferred Stock, \$8.50 par, to be offered for public sale at par through Dempsey-Tageler & Co. The underwriting commission is to be \$1 per share.

The company's business consists primarily of grain warehousing and the storage of grain under contract with the Commodity Credit Corporation. Of the net proceeds of the sale of the preferred stock, \$525,000 will be used to pay the cost of a new grain elevator now under construction; and the balance will initially be added to the company's general funds and will be available for working capital and for use in the expansion of storage facilities. The anticipated increase in storage facilities is expected to cost about \$650,000, which may require additional financing.

The company now has outstanding 400,000 common shares together with some \$360,000 of indebtedness. Management officials and members of their families own an aggregate of 373,300 shares.

#### ADDITIONAL MUTUAL TRUST SHARES IN REGISTRATION

Mutual Trust, Kansas City, Mo., investment company, filed an amendment on August 4, 1959, to its registration statement (File 2-10002), seeking registration of an additional 1,000,000 shares of beneficial interest in the Trust.

#### GUILTY PLEA ENTERED BY WILLIAM J. CONRAD

The SEC Chicago Regional Office announced July 29, 1959, that William J. Conrad had entered a plea of guilty (USDC, Chicago) to an indictment returned in April 1959 in Federal District Court in Toledo, Ohio, charging violation of the Securities Act registration and anti-fraud provisions of the offer and sale of Condonna Uranium Mines Ltd. stock. Sentencing was deferred until September 28, 1959.

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