

# 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 April 3, 1957

## Securities Act Release No. 3770

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 Capitol Reef Uranium Corporation, Reno, Nevada. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Capitol Reef Uranium filed its Regulation A notification on May 18, 1955, proposing the public offering of 300,000 shares of its common stock at \$1 per share. In its suspension order, the Commission asserts that the company has failed to comply with the terms and conditions of Regulation A, in that it has failed to file the required semi-annual reports reflecting the amount of shares sold and the use to which the proceeds thereof were applied, and that its offering circular is false and misleading in respect of material facts. More particularly, the order alleges that the offering circular (a) fails to show whether or not necessary payments due under a 262 mining claim purchase contract and payments due pursuant to assessment obligations thereunder were made and that the underwriter named therein has been dissolved and has withdrawn its broker-dealer registration with the Commission and (b) does not reflect accurately information as to the issuer's properties, financial condition, and arrangements for distribution of its securities.

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General Motors Corporation, Detroit, filed a registration statement (File 2-13221) with the SEC on April 2, 1957, seeking registration of 1,500,000 shares of its Common Stock, to be offered for subscription under the company's Savings-Stock Purchase Program for Salaried Employees in the United States.

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Lone Star Gas Company, Dallas, today filed a registration statement (File 2-13222) with the SEC seeking registration of \$30,000,000 of Sinking Fund Debentures, due 1982, to be offered for public sale through an underwriting group headed by The First Boston Corporation. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Net proceeds will be used to finance the construction program of the company and its subsidiary (Lone Star Producing Company) and to provide necessary additional working capital. This program calls for expenditures of approximately \$30,800,000 during 1957.

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( O V E R )

Securities Exchange Act Release No. 5481

The Securities and Exchange Commission today announced the issuance of two orders under Section 19(a) (4) of the Securities Exchange Act of 1934 summarily suspending trading in the capital stocks of Great Sweet Grass Oils Limited and of Kroy Oils Limited, respectively, on the American Stock Exchange, for a period of ten days from April 4, 1957 to April 13, 1957, inclusive; and it declared that such action is necessary and appropriate for the protection of investors and to prevent fraudulent, deceptive or manipulative acts or practices.

The summary suspension orders heretofore entered on March 22, 1957 against trading in the two stocks expire at the close of business April 3, 1957. The result of the new orders is that it will continue to be unlawful under Section 15(c) (2) of the Securities Exchange Act of 1934 and the Commission's Rule X-15C2-2 thereunder for any broker or dealer to make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, such securities otherwise than on a national securities exchange.

The Commission's action was taken because the questions raised in the Commission orders and notices of hearings under Section 19(a) (2) of the Act as to alleged false statements in reports filed by both companies with the Commission have not been resolved. The consolidated hearing in these proceedings has been concluded and the evidence in the record is now under review preliminary to the issuance of a decision therein by the Commission.

Under these conditions, the Commission is of the opinion that it would be impossible for the investing public to reach an informed judgment at this time as to the value of the companies' securities, or for trading in such securities to be conducted in an orderly and equitable manner.

In light of the foregoing and other factors, the Commission is of the opinion that the public interest requires the summary suspension of trading in such securities on the American Stock Exchange and that such action is necessary and appropriate for the protection of investors and is necessary in order to prevent fraudulent, deceptive or manipulative acts or practices under the Act.

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