

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 August 19, 1960

AMERICAN OIL AND MINERALS HEARING SET. The SEC has granted a request of American Oil and Minerals, Inc., Salt Lake City, U., for a hearing on the question whether to vacate, or make permanent, orders of the Commission issued on June 24, 1960, which temporarily suspended Regulation F exemptions from registration under the Securities Act of 1933 with respect to assessments of 2¢ per share levied by American Oil upon its 2,750,000 outstanding shares of common stock pursuant to notifications filed in October 1959 and March 1960 (or \$50,000 each assessment).

The suspension orders of the Commission asserted that certain terms and conditions of Regulation F were not complied with and that the sales material filed in respect of each assessment was false and misleading in respect of certain material facts. The hearing will be held on September 12, 1960, in the Salt Lake City Branch Office of the Commission.

CRYOGENIC ENGINEERING HEARING SET. The Commission has granted a request of Cryogenic Engineering Company of Denver, Colo., for a hearing on the question whether to vacate, or make permanent, an order of the Commission dated June 21, 1960, temporarily suspending a Regulation A exemption from registration with respect to that company's public offering of 150,000 common shares at \$2 per share pursuant to a notification filed in September 1958.

The suspension order asserted that certain terms and conditions of Regulation A were not complied with and that the company's offering circular was false and misleading in respect of certain material facts. The hearing will be held on September 7, 1960, in the Commission's Denver Regional Office.

TWO BROKER-DEALER HEARINGS POSTPONED. The SEC has authorized the indefinite postponement of hearings scheduled for August 23, 1960, in the case of Barnett & Co., Inc., of New York, and for August 29, 1960, in the case of Manthos, Moss & Co., Inc., of Houston, pending consideration of a factual stipulation in each case which may avoid the necessity of an evidentiary hearing therein.

G. STERLING HIGGINS, OTHERS, ENJOINED. The SEC Denver Regional Office announced August 15th (IR-1757) the issuance of a Federal court order (USDC NM) preliminarily enjoining G. Sterling Higgins, Al Laurence, Byron A. Larson, Acton Griscom, Sterling Colony Corporation, a Nevada corporation, and La Esmeralda, S. A., a Mexican corporation, from further violations of anti-fraud provisions of Federal securities laws in the offer and sale and/or purchase of industrial revenue bonds of the Village of Fort Sumner, N. M.

INDICTMENT NAMES WENDELL RALPH LUTES. The SEC Chicago Regional Office announced August 17th (IR-1758) the return of a Federal court indictment (USDC, SD Ind.) charging Wendell Ralph Lutes with violations of the Securities Act anti-fraud provisions in connection with transactions in the common stock of Brown County Mortgage Company, Inc.

TRADING IN CONSOLIDATED DEVELOPMENT (CUBA) SUSPENDED. The SEC has ordered the further suspension of trading on the American Stock Exchange and in the over-the-counter market in the common stock of Consolidated Development Corporation (formerly Consolidated Cuban Petroleum Corporation), of Havana, Cuba, for the period August 20 to 29, 1960, inclusive (Release 34-6351).

PUBLIC SERVICE COMPANY OF COLORADO FILES FOR OFFERING. Public Service Company of Colorado, 900 Fifteenth Street, Denver, filed a registration statement (File 2-16927) with the SEC on August 18, 1960, seeking registration of 150,000 shares of \$100 par cumulative preferred stock, to be offered for public sale through a group of underwriters headed by The First Boston Corporation, Blyth & Co., Inc. and Smith, Barney & Co. The dividend rate, public offering price and underwriting terms are to be supplied by amendment.

The net proceeds from the stock sale will be added to the company's general funds to be used toward its construction program. The company estimates that such program during the 3 years, 1960-1962, will cost \$108,000,000, of which approximately \$11,000,000 had been expended prior to July 1, 1960. On that date the company had approximately \$10,000,000 available for construction purposes. It is anticipated that an additional

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For further details, call WOrth 3-5526

amount of \$39,500,000 will be met out of the company's general funds developed from internal sources during the 3 year period. The balance of \$32,500,000 required to complete such construction will be raised by the future issue and sale of additional securities.

HILLTOP, INC. PROPOSES DEBENTURE OFFERING. Hilltop, Inc., 401 Columbian Building, Topeka, Kansas, filed a registration statement (File 2-16925) with the SEC on August 17, 1960, seeking registration of \$1,650,000 of 6% subordinated debentures due 1980, and 1,650 shares of Class A common stock, to be offered for public sale in units consisting of one \$1,000 debenture and one Class A share. No underwriting is involved.

Organized under Kansas law in June, 1959, the company acquired from Security Benefit Clinic and Hospital a 370 acre tract near Topeka which has been operated as a hospital and is improved by a main building and eight other major buildings. The company has retained a sixty acre unimproved tract for development purposes, has leased a small plot to Topeka Broadcasting Association, and has leased major portions of the balance of the property to the Menninger Foundation for a period of 60 years. The company purchased 40 acres of the tract (containing the main building and three others) in July 1959 for \$575,000; and the remainder of the tract and improvements was purchased on July 1, 1960, pursuant to purchase options, for the sum of \$825,000. Both purchases were financed in part by mortgages loans; and certain improvements to the property are currently being made from the proceeds of a further mortgage loan.

The principal business of the company will consist of owning, acquiring, improving, developing, selling, and leasing improved and unimproved real property. The net proceeds from the sale of the units will be applied toward the retirement of long term indebtedness secured by the company's property in the amount of \$1,625,000 and to other corporate purposes in a sum not exceeding \$25,000. According to the prospectus, the company's net operating income under its present leases "will not be sufficient to retire the Debentures upon their maturity in 1980," nor will such income "cover the interest requirements of the Subordinated Debentures." By augmenting net operating income from capital funds, the company anticipates that interest requirements through June 30, 1966 can be met. The company's ability to pay the remaining future interest payments and to retire the debentures will depend on "the successful development or advantageous sale of the 60 acre tract," or a "re-financing of mortgage indebtedness on the property owned by the Company."

The company has outstanding certain indebtedness and 5 shares of Class B (voting) common stock, of which, one share each is owned by five of the company's officers including M. J. Murdock, president, and W. V. Clodfelter, secretary-treasurer.

TRUAX-TRAEER COAL FILES STOCK PLAN. Truax-Traer Coal Company, Chicago, filed a registration statement (File 2-16926) with the SEC on August 18, 1960, seeking registration of \$800,000 of participations in its Employees Stock Purchase Incentive Plan, together with 30,000 common shares which may be acquired pursuant thereto.

MAY DEPARTMENT STORES FILES STOCK PLAN. The May Department Stores Company, Sixth and Olive Streets, St. Louis, Mo., filed a registration statement (File 2-16928) with the SEC on August 18, 1960, seeking registration of 510,050 shares of common stock, for issuance pursuant to the company's Stock Purchase Plan for management employees.

FOOD MACHINERY AND CHEMICAL FILES STOCK PLAN. Food Machinery and Chemical Corporation, 1105 Coleman Ave., San Jose, Calif., filed a registration statement (File 2-16929) with the SEC on August 18, 1960, seeking registration of \$1,500,000 of Interests in its FMC Employees' 1960 Thrift and Stock Purchase Plan, together with 29,412 common shares which may be acquired pursuant thereto.

PREFERRED RISK LIFE ASSURANCE PROPOSES OFFERING. Preferred Risk Life Assurance Company, 20 East Mountain St., Fayetteville, Ark., filed a registration statement (File 2-16930) with the SEC on August 18, 1960, seeking registration of 300,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a best efforts basis by Preferred Investments, Inc., a subsidiary, for which a 75¢ per share selling commission is to be paid.

The company began issuing life insurance policies in January 1959. It now has outstanding 512,367 common shares. Net proceeds of the sale of the additional stock will be added to the general working funds of the company and used in the conduct of its business.

The prospectus lists W. M. Ritter as president. Preferred Risk Insurance Company, of Fayetteville, own 125,000 shares (24.4%) of the outstanding stock; and it and the issuer's management officials own an aggregate of 262,904 shares, or 51.3%.

FAMILY PLAN FUND PROPOSES OFFERING. The Family Plan Fund, Inc., 275 Congress St., Boston, filed a registration statement (File 2-16931) with the SEC on August 18, 1960, seeking registration of 100,000 shares of common stock. The Fund was recently organized by Plan Management Corporation, of Boston, the Fund's investment adviser and principal underwriter of its shares. Albert W. Moore is listed as president; and he is also president of Plan Management Corporation. Family Plan Corporation is also a principal underwriter for the Fund making Fund shares available to the custodian under Family Investment Share Plans for the accounts of Plan holders.

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FAMILY INVESTMENT SHARE PLANS IN REGISTRATION. Family Plan Corporation, 275 Congress St., Boston, Sponsor and Distributor of Family Investment Share Plans for the Acquisition of Shares of The Family Plan, Fund, Inc., filed a registration statement (File 2-16932) with the SEC on August 18, 1960, seeking registration of three series of Plans aggregating \$2,500,000. The prospectus lists John P. Banjak as president.

UNION ELECTRIC FINANCING. The SEC has issued an order under the Holding Company Act (Release 35-14272) giving interested persons until September 9, 1960, to request a hearing on the bond financing proposal of Union Electric Company, St. Louis. As previously reported (News Digest of 8/15), Union Electric proposes to issue and sell at competitive bidding \$50,000,000 of First Mortgage Bonds due 1990. The net proceeds will be applied in part to the payment of about \$31,000,000 of bank loans and the balance used for the company's 1960 construction program.

VIOLATIONS CHARGED IN SALE OF AIRCRAFT DYNAMICS INTERNATIONAL STOCK. The SEC today announced the issuance of 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 Aircraft Dynamics International Corp. ("Aircraft"), of 666 Fifth Ave., New York City.

At the same time, the Commission announced (a) proceedings under the Securities Exchange Act of 1934 to determine whether Aviation Investors of America, Inc., of the Fifth Ave. address, and its president, Philip Bradford, made fraudulent representations in the offer and sale of Aircraft stock which "would and did operate as a fraud and deceit" upon the purchasers thereof, and, if so, whether to revoke the broker-dealer registration of Aviation Investors and/or to suspend or expel it from membership in the National Association of Securities Dealers, Inc.; and (b) the filing of a complaint in the United States District Court for the Southern District of New York seeking to enjoin Aircraft, Aviation Investors, and Philip Bradford, president of both companies and principal stockholder of Aircraft, from further offering and sale of Aircraft stock in violation of Section 17(a) (the anti-fraud provision) of the Securities Act of 1933.

In both the complaint and the order authorizing the administrative proceedings with respect to Aviation Investors, the Commission charges that, in the offer and sale of Aircraft stock, false and misleading representations were made with respect to an anticipated increase in the price of and dividends to be paid on said stock, the listing of the stock on an exchange, and the affiliation of Aviation Investors with another company. In the order suspending the Regulation A exemption with respect to the offering of 99,000 shares of Aircraft common stock at \$3 per share pursuant to a notification filed on September 25, 1959, the Commission asserted that certain terms and conditions of Regulation A were not complied with and that the company's offering circular omits to state that the underwriter, Aviation Investors, occupies a portion of Aircraft's office space and pays no rental therefor. The said order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

A hearing for the purpose of taking evidence in the administrative proceedings will be held at a time and place later to be determined. (NOTE TO PRESS. Foregoing also released by SEC New York Regional Office)

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