SECURITIES AND EXCHANGE COMMISSION
NEWS DIGEST
A brief summary of financial proposals filed with and actions by the S.E.C.

(In ordering full text of Releases from Publications Unit, cite number)

Washington 25, D.C.

FOR RELEASE May 6, 1960

FUND MANAGEMENT STOCK SALE PROPOSED. Troy V. Post, owner of the outstanding stock of Fund Management Company, the investment advisor and principal underwriter for American Investment and Income Fund, Inc. and Life Insurance Stock Fund, Inc., has applied to the SEC for an order under the Investment Company Act determining that a proposed sale by Fund Management of 50% of its authorized but unissued capital stock to American Life Insurance Company will not constitute a transfer of a controlling block of stock in the said investment adviser; and the Commission has issued an order (Release 40-3027) giving interested persons until May 20, 1960, to request a hearing thereon.

According to the application, Post now owns all 10 of the outstanding shares of Fund Management stock, acquired in July 1958 for $28,500. At that time, Fund Management had a cumulative operating deficit of about $30,000, which has since increased to about $42,000. Fund Management presently proposes to issue an additional 10 shares to American Insurance for $28,500. Post is president of American Insurance and owns about 82% of its outstanding stock.

TWO OFFERINGS SUSPENDED. The SEC has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public stock offerings by the following companies (both of 513 International Trade Mart, New Orleans, La.):

a) American Investors Syndicate, Inc. ("AIS")
   Offering, pursuant to notification filed February 24, 1959, of 100,000 common shares at 50¢ per share

b) Oil, Gas & Minerals, Inc. ("OGM")
   Offering, pursuant to notification filed November 17, 1958, of 102,000 common shares at $1 per share (an additional 14,000 shares were reserved as payment to officers for services)

Regulation A provides a conditional exemption from registration for offerings of securities not exceeding $300,000 in amount. In its suspension orders, the Commission asserts that AIS and OGM failed to comply with certain terms and conditions of the regulation; that their offering circulars are false and misleading in respect of certain material facts; and that each company's stock offering was made in violation of Section 17 (the anti-fraud provision) of the Securities Act. Each order provides an opportunity for hearing, on request, on the question whether the suspension should be vacated or made permanent.

With respect to AIS, the Commission's order asserts that its offering circular (1) fails to disclose adequately and accurately the facts with respect to the proposed use of the proceeds of the stock sale, particularly with respect to a statement that $25,000 would be used to pay a retainer fee to architects for plans and specifications, that $2,000 would be used to defray the cost of a survey by an independent industrial management firm, and that $3,000 would be used as working capital; and (2) fails to disclose salary payments to its two promoters and that the issuer is obligated to pay a substantial amount of the expenses of an affiliated issuer and an affiliated underwriter. The order also challenges statements in the offering circular that Robert K. Morrill was an incorporator of the issuer, that he had originally subscribed for 1,000 common shares, and that he thereafter sold said shares to Charles E. McHale, Jr. In addition, the order sets forth various particulars in which AIS failed to comply with the terms and conditions of Regulation A, including failure to disclose the name and address of an underwriter and the nature of his interest as well as the name and address of a promoter, or to disclose that an affiliated issuer is making or contemplates an offering of securities; and the order also challenges the accuracy of a final report of stock sales and of statements therein as to the use of the proceeds thereof.

The Commission's order with respect to OGM asserts that its offering circular (a) fails to disclose that the issuer had entered into agreements for the purchase of certain New Orleans real estate; (b) fails to disclose accurately and adequately the intended use of the proceeds of stock sales, in particular the payment of $21,000 made under the aforesaid purchase agreements, the statement that the capital accumulated by stock sales will be used to buy, own and invest in producing oil and gas properties, and the statement that $37,500 would be used for retirement of a loan; (c) fails to disclose adequately and accurately the nature of the issuer's business, particularly as to the issuer's commitment to enter the real estate development field; (d) fails to furnish proper financial statements prepared in accordance with generally accepted accounting principles and practices, particularly with respect to the company's treatment of a Geophysical Report; and (e) fails to disclose a restriction on the resale of the securities the subject of the offering. It also is

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alleged that OGM failed to comply with certain terms and conditions of Regulation A, including (1) the offer and sale of shares prior to expiration of the waiting period prescribed in the Regulation and (2) the filing of a report of stock sales which failed to disclose that a payment of $64,000 was made from the proceeds of such sales for the purpose of making a payment on the New Orleans real estate.

(Proceedings also are pending before the Commission to determine whether registration statements filed in June and April, 1959, by AIS and OGM, respectively, are incomplete and inaccurate in respect of various material facts and, if so, whether stop orders should be issued suspending said statements. The AIS statement proposed the public offering of 600,000 common and 200,000 preferred shares in units consisting of 1 preferred and 3 common shares and at $12 per unit; and the OGM statement 250,000 common shares at $2 per share. For details as to these proceedings, see Release 33-4134.)

BARNSTABLE BAY OFFERING SUSPENDED. The SEC 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 Barnstable Bay, Inc., Dennis, Mass.

Regulation A provides a conditional exemption from registration for offerings of securities not exceeding $300,000 in amount. In a notification filed March 31, 1959, Barnstable Bay proposed the public offering of $204,000 of undivided fractional interests in Wanderlust Motel Properties. The Commission's suspension order asserts that, under the terms of Regulation A, an exemption is not available for the reason that the issuing company is subject to a Federal court order enjoining its sale of securities in violation of the Securities Act registration requirement; that interests in the Motel have been and are being sold by the use of sales literature which was not previously filed with the Commission, as required; and that the offering has been and would be made in violation of Section 17 (the anti-fraud provision) of the Securities Act, by reason of false and misleading representations contained in the company's offering circular and sales literature.

The Commission's order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

MUTUAL EMPLOYEES TRADEMART HEARING ORDERED. At the request of Mutual Employees Trademart, Inc., Hialeah, Fla., the Commission has scheduled a hearing for June 13, 1960, in its Atlanta Regional Office on the question whether to vacate, or make permanent, a prior order of the Commission temporarily suspending a Regulation A exemption from registration with respect to that company's proposed offering of 200,000 common shares at $1.50 per share. The suspension order asserted that the company failed to comply with certain terms and conditions of the regulation and that its offering circular is false and misleading in respect of certain material facts.

GARRETT CORP. FILES FOR STOCK OFFERING. The Garrett Corporation, 9851 Sepulveda Boulevard, Los Angeles, Calif., filed a registration statement (File 2-16553) with the SEC on May 5, 1960, seeking registration of 100,000 shares of common stock, to be offered for public sale through a group of underwriters headed by Merrill Lynch, Pierce, Fenner & Smith. The public offering price and underwriting terms will be supplied by amendment.

The company is engaged primarily in the research, development, engineering, and manufacture of specialized parts, components, and systems for aircraft and missiles, together with related ground support equipment. The net proceeds from the sale of the stock, together with $12,000,000 to be borrowed from insurance companies under a long term loan agreement, will be used to pay indebtedness consisting of $13,500,000 of short term notes; $2,321,429 of long term notes; and a $306,250 long term note issued in connection with the acquisition of certain subleases.

In addition to indebtedness, the company has outstanding, 1,064,971 shares of common stock. J. C. Garrett is listed as president and board chairman. The record and/or beneficial owners of the outstanding stock include the Merrill Lynch firm as well as management officials, the amounts of their holdings to be supplied by amendment. Management officials also hold an unspecified amount of outstanding debentures which are convertible into common stock.

GUILTY VERDICT IN T. J. CAMPBELL INVESTMENT CASE. The Fort Worth Regional Office announced May 2nd (Lit. Release 1674) that a Federal ~~grand~~ jury in Houston had rendered a guilty verdict against T. J. Campbell and Robert G. Trimble on three counts charging fraud in transactions with customers of T. J. Campbell Investment Company, Inc.

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FOUR INDICTED IN SALE OF AMERICAN NATIONAL INVESTMENT STOCK. The SEC San Francisco Regional Office announced May 6, 1960 (Lit. Release 1675) the return of an indictment by a Federal grand jury in Boise, Idaho, charging Edward L. Gibbons, Edward L. MacClain, James J. McGraw and Robert D. Sparrows with fraud in the sale of American National Investment Company stock.

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