

# 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 February 13, 1957

## Securities Act Release No. 3753

The Securities and Exchange Commission 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 California-Utah Petroleum & Uranium Company, of Salt Lake City, Utah. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

California-Utah Petroleum & Uranium Company filed its Regulation A notification with the Commission on May 28, 1954, proposing the public offering of 1,000,000 shares of common stock at 10¢ per share. In its suspension order, the Commission asserts that it has reasonable cause to believe that the terms and conditions of Regulation A have not been complied with, in that the offering circular omits to state material facts necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading in that the offering circular fails to disclose the status of assessment work, if any, performed on the company's 217 mining claims. The use of such offering circular without appropriate disclosure in this matter "would operate as a fraud and deceit upon the purchasers," the order stated.

The order further asserts that the company failed to comply with a provision of Regulation A requiring the filing of semi-annual reports reflecting the amount of stock sold and the use of the proceeds thereof.

## Securities Act Release No. 3754

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The Securities and Exchange Commission 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 securities by The Guidon Corporation, of Elkton, Maryland. The order provides an opportunity for hearing, upon request, on the question whether the suspension order should be vacated or made permanent.

Guidon filed its Regulation A notification with the Commission in July, 1954, proposing the public offering of 10,000 shares of common stock at \$10 per share. In its suspension order, the Commission asserts that Guidon failed to comply with a provision of Regulation A (which provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount) calling for the filing of semi-annual reports showing the amount of shares sold and the use of the proceeds thereof.

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(Over)

Holding Company Act Release Nos. 13383 and 13381

The SEC has issued orders under the Holding Company Act authorizing The Southern Company (New York) and Delaware Power & Light Company (Wilmington) to enter into agreements to guarantee 8% and 1.20%, respectively, of a proposed borrowing of \$15,000,000 by Power Reactor Development Company (Detroit). The latter is a non-profit company which is presently engaged in constructing a fast breeder atomic reactor at Lagoona Beach, Michigan, in order to determine the soundness and economy of producing, by means of such a reactor, steam to be used in generating electric energy for public utility service. Delaware Power and Southern Services, Inc., the mutual service company of the Southern system, are two of the 21 member companies.

In order to make provisions for the financing of its project, Power Reactor Development has obtained commitments for contributions totaling \$23,540,000 from interested companies. To secure additional funds, it also has made arrangements for the borrowing of the \$15,000,000 from five New York banks acting as trustee for various pension trusts.

Holding Company Act Release No. 13382

Ohio Power Company, Canton subsidiary of American Gas and Electric Company, has received SEC authorization to acquire 1,000 shares of its \$1 par capital stock of Captina Operating Company, at \$1 per share, being all the shares proposed to be issued by Captina. Ohio Power has entered into an agreement with Pittsburgh Coal Company, Olin Mathieson Chemical Corporation, Revere Copper and Brass Incorporated and Wheeling Electric Company, providing generally for the construction of what is, initially, to be a three-225,000 KW unit power plant near Cresap, W. Va. Two units of this plant are to be owned by Olin Revere Generating Corporation, a wholly-owned subsidiary of Olin Revere Metals Corporation, all the voting securities of which are to be jointly owned by Olin Mathieson Chemical and Revere Copper. The other unit is to be owned by Ohio. Olin Revere Generating presently proposes to use its units to supply energy to Olin Revere Metals for the reduction of aluminum, and to Olin Mathieson Chemical for fabrication of aluminum, at facilities to be located near Clarington, Ohio. Olin Revere Generating, if requested, may also deliver energy to Revere Copper at some future time for fabrication of aluminum. In addition it will make excess capacity of its two units available to Ohio Power in consideration of appropriate demand charges. Captina will operate the entire plant for Ohio Power and Olin Revere Generating.

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A. J. Bayless Markets, Inc., Phoenix, Arizona, filed a registration statement (File 2-13080) with the SEC on February 12, 1957, seeking registration of 430,000 shares of its \$1 par Common Stock. Of these shares, 405,000 are presently outstanding and are to be offered for sale by the holders thereof; and no part of the proceeds of such sale will be received by the company. The remaining 25,000 shares are reserved for issuance pursuant to the company's Employee Incentive Stock Option Plan.

Of the 405,000 shares, 395,000 are to be offered for sale at \$10 per share through an underwriting group headed by H. M. Byllesby and Company, Inc. The underwriting commission thereon is to be \$1.25 per share. The remaining 10,000 shares are to be offered for sale to employees at \$8.75 per share, without underwriting.

(Continued)

Bayless operates a chain of 24 retail self-service, cash-and-carry foodstores in Arizona. It has outstanding 745,041 shares of Common Stock and 300,000 shares of Class B Common Stock. Of this stock, A. J. Bayless, president, owns 364,893 shares (48.97%) of the Common Stock and all of the Class B shares; and Lillie Mae Bayless owns 94,544 shares (12.69%) of the Common Stock. A. J. Bayless proposes to sell 310,456 shares and Lillie Mae Bayless 94,544 shares.

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Lone Star Gas Company, Dallas, today filed a registration statement (File 2-13081) with the SEC seeking registration of 154,834 shares of Convertible Preferred Stock (Cumulative - \$100 par). The company proposes to offer its common stockholders of record on March 5, 1957, the right to subscribe for the preferred shares at \$100 per share and at the rate of one share of preferred for each 40 shares of common. The dividend rate and underwriting terms are to be supplied by amendment. The First Boston Corporation is named as the principal underwriter.

Net proceeds of the preferred stock sale will be used, together with cash on hand, to pay the company's current bank borrowings, presently aggregating \$20,000,000, made to provide a portion of the funds for the company and its subsidiary, Lone Star Producing Company. Their budgets for 1957 construction call for expenditures of approximately \$30,800,000.

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Consumers Power Company, Jackson, Michigan, today filed a registration statement (File 2-13082) with the SEC seeking registration of 549,324 shares of its no par Common Stock, to be offered for public sale at competitive bidding. Net proceeds will be used for property additions and improvements, or for the improvement or maintenance of service, or to reimburse the company's treasury for expenditures made for such purposes. The company has made and proposes to make capital expenditures for property additions from January 1, 1956, to December 31, 1957, in an amount approximating \$184,200,000, of which \$89,200,000 was expended in 1956 and \$95,000,000 has been approved for expenditure in 1957.

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Pittsburgh Railways Company, Pittsburgh, Penna., today filed a registration statement (File 2-13083) with the SEC seeking registration of 547,678 shares of its no par Common Stock. Standard Gas and Electric Company is the owner of the 547,678 common shares of Pittsburgh Railways; and Standard Gas proposes to offer its own common stockholders the right to purchase 540,651.75 shares of the Pittsburgh Railways common on the basis of one such share for each four shares of Standard Gas common held on the record date. The record date and subscription price are to be supplied by amendment. No underwriting is involved.

Standard Shares, Inc., the holder of 45.59% of the Standard Gas common, has agreed to purchase all shares of Pittsburgh Railways common offered to it as a stockholder of Standard Gas, and to purchase at the subscription price all shares of Pittsburgh Railways common which are not purchased by others pursuant to said offer. In addition to the shares covered by the purchase offer, Standard Gas will sell to Standard Shares, Inc., its remaining 7,026.25 shares of Pittsburgh Railways common at the purchase price. As of December 31, 1956, there were outstanding 1,076,097 shares of Pittsburgh Railways common.

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