

# 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.

December 27, 1956

FOR RELEASE

## Securities Act Release No. 3736

The Securities and Exchange Commission has vacated its order of September 4, 1956, temporarily suspending the Regulation A exemption from registration under the Securities Act of 1933 with respect to the public offering by Cortez Uranium and Mining Co., Denver, Colorado, of 3,000,000 shares of its common stock at 10¢ per share.

In its September 4th suspension order, the Commission asserted that Cortez Uranium stock was being offered and sold without disclosing certain facts with respect to Columbia Securities Company, the underwriter. Subsequently, Cortez Uranium furnished the Commission information to the effect that it no longer has any relationship with its former underwriter, Columbia Securities; that the only relationship ever existing with that concern involved that of underwriter and issuer pursuant to contract; and that Cortez Uranium intends to obtain a new underwriter and proceed with the offering of its securities and its exploration program after appropriate amendments have been made to its Regulation A filing.

Accordingly, the Commission adopted an order determining that the basis of the suspension order no longer exists and vacating said suspension order.

## Securities Act Release No. 3737

### CANADIAN RESTRICTED LIST

#### Third Supplement

The Securities and Exchange Commission today announced the addition of ten Canadian companies to its "Canadian Restricted List," as follows:

Apollo Mineral Developers Inc.  
Basic Minerals Limited  
Cavalier Mining Corporation Limited  
David Copperfield Explorations Limited  
Dupont Mining Company Limited  
Export Nickel Corporation of Canada Limited  
Mid-West Mining Corporation Limited  
Paramount Petroleum and Mineral Corporation Limited  
Trio Uranium Mines Limited  
United Copper and Mining Limited

As previously indicated in the April 24, 1956 announcement of the original

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list (Release No. 3632), the Canadian Restricted List is composed of the names of Canadian companies whose securities, the Commission has reason to believe, recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933. The original list contained the names of 135, the first supplement, Securities Act Release No. 3647, contained the names of fourteen such companies, and the second supplement, Securities Act Release No. 3705, contained nineteen names.

#### Investment Company Act Release No. 2462

The SEC has issued an exemption order under the Investment Company Act of 1940 with respect to various transactions involved in and incident to the merger of Magnecord, Incorporated, with and into Midwestern Instruments, Inc.

Under the merger proposal, holders of \$800,000 of Magnecord notes will receive in exchange 2311.5 shares of Magnecord common for each \$5000 of such indebtedness; and holders of the remaining \$824,000 of indebtedness will receive 833.2 shares for each \$5,000 of such indebtedness. In addition, 17,281 shares of Magnecord common are to be issued to Hammond, Kennedy & Legg as a finder's fee for initiating and contributing to the merger; and 24,114 shares in consideration for termination of the lease on Magnecord's Chicago plant and release of options to purchase stock.

Thereupon, Midwestern will issue 149,511 shares of its common stock, representing 20% of the common stock of the surviving company, in exchange for the then outstanding common stock of Magnecord, on the basis of 1 share of Midwestern stock for each 4.623 shares of Magnecord stock. Of the 143,637 previously outstanding shares of Magnecord common stock, 55,200 shares, or 38.4%, were held by American.

American has loaned Midwestern \$200,000, evidenced by a 6% note payable not later than 6 days after the receipt by Midwestern of the proceeds of a proposed public offering of Midwestern stock and no later than April 1, 1957. If such public offering is not consummated, Midwestern has the option to repay the note and interest in cash or of issuing in full payment an equivalent dollar value of its common stock at \$4.30 per share. The proceeds of this loan are being advanced by Midwestern to Magnecord.

#### Holding Company Act Release No. 13348

The SEC has issued an order approving the merger of Republic Light, Heat and Power Company, Inc., into Iroquois Gas Corporation. These companies are wholly-owned subsidiaries of National Fuel Gas Company. They are engaged in the production of natural gas and in the distribution of natural and mixed gas. Their service areas are located in the western part of New York State with the City of Buffalo as the center, and are for the most part contiguous. Both have substantially the same executive personnel and many services and facilities are now used by both companies in common. Under the merger proposal, Republic's outstanding 96,746 common shares are to be converted into a like number of shares of Iroquois common; and Republic's common is to be cancelled. Iroquois will then acquire Republic's assets and assume its liabilities; and National will acquire the additional 96,746 shares of Iroquois common.

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Sunset Country Club, Snappington, Missouri, filed a registration statement (File 2-12982) with the SEC on December 26, 1956, seeking registration of \$643,800 of 1% First Mortgage Bonds, due December 1, 1986. The bonds are to be offered at their face principal amount of \$1,850. No underwriting is involved. They are to be offered for sale to stockholders of the Club. Proceeds are to be used as follows: Retirement of a \$55,000 mortgage bond; demolition or removal of the existing main clubhouse and ladies' locker room at the Club; and erection, equipping and furnishing of a new clubhouse and ladies' locker room, all as authorized by the Club's stockholders at a special meeting held June 29, 1955.

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Arcoa, Inc., Portland, Ore., filed a registration statement (File 2-12983) with the SEC on December 26, 1956, seeking registration of \$3,000,000 of U-HAUL FLEET OWNER CONTRACTS. The contracts provide for the operation of fleets of automobile-type rental trailers in the U-Haul Trailer Rental System. The trailers are marketed under the Name "U-Haul" and are leased to the public for local use and for one-way trips throughout the country. The Fleet Owner receives 35% of the gross rental income from his trailers and pays certain trailer operation expenses. The contracts are offered to any person, group of persons or corporation having the legal ownership of a fleet of rental trailers each accompanied by a clamp-on automobile hitch. The present offering of contracts is being made to increase the number of trailers available for rent in the System, in order that the System may adequately serve the public as well as to maintain its competitive position.

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Household Finance Corporation, Chicago, filed a registration statement (File 2-12984) with the SEC on December 26, 1956, seeking registration of \$30,000,000 of Sinking Fund Debentures due 1977, to be offered for public sale through an underwriting group headed by Lee Higginson Corporation, White, Weld & Co., and William Blair & Company. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Net proceeds will be used to reduce short-term bank loans which were incurred within nine months under the company's established line of credit to provide additional funds for lending to customers in the usual course of business.

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Southwestern Gas and Electric Company (Shreveport, La.) filed a registration statement (File 2-12985) with the SEC on December 26, 1956, seeking registration of \$10,000,000 of First Mortgage Bonds, Series G, due January 1, 1987, to be offered for public sale at competitive bidding. Net proceeds are to be used to pay part of the cost of property additions and improvements made and to be made and to prepay about \$6,000,000 of temporary bank loans made for that purpose. The company estimates its construction expenditures for 1957 and 1958 at about \$17,100,000 and \$23,500,000, respectively.

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General Shoe Corporation, Nashville, Tennessee, filed a registration statement (File 2-12986) with the SEC on December 26, 1956, seeking registration of

72,000 shares of its \$1 par Common Stock to be offered under its Employee Stock Purchase Plan; 36,000 shares to be offered under its Savings Fund-Employee Stock Purchase Plan; and 72,000 shares to be offered under its Special Stock Purchase Plan.

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Mississippi Valley Portland Cement Company, Jackson, Miss., filed a registration statement (File 2-12987) with the SEC on December 26, 1956, seeking registration of 1,600,000 shares of its no par Capital Stock. Of this stock, according to the prospectus, 1,250,000 shares were first offered exclusively to residents of Mississippi on March 30, 1956, at \$3 per share. As a result of that offering, which was withdrawn on September 12, 1956, 464,261 of the 1,600,000 shares were outstanding and fully paid as of September 30, 1956, and 244,250 more were then the subject of time payment subscription contracts, on which \$347,244.97 had been paid and the unpaid balance was \$385,525.03. An offer of rescission is now to be made with respect to those 708,511 shares. The remaining 891,489 shares, together with any shares as to which the rescission offer is accepted, will be offered to the public generally. The offering is to be made, at \$3 per share, through the company's own agents.

The company was organized under Mississippi law on February 17, 1956. It proposes to construct and operate a plant for the manufacture of Portland cement, oil well cements and other special cements on properties which it owns near Vicksburg, Miss. It is organized as a cooperative; its charter gives every stockholder a "patronage right" to purchase cement in proportion to the number of shares held, and to assign his patronage right if he does not wish to exercise it. Several of the company's directors plan to organize a separate corporation to act as a selling agency through which those stockholders who have no use for cement will be able, at a charge, to sell the cement to which they are entitled.

The incorporators of the company were David W. Adams, Kent B. Diehl, Sr., and Calvin C. Huffman, who purchased the first 1,500 shares at \$2.40 per share. (Robert W. Hyde, Jr., of Jackson is president). The company then issued 500,000 shares to Vicksburg Properties, Inc., organized by the three incorporators, in exchange for all its assets, including the 1140 acres of land which the company owns. In connection with that transaction, another 40,645 shares were issued in part payment of the land for engineering and legal services. Thus, a total of 1,006,406 shares are now outstanding, including the 464,261 shares issued under the March offering (and an additional 244,250 shares were the subject of time payment subscription contracts).

The March offering of 1,250,000 shares, which was limited to residents of Mississippi in reliance on the so-called intrastate exemption from registration under the Securities Act, was initially made through George Sims & Associates as best-efforts underwriter at a commission of 60¢ per share. However, a salesman who was a sub-agent of Sims, in violation of the terms of the offering, made a number of sales to residents of Louisiana who had used Mississippi "dummies" to sign their subscription contracts. The company immediately terminated its relationship with Sims and refunded the monies paid in by the Louisiana purchasers; and upon being

advised by the SEC that the exemption from registration was not available, it immediately discontinued the offering. Assuming the sale of the 1,600,000 shares, at \$3 per share, the public will have contributed 96.65% of actual cash paid in for a 76.22% interest in the company. Proceeds of the financing will be applied to completion of the plant, provide for general creditors, and have the company begin operations.

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Rohr Aircraft Corporation, Chula Vista, Calif., today filed a registration statement (File 2-12988) with the SEC seeking registration of \$7,500,000 of Convertible Subordinated Debentures due 1977, to be offered for public sale through an underwriting group headed by The First Boston Corporation and Lester, Ryons & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company's business consists of the manufacture, assembly and sale of component parts of aircraft to airframe manufacturers, including the engine installation, known as the "power package," for multi-engine aircraft. Net proceeds of this financing will be added to its general funds and will initially be applied in part to reduce short-term bank loans. The additional funds available to the company are desirable principally to finance the increased working capital requirements of a greater volume of both military and non-military business, and to a lesser degree to modernize, consolidate and expand its plant and equipment from time to time as required.

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NIC-L-SILVER BATTERY CO., Santa Ana, Calif., today filed a registration statement (File 2-12989) with the SEC seeking registration of 75,000 shares of 5% Cumulative Participating Preferred Stock (\$10 par) and 7,500 shares of Common Stock, \$10 par. The company proposes to offer these shares for public sale at their respective par values (\$10 per share each). No underwriting is involved.

Organized under California law on February 11, 1954, the company is engaged in the wholesale distribution of batteries, parts and accessories thereof, under the trade mark of "NIC-L-SILVER" Batteries. It maintains no retail outlets. It is proposed that proceeds of the sale of the 7,500 common shares will be applied to replace certain rolling stock that has become uneconomical to operate. The proceeds of the sale of the 75,000 preferred shares will be added to the general funds of the company, to be applied as follows: liquidation of a note in the amount of \$178,635 held by Bank of America; increase in inventories; and additional working capital.

The company now has outstanding 10,000 common shares, held by President C. George Lippincott (Sr.) (51%), Richard L. Lippincott, Vice President (48%), and Percy F. Baines, Secretary-Treasurer (1%).

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The SEC today announced that the Pacific Coast Stock Exchange has been granted registration as a "national securities exchange" under the Securities Exchange Act of 1934, effective at 5:00 P. M., P.S.T., December 31, 1956.

In addition, the Commission has granted requests of the Los Angeles Stock Exchange and the San Francisco Stock Exchange for withdrawal from registration as national securities exchanges, effective at 5:30 P. M., P.S.T., December 31, 1956.

The new Pacific Coast Stock Exchange was created as a result of the merger and consolidation of the activities of the Los Angeles and San Francisco Stock Exchange.

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