

# 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 March 18, 1957

## Statistical Release No. 1442

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended March 15, 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>3/15/57</u>	<u>3/8/57</u>		<u>High</u>	<u>Low</u>
Composite	329.2	328.5	∕ 0.2	366.2	319.0
Manufacturing	415.9	414.5	∕ 0.3	468.6	398.6
Durable Goods	389.0	386.6	∕ 0.6	437.6	369.4
Non-Durable Goods	440.8	440.3	∕ 0.1	500.8	425.2
Transportation	286.1*	287.9	- 0.6	353.0	286.1
Utility	158.6	158.7	- 0.1	161.5	151.6
Trade, Finance & Service	281.7	281.4	∕ 0.1	325.5	274.8
Mining	340.5	345.6	- 1.5	383.2	326.8

\*New Low

## Securities Exchange Act Release No. 5474

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of Sterling Securities Company, Los Angeles, California. The hearing therein is scheduled for May 2, 1957, in the Commission's Los Angeles Branch Office; and it also will concern the question whether Sterling Securities should be suspended or expelled from membership in the National Association of Securities Dealers, Inc.

The broker-dealer registration of Sterling Securities became effective on December 28, 1955. Marc Sterling is listed as president, treasurer, a director and the controlling stockholder.

In its order, the Commission asserts that information obtained as the result of an investigation conducted by its staff tends to show that Sterling Securities engaged "in acts, practices and a course of business which operated as a fraud and deceit upon certain persons," in that it solicited and induced such persons to purchase and sell the capital stock of Mio Dio Uranium Corporation (Denver, Colorado),

at prices ranging from 11¢ to 35¢ per share, by means of false and misleading statements of material facts, or omissions of material facts, concerning the market for the Mio Dio Uranium stock, the market price of such stock, Sterling Securities' domination and control of the market, its activities in the market, and the activities and plans of the promoters and management officials of Mio Dio Uranium. The order further states that Marc Sterling caused Sterling Securities to engage in these acts and practices.

At the hearing, inquiry will be conducted for the purpose of determining whether the reported information is true and, if so, whether Sterling Securities and Marc Sterling have wilfully violated provisions of the securities laws administered by the Commission and whether it is necessary or appropriate in the public interest to revoke the broker-dealer registration of Sterling Securities or to suspend or expel it from NASD membership.

#### Securities Exchange Act Release No. 5475

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of Cobb and Company, Inc., of Houston, Texas. The hearing therein is scheduled for April 29, 1957, in the Commission's Fort Worth Regional Office.

The broker-dealer registration of Cobb and Company became effective on June 27, 1954. Robert S. Cobb is listed as president, treasurer and a director of the company.

In its order, the Commission asserts that information obtained as the result of an investigation conducted by its staff tends to show that Cobb and Company and Cobb "engaged in transactions, practices and a course of business which would and did operate as a fraud and deceit" upon certain persons. More particularly, the order states, Cobb and Company and Cobb solicited and induced such persons to purchase certain securities, represented to such persons that it had purchased the securities for them, and requested and received payment therefor, when in fact Cobb and Company and Cobb intended not to purchase, and did not purchase, the quantity of securities which said persons had ordered but, on the contrary, intended to and did appropriate a portion of the payments to the use and benefit of Cobb and Company.

Furthermore, according to the Commission's order, Cobb and Company engaged in the conduct of a securities business when its liabilities exceeded its assets, it was unable to meet its current liabilities, and its aggregate indebtedness exceeded 2,000 per centum of its net capital; that its application falsely represented that David Wynne Cunningham is a director; that in a supplemental document Cobb and Company falsely represented that Cunningham is treasurer and a director; that it failed to report changes in the business address of the company; that Cobb and Company failed to file the required report of financial condition for 1956; and that it failed to make and keep current certain of the books and records required by rules of the Commission.

At the hearing, inquiry will be conducted for the purpose of determining whether the reported information is true and, if so, whether Cobb and Company and Cobb have wilfully violated provisions of the Securities Laws administered by the Commission and whether it is necessary or appropriate in the public interest to revoke the broker-dealer registration of Cobb and Company.

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Securities Act Release No. 3763

The Securities and Exchange Commission, on application of Northwest Oil and Refining Corporation, Billings, Montana, has vacated its order of January 25, 1957, temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering by Northwest Oil of 150,000 shares of its common stock at \$2 per share.

Northwest Oil filed its Regulation A notification on December 26, 1956, seeking a conditional exemption from registration with respect to its proposed offering of the 150,000 common shares. By order dated January 25, 1957, the Commission temporarily suspended the Regulation A exemption for non-compliance with the terms and conditions of the said Regulation A (See Release No. 3745).

Subsequently, Northwest Oil submitted a request that said suspension order be vacated; and, in support thereof, it furnished information satisfying the Commission that no offering of stock has been made and that the deficiencies set forth in the Commission's suspension order were the result of a failure to give proper attention to the terms and conditions imposed by Regulation A. Furthermore, the company has undertaken to correct the deficiencies prior to any public offering of its stock. Accordingly, the Commission concluded that it was appropriate to vacate the suspension order.

Holding Company Act Release No. 13419

The SEC has issued an order authorizing The Potomac Edison Company, Frederick and Hagerstown, Md., subsidiary of The West Penn Electric Company, to issue and sell an additional 100,000 shares of its common stock to West Penn for \$2,000,000. Proceeds thereof are to be applied by Potomac Edison in partial reimbursement of capital expenditures heretofore made.

Holding Company Act Release No. 13420

Mississippi Power Company (Gulfport) has applied to the SEC for authorization to issue and sell, at competitive bidding, \$6,000,000 of First Mortgage Bonds, due 1987; and the Commission has issued an order giving interested persons until April 1, 1957, to request a hearing thereon. Mississippi Power proposes to use the proceeds of such sale for property additions and improvements. Construction expenditures are estimated at \$10,800,000 for the year 1957.

Investment Company Act Release No. 2498

The Equity Corporation, New York investment company, has joined with certain stockholders of Friden Calculating Machine Co., Inc. (San Leandro, Calif.) in the filing of an application with the SEC for an exemption order with respect to an agreement between Equity and said stockholders which places certain restrictions upon their sale of Friden stock; and the Commission has issued an order giving interested persons until March 28, 1957, to request a hearing thereon.

According to the application, Equity owns 161,207 shares of the common stock of Friden. An additional 58,927.5 shares are held by six stockholders of Friden

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(William E. Betts, L. Scott Cass, William J. Kaiser, Wilfrid M. Kearns, Charles R. Ogsburg and James Trainor). The 220,134.5 shares constitute 22.2% of the outstanding Friden stock. Under the agreement between Equity and said other stockholders, if any of the latter desires to dispose of his Friden stock, Equity shall have a 15-day option to acquire the same at the proposed sale price; upon the death of any of said stockholders, Equity shall have an option to acquire all Friden stock not bequeathed to members of his family; and Equity may not dispose of any of its Friden stock unless an offer is made to such other stockholders to sell the same proportion of their Friden stock upon the same terms and conditions.

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Southeastern Public Service Company, New York City, filed a registration statement (File 2-13161) with the SEC on March 15, 1957, seeking registration of 92,500 shares of its 10¢ par Common Stock. The company proposes to offer this stock for subscription by holders of its outstanding common stock at the rate of 1 new share for each 10 shares held on April 3, 1957. The subscription price and underwriting terms are to be supplied by amendment. Bioren & Co. is listed as the principal underwriter.

Net proceeds of the stock sale, estimated at approximately \$1,003,625, will be added to the cash funds of the company and will be available for general corporate purposes, including investments in subsidiaries. Such proceeds are expected to be used to reimburse the company, in part, for outlays made for its New Hampshire pipeline and for additional investment in oil and gas properties in Texas.

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Mississippi Power Company (Gulfport) filed a registration statement (File 2-13162) with the SEC on March 15, 1957, seeking registration of \$6,000,000 of First Mortgage Bonds, due 1987, to be offered for public sale at competitive bidding. Net proceeds are to be used for property additions and improvements. Expenditures under this program are estimated at \$10,800,000 for 1957.

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Houston Oil Field Material Company, Inc., Houston, Texas, filed a registration statement (File 2-13163) with the SEC on March 15, 1957, seeking registration of 305,000 shares of its \$1 par Common Stock. The company proposes to offer 200,000 shares for public sale through an underwriting group headed by Shearson, Hammill & Co. and Underwood, Neuhaus & Co. The public offering price and underwriting terms are to be supplied by amendment. The remaining 105,000 shares are to be offered pursuant to the company's restricted stock option plan for certain officers and key employees.

Of the net proceeds of the public offering, approximately \$1,400,000 will be used to retire short term bank loans incurred to provide working capital, \$100,000 for construction of a new welding shop and an electrical well service building, and \$175,000 for new machine tools for the company's manufacturing plant. The balance of the proceeds, supplemented by funds generated from operations, will be used for working capital requirements and such capital expenditures as may appear necessary or desirable.

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The Savings and Profit Sharing Pension Fund of Washington National Insurance Company Employees and the Washington National Insurance Company, Evanston, Ill., filed a registration statement (File 2-13164) with the SEC on March 15, 1957, seeking registration of \$900,000 of Participations in Employees' Retirement Plan.

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Green River Steel Corporation, Owensboro, Ky., filed an application (File 22-2062) with the SEC on March 15, 1957, for qualification under the Trust Indenture Act of 1939 of a trust indenture pursuant to which the company proposes to issue not to exceed \$4,000,000 of Subordinated Income Debentures, due May 1, 1982 (bearing 3½% contingent interest commencing May 1, 1959). These debentures are to be issued to the holders of Green River Steel's outstanding 3½% Debentures due 1961 in exchange for such outstanding debentures, together with accumulated interest thereon, pursuant to the Trustee's Amended Plan of Reorganization approved and confirmed by orders of Court in the reorganization proceedings under Chapter X of the Bankruptcy Act now pending in the United States District Court for the Western District of Kentucky entitled "In the matter of Green River Steel Corporation; In Proceedings for Reorganization, No. 1940."

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