

# 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 March 24, 1960

**OHIO EDISON RECLASSIFICATION APPROVED.** The SEC has issued an order under the Holding Company Act (Release 35-14198) authorizing Ohio Edison Company, Akron, to change its common stock capitalization by increasing the authorized shares of common stock from 8,000,000 shares to 20,000,000 shares, increasing the par value thereof from \$12 to \$15 per share, and changing the 6,336,749 outstanding shares of \$12 par common into 12,773,498 shares of \$15 par common. In connection with the transaction, the common stock capital will be increased from \$76,640,988 to \$191,602,470 by the transfer of all capital surplus (\$75,814,660) and earned surplus in the amount of \$39,146,822. The company's charter provision relating to pre-emptive rights also is to be revised to conform generally with the General Corporation Law of Ohio.

**ORDER CLEARS UNITED FEES.** The SEC has issued an order under the Holding Company Act (Release 35-14199) authorizing The United Corporation, New Rochelle, N. Y., to pay \$17,000 in legal fees and \$49,747.32 for various expenses in connection with its previously-approved plan for distribution to its stockholders as a special capital dividend of shares of the common stock of Niagara Hudson Power Corporation.

**ZWANG & CO, HEARING POSTPONED.** The SEC has authorized a postponement from March 28 to May 23, 1960, of the hearing in broker-dealer revocation proceedings pending against Benjamin Zwang & Co., Inc., 33 Broadway, New York, because of the serious illness of one of the principal witnesses.

**GRUBER SENTENCED.** The SEC Boston Regional Office announced March 21, 1960 (Lit. Release 1626) that Joseph L. Gruber, Jr., has been sentenced to 18 months in prison by U. S. District Court in Boston on his plea of guilty to an indictment charging violation of the Securities Act registration and anti-fraud provisions in the sale of stock of Eagle Oil and Supply Co., Inc.

**COURT ORDER ENJOINS QUINN & CO, INC.** The SEC New York Regional Office announced March 22, 1960 (Lit. Release 1627) issuance of a Federal court order (USDC, SDNY) preliminarily enjoining E. J. Quinn & Co., Inc., 135 Broadway, New York, and Eugene J. Quinn, from further violating SEC bookkeeping rules. The Commission's complaint has been amended to seek injunction against further violations of anti-fraud provisions of the Securities Exchange Act and the Commission's net capital rule.

**LUCKHURST & CO, ENJOINED.** The SEC New York Regional Office announced March 22, 1960 (Lit. Release 1628) issuance of a Federal court order (USDC, SDNY) preliminarily enjoining Luckhurst & Co., Inc., of New York, Douglas J. Luckhurst, president, and two other individuals from violating the SEC net capital rule.

**ST. REGIS PAPER FILES FOR EXCHANGE OFFER.** St. Regis Paper Company, 150 East 42nd St., New York, filed a registration statement (File 2-16296) with the SEC on March 23, 1960, seeking registration of 294,042 shares of common stock. The company proposes to offer this stock in exchange for the outstanding shares of common stock of Howard Paper Mills, Inc. on the basis of .42 of one share of St. Regis for one share of Howard. Howard operates three paper mills and an envelope manufacturing plant.

The exchange offer will be declared effective if 95% of the Howard stock is deposited for exchange (and may be declared effective if not less than 80% is deposited). In that event, Howard will be merged into St. Regis and its business will be conducted as a division of St. Regis and managed by substantially the present management of Howard. According to the prospectus the company holds written options from 22 holders of a total of 477,800 shares (68%) of Howard common, providing for their exchange of shares on the same basis.

As of December 31, 1959, the company had outstanding, in addition to certain indebtedness, 97,270 shares of 4.40% Series A preferred stock and 9,363,515 shares of common stock. A total of 1,857,425 additional shares of common stock, including the shares to be exchanged for Howard common, have been issued or are to be issued in connection with the acquisition of certain companies.

**SOUTHWESTERN OIL PRODUCERS PROPOSES OFFERING.** Southwestern Oil Producers, Inc., 2720 West Mockingbird Lane, Dallas, filed a registration statement (File 2-16297) with the SEC on March 23, 1960, seeking registration

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of 700,000 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made on a best efforts basis by Elmer K. Aagaard, of Salt Lake City, for which it will receive a selling commission of 50¢ per share (plus 10¢ per share for expenses for each share sold). In addition, the underwriter will receive 90-day warrants to purchase 50,000 common shares at \$2 per share after six months from the commencement of the offering.

Southwestern was organized under Nevada law in April 1959 to engage in the conduct of a general oil business. It has acquired "possessory and operating rights to produce oil and/or gas" from properties in Eddy County, New Mexico. It also has an option from two directors to purchase one-half of the working interest in two leaseholds in Andrews County, Texas, upon which there are four producing wells, which interest is subject to certain royalties. The options provide for the payment of \$300,000 by September 1960, less the income from production from July 1, 1959, to the date the option is exercised. The Eddy County interests were acquired from Fred F. Johnson and other officers and promoters of the company, in exchange for 402,300 shares of Southwestern's stock (constituting all the outstanding shares). Of the net proceeds of the stock sale, \$900,000 will be applied to the drilling of three wells and the balance used for general corporate purposes.

EQUITY FUND SHARES IN REGISTRATION. Equity Fund, Incorporated, Exchange Building, Seattle, Wash., filed a registration statement (File 2-16298) with the SEC on March 23, 1960, seeking registration of 300,000 shares of common stock.

DURALOY SHARES IN REGISTRATION. The Duraloy Company, Bridge St., Scottsdale, Pa., filed a registration statement (File 2-16299) with the SEC on March 23, 1960, seeking registration of 117,532 shares of common stock. Of these shares 92,000 shares have been sold in a private transaction to six individuals for an aggregate \$437,000. The remaining 25,532 shares are to be issued in exchange for all of the outstanding capital stock of the Walmil Company, Detroit, Mich. Stockholders of Walmil sharing in the exchange include Robert M. Walker who will receive 12,511 shares of Duraloy stock; Angus M. Miller, III, 6,809 shares; Angus M. Miller, 5,701 shares; and William C. Barnett, 511 shares. Angus M. Miller and Robert M. Walker are District Sales Manager and Assistant District Sales Manager, respectively, of the Detroit Sales Office of The Duraloy Company.

CLEVELAND ELECTRIC ILLUMINATING FILES THRIFT PLAN. The Cleveland Electric Illuminating Company, 55 Public Square, Cleveland, O., today filed a registration statement (File 2-16300) seeking registration of 100,000 shares of common stock, to be offered to eligible employees under the company's Employee Thrift Plan.

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