

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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FOR RELEASE June 8, 1960

TWO STOCK OFFERINGS SUSPENDED. The Securities and Exchange Commission has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of securities by the following:

(a) Auto Lube, Inc., Las Vegas, Nevada

Offering pursuant to Regulation A notification filed on August 13, 1959, of 250,000 common shares at \$1 per share.

(b) Monarch Oil & Uranium Corporation, Denver, Colorado

Offering pursuant to Regulation A notification filed in May 1955, of 600,000 common shares at 8¢ per share.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. The Commission's order asserts that Auto Lube and Monarch Oil failed to comply with certain conditions of the Regulation in that (1) Auto Lube failed to cooperate with the Commission in connection with an inquiry concerning its proposed stock offering and (2) Monarch Oil offered and sold its securities without the use of the offering circular required by the Regulation, and by use of sales material not filed with the Commission as required.

Furthermore, according to the order, Monarch Oil's notification and offering circular were false and misleading in respect of its failure to disclose information concerning a lease of some of the company's unpatented mining claims, to disclose an interest in certain property owned by the company, and to reflect a contingent liability arising from the sale of securities in violation of the Securities Act registration requirement; and with respect to the statement that the entire proceeds of the offering would be used primarily to repay prior purchasers of preorganization certificates sold in violation of the said Act.

CEMEX HEARING POSTPONED. Upon request of Cemex of Arizona, Inc., Yuma, Arizona, the Commission has authorized a further postponement from June 6 to June 27, 1960, of the hearing to be held at the State A.S.C. Committee Conference Room, 1001 N. First Street, Phoenix, on the question whether a prior order temporarily suspending a Regulation A exemption from Securities Act registration with respect to a public offering of Cemex stock should be vacated or made permanent.

SOLAR AIRCRAFT DELISTING APPROVED. The SEC has issued an order granting an application of the New York Stock Exchange to delist the common stock of Solar Aircraft Company, effective at the close of the trading session June 20, 1960, because of the limited holdings of others than International Harvester Company (Release 34-6285).

DELISTING OF KREUGER BREWING PROPOSED. The SEC has issued an order giving interested persons until June 24, 1960, to request a hearing upon an application of the American Stock Exchange to delist the common stock of G. Krueger Brewing Company because of the limited holdings of other than United Industrial Syndicate Inc. (Release 34-6285).

UNLISTED TRADING IN FIVE STOCKS PROPOSED. The Philadelphia-Baltimore Stock Exchange has applied to the SEC for unlisted trading privileges in the common stocks of ABC Vending Corporation, General Instrument Corporation, NAFI Corporation, Siegler Corporation, and Universal Match Corporation; and the Commission has issued an order (Release 34-6285) giving interested persons until June 24, 1960, to request a hearing thereon.

CANADIAN RESTRICTED LIST. The SEC has added the names of Dayjon Explorers Limited and Ladysmith Exploration Limited to its Canadian Restricted List. This 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.

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For further details, call ST. 3-7600, ext. 5526

BLACKSTONE VALLEY GAS PROPOSES BORROWINGS. Blackstone Valley Gas and Electric Company, Pawtucket, R. I., subsidiary of Eastern Utilities Associates, has applied to the SEC for an order under the Holding Company Act authorizing the issuance of \$2,700,000 of bank notes during the last half of 1960; and the Commission has issued an order (Release 35-14238) giving interested persons until June 23, 1960, to request a hearing thereon. The company proposes to use \$1,000,000 of the proceeds of the sale of the notes for its construction requirements through December 31, 1960; and the remaining \$1,700,000 of notes will be issued in renewal of outstanding notes held by banks.

COASTAL STATES GAS PRODUCING PROPOSES OFFERING. Coastal States Gas Producing Company, 200 Petroleum Tower, Corpus Christi, Texas, filed a registration statement (File 2-16675) with the SEC on June 7, 1960, seeking registration of 232,500 shares of common stock. The company proposes to offer these shares for public sale from time to time, directly by the company or in the over-the-counter market through brokers, in each instance at prices generally prevailing on said market. (The bid and asked prices on June 6th were \$39½ and \$40½, respectively). The usual and customary brokerage commissions will be paid.

The company's principal business is its gas gathering systems; and it also produces and sells natural gas, crude oil and condensate and owns and operates gas wells. It has outstanding 1,935,628 common shares, warrants for the purchase of 293,380 shares at \$7.50 per share and 340,000 shares at \$32 per share, and sundry indebtedness. It is said to be negotiating with two insurance companies for the sale of \$10,000,000 of 15-year notes, the proceeds of which would be applied to then outstanding bank indebtedness and used for expansion, working capital and other corporate purposes. It has acquired options from Walter N. Maguire, Walter L. Maguire, The Premier Title & Mortgage Company and The Maguire Foundation to repurchase 200,000 outstanding shares of its common stock at \$29.50 per share, and an option from B. T. Parr to repurchase 32,500 outstanding shares at \$33 per share; and the company intends to exercise both options. Walter L. Maguire was a director of the company. Net proceeds of the sale of the new shares will be used to purchase (and/or to reimburse the company for the cost of purchasing) the outstanding 232,500 shares under option. The balance of the net proceeds, if any, will be used for general corporate purposes.

The prospectus lists O. S. Wyatt, Jr., as president and board chairman, and owner of 25.84% of the outstanding stock.

BUZZARDS BAY GAS CO. FILES FOR SECONDARY. Buzzards Bay Gas Company, 25 Iyanough Road, Hyannis, Mass., filed a registration statement (File 2-16676) with the SEC on June 7, 1960, seeking registration of 27,000 outstanding shares of common stock, to be offered for public sale by American Business Associates through Coffin & Burr, Inc. The public offering price and underwriting terms will be supplied by amendment.

American Business Associates presently owns 136,000 shares (100%) of the outstanding common stock of the Company. There is no quoted market for the stock. After the sale of the 27,000 shares, the parent will continue to own 109,200 shares (80.02%).

The company is engaged in the distribution of natural gas at retail to the Cape Cod area. In addition to the 136,000 outstanding common shares, it has outstanding certain indebtedness and 52,623 shares of \$25 par preferred stock. The prospectus lists F. L. Putnam as president.

METROPOLITAN DEVELOPMENT FILES FOR OFFERING. Metropolitan Development Corporation, 6535 Wilshire Blvd., Los Angeles, today filed a registration statement (File 2-16677) with the SEC seeking registration of 1,000,000 shares of capital stock, to be offered for public sale through an underwriting group headed by William R. Staats & Co., Bache & Co. and Shearson, Hammill & Co. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in September 1959 and its principal business is the development of planned communities through acquisition, planning, and subdivision of large tracts of unimproved land, the construction, leasing and management of commercial properties, and the construction and sale of residential units. It has acquired properties located in Ventura County and in Canoga Park, Los Angeles County, California. The first area, consisting of over 2800 acres, will be developed into single family and multiple residential areas, shopping and commercial centers, industrial areas, and recreational and other community facilities. The latter, involving about 260 acres, consists of residential land, commercial centers and commercial corners in a developed residential area on which commercial development has begun. The company proposes to expend about \$2,345,000 of the net proceeds of this stock offering to discharge all purchase money encumbrances on its properties; some \$1,300,000 is to be used in the development of Shopping Center #1; \$220,000 will be used to retire a loan; and \$850,000 will be used to retire another loan. The balance will be added to general funds and used for the construction of residences and for the acquisition of additional properties suitable for residential development.

The company now has outstanding certain indebtedness and 1,200,000 common shares. Its properties were acquired from N. Joseph Ross acting for himself and as agent for others under an agreement which provided for the exchange of the properties for 1,100,000 shares of stock. Ross is listed as secretary and a director. The prospectus lists Louis H. Boyar as board chairman, Mark Boyar as president, and Ben Weingart as treasurer; and each is also a director. The two Boyars own 211,500 and 200,150 shares, respectively; and Weingart owns 142,000 shares. Management officials as a group own 630,650 shares, or 52.6%.