

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington 25, D.C.

FOR RELEASE January 28, 1957

Statistical Release No. 1433

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended January 25, 1957, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1956 and 1957, is as follows:

	<u>(1939 = 100)</u>		<u>Percent Change</u>	<u>1956 - 1957</u>	
	<u>1/25/57</u>	<u>1/18/57</u>		<u>High</u>	<u>Low</u>
Composite	332.3	331.3	↗ 0.3	366.2	319.0
Manufacturing	420.5	418.9	↗ 0.4	468.6	398.6
Durable Goods	396.0	396.1	0.0	437.6	369.4
Non-Durable Goods	443.3	440.2	↗ 0.7	500.8	425.2
Transportation	302.7*	304.0	- 0.4	353.0	302.7
Utility	156.8	156.6	↗ 0.1	161.5	151.6
Trade, Finance & Service	280.2	279.7	↗ 0.2	325.5	279.7
Mining	365.5	366.7	- 0.3	383.2	326.8

*New Low

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Chairman J. Sinclair Armstrong today announced the appointment by the Commission of William J. Crow of Uniontown, Pennsylvania as Regional Administrator of the Commission's Washington, D. C. Regional Office, effective this date.

Mr. James J. Duncan, Assistant Regional Administrator, has been Acting Regional Administrator since October 4, 1956, and will continue to serve as Assistant Regional Administrator. The Washington Regional Office consists of the States of Maryland, Delaware, Pennsylvania, Virginia and West Virginia, and the District of Columbia.

Mr. Crow was born in Uniontown, Pennsylvania in 1902. He holds a C. E. degree from the Pennsylvania Military College, Chester, Pennsylvania, and an LL.B. degree from Dickinson Law School, Carlisle, Pennsylvania. He was admitted to the Pennsylvania Bar in 1926.

From 1926 to 1928, Mr. Crow served as Probation and Parole Officer of Fayette County, Pennsylvania. In 1928 he was appointed Assistant District Attorney for

Fayette County, and served in that capacity until 1932. He then engaged in the private practice of law in Uniontown, Pennsylvania until May, 1935, at which time he was called by the Army to serve as a Commanding Officer of a Civilian Conservation Corps camp. In October, 1936, he resumed the private practice of law in Uniontown, serving as Mayor of that city from January, 1938 to June, 1941, at which time he was again called to active military duty. He was released from active duty in January, 1946, as a Colonel in the Ordnance Corps, U. S. Army. He was elected to the 80th Congress from the 24th District of Pennsylvania, and served on the Veterans Affairs' Committee. In 1949 he resumed the private practice of law in Uniontown, Pennsylvania. In October, 1951, he again was called to active duty, and until his recent release, served as Chief of the Legislative Coordination Branch of the Ordnance Corps, U. S. Army.

He is married to the former Charlotte E. Sheafer of Carlisle, Pennsylvania, and they have two sons.

Corporate Reorganization Release No. 105

The Securities and Exchange Commission today announced the filing with the United States District Court for the Western District of Kentucky, Owensboro Division, of an Advisory Report of the Commission pursuant to Sections 172 and 173 of Chapter X of the National Bankruptcy Act on a proposed plan of reorganization for Green River Steel Corporation which manufactures and sells semi-finished steel products in Owensboro, Kentucky. The plan of reorganization proposed by Roy Burlew, Trustee, is based on an offer by Jessop Steel Company of Washington, Pennsylvania, which manufactures highly specialized alloy steels. The plan provides for the Treasury Department of the United States as holder of Green River's first and second mortgage notes to receive a new first mortgage note in the principal amount of \$8,556,126, for Jessop Steel Company to lend Green River \$1,500,000, for the Green River debenture holders to receive new debentures in the same principal amount as their present holdings and for the Green River common stockholders to receive one share of Jessop Steel Company common stock for each ten Green River shares.

The Commission's Report concludes that the proposed plan is not feasible because the long-term debt of Green River after reorganization would be excessive and the new debentures would be illusory to subsequent purchasers since the interest is non-cumulative, they bear no interest for two years and thereafter only if earned, and because the interest rate is too low. As to fairness, the Commission concludes that the treatment proposed for the debenture holders is not fair because they would not be compensated for the elimination of their accrued interest and the new debentures to be issued under the plan would not be the equitable equivalent of their claim. The Commission's Report further concludes that if the Trustee's plan is amended to (1) reduce the over-all debt, (2) strengthen the provisions of the debentures to make the interest cumulative, to provide for interest being paid or accrued from the date of their issuance and (3) give the debenture holders a substantial proportion of the Jessop stock proposed to be given to the common stockholders, the plan would be feasible and fair and equitable.

A hearing is to be held in Louisville Federal Court before Judge Brooks, the Judge in charge of the reorganization proceeding, on February 1, 1957 to consider whether the Court should approve the plan.

Copies of the Commission's Report, Corporate Reorganization Release No. 105, may be obtained upon request.

Securities Act Release No. 3745

The Securities and Exchange Commission has issued an order temporarily suspending an exemption from registration under the Securities Act of 1933 with respect to the proposed public offering by Northwest Oil and Refining Corporation, Billings, Montana, of 150,000 shares of its common stock at \$2 per share. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Northwest filed its Regulation A notification on December 26, 1956. In its suspension order, the Commission asserts that it has reasonable cause to believe that the notification and offering circular contain untrue statements of material fact and omit to state material facts, in that the offering circular omits (a) to set forth the amount to be paid each of the sellers of properties, (b) to set forth clearly the interests of York Montana Company in the producing properties, (c) to give adequate information as to the operating history and earnings of the refinery, (d) to set forth adequate information relative to the average of and range of operating costs per barrel of crude oil produced from the various leases, (e) to set forth the average of and range of the API gravity of the oil produced and the average price received per barrel, (f) to set forth the percentage of water in the fluid produced in each well, (g) to set forth the terms of Northwest's contract to purchase, including (1) what rights Northwest will have to commence operations prior to December 31, 1960, the date for the completion of the payments thereunder, and (2) what forfeiture provisions are contained in the contract of purchase, (h) to show, as to interests which Northwest has contracted to purchase, (1) the manner in which John Stuart acquired the rights assigned to Northwest and (2) the terms of the agreement to purchase assigned by Stuart to Northwest, (i) to show the relationship between the Hanlon Oil Company and Northwest, and (j) to furnish adequate financial statements of the issuer's predecessor, the Hanlon Oil Company.

In addition, the Commission's order asserts that Northwest's offering circular is inaccurate and misleading (a) by inclusion of a reserve report nearly one year old without any deduction for oil produced since the date of such report, (b) by inclusion of a reserve report covering certain interests which, according to the offering circular, are not to be owned by the issuer, (c) by implying in the description of properties that a 100% interest was held in certain properties, when it appears only a 51% interest was obtained, and (d) by inclusion of an operating statement showing the total net income from 100% interests in properties, when the issuer does not have the 100% interest in some of the properties (a footnote to the schedule only partly shows the actual interests).

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Securities Exchange Act Release No. 5445

The Securities and Exchange Commission has instituted proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registrations of the following should be revoked:

Percy Dale Lanphere, doing business as Dale Lanphere
Spokane, Washington

Harold L. Nielsen, doing business as Nielsen Investment Co.
Twin Falls, Idaho

According to the Commission's order, Lanphere was permanently enjoined on December 11, 1956, by a decree of the United States District Court for the Eastern District of Washington, Northern Division, from engaging in and continuing certain conduct and practices in connection with the purchase and sale of securities. Nielson was similarly enjoined on November 21, 1956, by decree of the United States District Court for the District of Idaho. In addition, Nielsen on November 21, 1956, was convicted by the same court of a misdemeanor involving the purchase and sale of securities and arising out of the conduct of his broker-dealer business.

Each of the respondents has executed under oath a document entitled "Consent to Revocation of Registration as a Broker and Dealer in Securities." Unless the respondents file written objections, on or before March 4, 1957, in the case of Lanphere and April 1, 1957, in the case of Nielsen, the Commission will dispose of these matters upon the basis of its public official files, including the consents to revocation filed by the respondents, the injunction decrees (and underlying court records) against them, and the judgment of conviction against Nielsen.

Securities Act Release No. 3746

The Securities and Exchange Commission has prepared proposed amendments to the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Advisers Act of 1940 and the Investment Company Act of 1940 for consideration by the 85th Congress. Most of the proposals to amend the Securities Act of 1933, the Securities Exchange Act of 1934 and the Trust Indenture Act of 1939 were contained in S. 3915 and H.R. 11129 introduced in the 84th Congress, 2nd session, but not acted upon.

The Commission, in accordance with authorization received from the respective Chairman of the Committee on Banking and Currency of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives, has furnished copies of tentative drafts of the proposed amendments and explanatory material to the organizations named below and has scheduled a conference for the discussion of the proposed legislative program for February 25 and 26, 1957, in the headquarters office of the Commission in Washington, D. C. The organizations are: Investment Bankers Association, American Stock Exchange, New York Stock Exchange, Boston Stock Exchange, Midwest Stock Exchange, National Association of Securities Dealers, National

Association of Investment Companies, Association of Stock Exchange Firms, Association of Mutual Fund Sponsors, Investment Counsel Association of America, Pacific Coast Stock Exchange, The Pittsburgh Stock Exchange, Salt Lake Stock Exchange, San Francisco Mining Exchange, Spokane Stock Exchange, Philadelphia-Baltimore Stock Exchange, Board of Trade of the City of Chicago, Cincinnati Stock Exchange, Detroit Stock Exchange and New Orleans Stock Exchange. A staff representative of the Committee on Banking and Currency of the Senate also will attend the conference.

Any additional person desiring to participate in this conference should notify the Secretary of the Commission no later than February 20, 1957.

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The Barden Corporation, Danbury, Conn., filed a registration statement (File 2-13040) with the SEC on January 25, 1957, seeking registration of 146,160 shares of its outstanding \$1 par Common Stock. These shares are to be offered for public sale for the account of certain stockholders, and the company will not receive any part of the proceeds. The public offering price and underwriting terms are to be supplied by amendment. Shearson, Hammill & Co. is named as the principal underwriter.

Barden manufactures precision ball bearings. It has outstanding 609,000 shares of common stock. Of the stock being sold, 106,620 shares, or 18% of the outstanding stock, are to be offered for the account of Albert Parker, Carl F. Norden and The Hanover Bank, Trustees under a trust for the benefit of Elsbeth Florence Wegmann. 12,180 shares are being offered for the account of each of three separate trusts for the benefit of Susan Norden, Bettina Norden and Elaina Norden, respectively, under each of which Carl F. Norden, C. C. Fagg and The Chase Manhattan Bank are Trustees. Carl F. Norden, of Washington, D. C., is listed as the record and beneficial owner of 121,800 shares (20%). Sigler & Co. is listed as the record owner of 270,992 shares (44.5%), of which the beneficial owner is Carl L. Norden, Zurich, Switzerland.

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Central Electric & Gas Company, Lincoln, Nebraska, filed a registration statement (File 2-13041) with the SEC on January 25, 1957, seeking registration of \$1,750,000 of Convertible Subordinated Debentures, due November 1, 1971. The debentures are to be offered for public sale at 100% of principal amount. The interest rate, underwriting terms, and names of the underwriters are to be supplied by amendment. Net proceeds of the financing will be used for the repayment of bank loans (aggregating \$500,000 at December 31, 1956) incurred to finance past construction expenditures and to finance the purchase of subsidiary securities, for future construction expenditures, for temporary advances to subsidiaries for construction purposes, for investment in stocks of subsidiaries, and for other corporate purposes. The construction programs of the company and its subsidiaries for the 15 months ending December 31, 1957, are expected to result in gross additions to utility plant of \$18,300,000.

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Holly Corporation, New York, filed a registration statement (File 2-13042) with the SEC on January 25, 1957, seeking registration of 406,638 shares of \$0.50 Convertible Preferred Stock, Series A, \$50 par, and 2,476,116 shares of Common Stock, 60¢ par.

Holly proposes to offer all of the 406,638 shares of Series A preferred and 763,011.3 shares of the common to the holders of the \$0.50 Convertible Preferred Stock and the Common Stock, \$1 par, of The Mount Vernon Company, Mount Vernon, Ohio, in exchange for the Mount Vernon preferred and common stock held by them, on the basis of 1 share of the Holly Series A preferred for each of the 406,638 outstanding shares of Mount Vernon preferred, and 2½ shares of Holly common for each of the 305,204.52 shares of Mount Vernon common. An additional 210,000 shares of Holly common are to be offered to certain holders of 35,000 shares of the outstanding common stock of The Van Dorn Iron Works Company, of Cleveland, Ohio, on a six-for-one basis.

Holly also will offer 38,333 shares of its common stock to certain finders, and 60,000 shares to certain vendors of property. 1,016,595 shares of common stock are being reserved by Holly against the conversion of the 406,638 Series A preferred shares. Of the 38,333 common shares to be issued as a finder's fee, 5,000 shares are to be issued to Sigma Properties, Inc., and 33,333 shares to Paul O. Buckley. 10,000 shares are to be issued to Bruce King for the working interest in certain oil leases; and 50,000 shares for application against Holly's indebtedness arising from its acquisition of the stock and note of The Preload Company, Inc., for \$888,000.

The remaining balance of 388,176 common shares are reserved for possible issuance at a future date in exchange for 64,696 shares of the common stock of Van Dorn Iron Works.

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Crown Western Investments, Inc., Dallas investment company, filed an amendment on January 25, 1957, to its registration statement (File 2-10540) seeking registration of an additional 200,000 Diversified Income Fund, Series D2, shares.

Holding Company Act Release No. 13373

New England Electric System (Boston) has joined with six of its public utility subsidiaries in the filing of a proposal with the SEC for merger of five of the subsidiaries; and the Commission has scheduled the proposal for hearing on February 20, 1957.

Under the merger proposal, Amesbury Electric Light Company, Haverhill Electric Company, Lawrence Electric Company, and The Lowell Electric Light Corporation, will be merged with and into Essex County Electric Company. All five companies distribute electric energy at retail in northeastern Massachusetts. The name of the surviving company is to be changed to Merrimack-Essex Electric Company.

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At September 30, 1956, NEES owned 99.7% of the capital stock of Amesbury, 68.3% of Haverhill, 90.4% of Lawrence, 59.4% of Lowell, and 97.4% of Essex. The merger is to be effected through an exchange of stock of Essex for the stock of Amesbury, Haverhill, Lawrence and Lowell and the assumption by Essex of the liabilities of such companies, including \$2,750,000 of first mortgage bonds of Lawrence and \$6,000,000 of debenture bonds of Lowell. The exchange of Essex stock is to be made on the basis of 1.625 shares for each share of Amesbury stock, 1.875 for each share of Haverhill stock, 1.25 for each share of Lawrence stock, and 2.5 for each share of Lowell stock. Immediately following the merger, Essex will purchase certain transmission lines and materials and supplies from New England Power Company, the sixth NEES subsidiary, at \$450,000 (subject to adjustment). To finance the acquisition, Essex proposes to borrow \$450,000 from NEES.

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Dixilyn Drilling Corporation, Odessa, Texas, today filed a registration statement (File 2-13043) with the SEC seeking registration of 930,000 shares of its Class A Convertible Stock, \$4 par, to be offered for public sale through an underwriting group headed by Hemphill, Noyes & Co. and Dallas Union Securities Company. The public offering price and underwriting terms are to be supplied by amendment.

Dixilyn is engaged in the drilling of oil and gas wells, principally in the Gulf of Mexico and the bordering states, on a contract basis for others. Organized in 1954, it acquired all of the drilling assets, including five land drilling rigs, of Dixilyn Drilling Company, a partnership consisting primarily of the company's principal stockholder, M. O. Boring, Jr. and M. O. Boring, Sr. It now owns and operates four land drilling rigs and two offshore drilling rigs. It has entered into an option agreement with R. G. LeTourneau, Inc., for the construction of a new offshore mobile drilling platform designed to drill in open water of a depth of 100 feet; and it is expected that the new mobile platform will be ready for delivery by November 15, 1957.

Net proceeds of the financing are to be used in part to repay outstanding debt of the company, including \$250,000 borrowed from the two principal stockholders and \$380,000 to Dixilyn Oil Company (the balance remaining on the purchase of drilling rigs and equipment), the balance due on a bank loan in connection with the acquisition of an offshore drilling rig, the balance due on the purchase price of the company's second offshore drilling rig, and a 90-day bank note incurred for working capital purposes (the amounts of such latter three items are to be supplied by amendment). The balance of the proceeds will be added to general funds of the company and will be used for the payment in part of the cost of the Le Tourneau Platform and for the purchase of the drilling rig and related equipment to be mounted thereon (estimated to cost in the aggregate approximately \$3,600,000, of which \$35,000 has been paid). The remaining cost will be provided from cash expected to become available from operations and from borrowings.

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