

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 July 19, 1960

HEALTH MACHINES AND EQUIPMENT 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 stock by Health Machines and Equipment Corporation ("H. M. & E."), 206 South Federal Blvd., Denver.

Regulation A provides a conditional exemption from registration for public offerings of securities not exceeding \$300,000 in amount. In a notification filed March 25, 1959, H. M. & E. proposed the public offering of 300,000 common shares at \$1 per share. The Commission's suspension order asserts that certain terms and condition of the Regulation were not complied with by the company; that its offering circular is false and misleading in respect of certain material facts; and that the offering of stock on the basis thereof would violate Section 17 (the anti-fraud provision) of the Act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

With respect to the offering circular, the Commission's order challenges its failure to reflect the fact that the proceeds of the sale of H. M. & E. stock had been and were being used for advances to an affiliate and the fact that the company is no longer in business at the address shown in the circular. It also is alleged that the company failed to file a report of stock sales and to revise its offering circular in accordance with requirements of the Regulation. (NOTE TO PRESS. Copies of foregoing also available in SEC Denver Office)

GIBBS & CO. HEARING ORDERED. The SEC has scheduled for hearing on August 15, 1960, in its Boston Regional Office, the proceedings under the Securities Exchange Act of 1934 to determine whether it is in the public interest to revoke the broker-dealer registration of Gibbs & Company, 507 Main St., Worcester, Mass.

In its order instituting these proceedings, the Commission cited a Federal court order permanently enjoining Gibbs & Co., G. Wayne Gibbs, Sr., and Richard W. Gibbs from violating the Federal securities laws and the company's failure to amend its registration application to disclose such injunction.

CANADIAN RESTRICTED LIST. The SEC has added two additional Canadian companies, Bonwitha Mining Co. Ltd., and Siconor Mines Ltd., to its Canadian Restricted List. The list now comprises the names of 214 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.

AMERICAN MOTORS FILES STOCK OPTION PLAN. American Motors Corporation, 14250 Plymouth Road, Detroit, filed a registration statement (File 2-16814) with the SEC on July 18, 1960, seeking registration of 945,000 shares of capital stock to be offered to officers and key employees pursuant to its Stock Option Plan.

SKELLY OIL FILES THRIFT PLAN. Skelly Oil Company, P. O. Box 1650, Tulsa, Oklahoma, filed a registration statement (File 2-16816) with the SEC on July 18, 1960, seeking registration of 25,397 shares of common stock to be offered to employees pursuant to its Thrift Plan.

COLUMBIA PICTURES FILES STOCK PLAN. Columbia Pictures Corporation, 711 Fifth Avenue, New York, filed a registration statement (File 2-16817) with the SEC on July 18, 1960, seeking registration of 68,352 shares of common stock to be offered pursuant to its Employees' Stock Purchase Plan.

CENTRAL SECURITIES SEEKS ORDER. Central Securities Corporation, New York investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed purchase of Super Food Services, Inc., preferred stock; and the Commission has issued an order (Release 40-3078) giving interested persons until July 29, 1960, to request a hearing thereon.

According to the application, Super Food Services is making a public offering of 70,000 shares of Convertible Series Preferred Stock at \$25 per share. Wm. H. Tegtmeier & Co. is the underwriter. Central proposes to purchase 10,000 shares of the said preferred at \$25 per share from Tegtmeier & Co. Because of inter-company affiliations, such purchase is prohibited by the Investment Company Act unless the Commission grants an exemption.

OVER

For further details, call WOrth 3-5526

EXPLORATION FUNDS FILES FOR OFFERING. Exploration Funds, Inc., Third Floor, McFarlin Building, Tulsa, Oklahoma, filed a registration statement (File 2-16815) with the SEC on July 18, 1960, seeking registration of 120 units of participation in its 1960 oil and gas program. Such units are to be offered for public sale at \$5,000 per unit by Alex W. McCoy, III, president, director and sole stockholder of the company.

The company was organized in June, 1960, for the purpose of engaging in the business of evaluating, acquiring, testing, developing, equipping and operating oil and gas properties, in the United States or Canada. Alex W. McCoy Associates, Inc., a geological and engineering consulting firm, of which McCoy III is president and principal stockholder, will manage the 1960 program for the company, for which it will receive a 10% management fee. Associates will acquire ten units of participation in the program and McCoy, III, no less than seven and no more than ten units of participation, at \$5,000 per unit. The net proceeds from the sale of participation units will be used to conduct the oil and gas program during 1960 of evaluating, acquiring, testing, developing, equipping and operating oil and gas properties. The cost of acquiring property interests is estimated to be 5% of the program expenditure, equipment costs 20%, management fee 10%, and all other costs, including costs of geological and engineering services, drilling, testing, completions, delay rentals, dry hole contributions and administrative overhead about 65%.

The company has outstanding 1,000 shares of common stock owned by McCoy III. The prospectus lists Carl A. Moritz, vice-president and Leroy B. Kirkpatrick, secretary and treasurer.

---oooOooo---