

# 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

May 31, 1957

Institutional Income Fund, Inc., New York, filed an amendment to its registration statement (File 2-10168) with the SEC on May 29, 1957, seeking registration of an additional 800,000 shares of Common Stock, \$1 par value.

## Securities Act Release No. 3793

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration with respect to a public offering of securities by Contact Uranium Mines, Inc., of New York. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration under the Securities Act for public offerings of securities not exceeding \$300,000 in amount. In its Regulation A notification, filed December 7, 1954, Contact Uranium proposed the public offering of 500,000 shares of its common capital stock, at 10¢ per share, pursuant to such an exemption. The Commission in its suspension order asserts that it has reasonable cause to believe that the terms and conditions of Regulation A have not been complied with by Contact Uranium; that the notification contains untrue statements of fact; and that Justin Stepler, Inc., the principal underwriter, was permanently enjoined on October 27, 1955, by the Supreme Court of the State of New York, County of New York, from engaging in or continuing certain conduct and practices in connection with the purchase and sale of securities.

More particularly, the Commission's order states that Contact Uranium's notification fails to disclose Robert J. Morman as an affiliate and promoter of the company; that the company failed to file an offering circular, as required; that it failed to file the required semi-annual reports of stock sales; that the company sold securities without delivery of the required offering circular; and that the notification failed to include information as to all unregistered securities of the company sold within one year prior to the filing of the notification. Furthermore, the order alleges that the notification contains untrue statements of fact, in that it states the address of David E. Simon, the company's Secretary-Treasurer and Director, to be 151 Gramercy Park South, New York; it states that unregistered securities were sold within one year prior to the filing only to certain named persons; it fails to reflect changes of officers and directors and changes in the address of the issuer; and it fails to disclose that "S. Navarre", at one time purportedly president of the issuer, was in fact an alias for Robert J. Morman.

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Science and Nuclear Fund, Inc., Philadelphia investment company, filed a registration statement (File 2-13389) with the SEC on May 29, 1957, seeking registration of 33,000 shares of its \$1 par common stock.

For further details, call ST. 3-7600, ext. 5526

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Continental Can Company, Inc., New York filed a registration statement (File 2-13390) with the SEC on May 29, 1957, seeking registration of 343,250 shares of its \$10 par Common Stock, to be offered under the "Employees' Stock Purchase Plan 1" to Employees of Continental Can and of certain of its wholly-owned subsidiaries.

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Public Service Electric and Gas Company, Newark, N. J., filed a registration statement (File 2-13391) with the SEC on May 29, 1957, seeking registration of 250,000 shares of Cumulative Preferred Stock, \$100 par, to be offered for public sale through an underwriting group headed by Merrill Lynch, Pierce, Fenner & Beane. The dividend rate, public offering price and underwriting terms are to be supplied by amendment. Net proceeds of the sale of the new preferred will be added to the general funds of the company and will be used by it for general corporate purposes, including payment of a portion of the cost of the company's current construction program. As of March 31, 1957, this program involved estimated expenditures of \$307,000,000. Further financing in this and subsequent years is anticipated in order to finance this program, including the sale of additional bonds in the fall of 1957.

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Texas Eastern Transmission Corporation, Shreveport, La., filed a registration statement (File 2-13392) with the SEC on May 29, 1957, seeking registration of \$15,000,000 of Debentures due June 1, 1977, and 200,000 shares of \$100 par Preferred Stock (Subordinate Convertible Series). The interest and dividend rates on the new securities, as well as the public offering prices and underwriting terms, are to be supplied by amendment. Dillon, Read & Co., Inc., is listed as the principal underwriter.

Net proceeds from the sale of the debentures and preferred stock will be used in connection with the company's gas expansion and reconversion programs. According to the prospectus, the cost of these programs is currently estimated at \$235,000,000, of which some \$180,000,000 has been provided by prior financings. These programs include current proposals of Texas Eastern and Texas Eastern Penn-Jersey Transmission Corporation, its subsidiary, for the construction of facilities to increase the system capacity by 250 million cubic feet of gas per day. Those facilities, consisting principally of a 30-inch pipeline from Beaumont, Texas, to the Rio Grande River near McAllen, Texas, are scheduled to be in operation by the end of August, 1957. The cost thereof is estimated at \$147,000,000. Texas Eastern also proposes to reconvert to service as a common carrier of petroleum products the portion of the Little Big Inch line between Beaumont and a point on the Ohio River near Moundsville, W. Va., and to construct such pumping, lateral and terminal facilities as will be necessary. The total cost of the reconversion program is estimated at \$96,000,000.

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Texas Oil Corporation, San Antonio, Texas, filed a registration statement (File 2-13393) with the SEC on May 29, 1957, seeking registration of 300,000 shares of its \$1 par Common Stock, to be offered for public sale, without underwriting, at a price to be supplied by amendment.

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The company is engaged in the business of acquiring oil and gas leases, either through acquisition or through farmouts from other companies; and it conducts exploratory operations toward the end of evaluating the prospects for possible production of oil and/or gas. If these operations are indicative of accumulations of hydrocarbons, the exploratory drilling operations are then conducted. It owns no refining or marketing facilities, its sole and primary operating being the exploring for oil and gas, developing the reserves after discovery, and marketing the crude oil and gas to refining companies and gas pipeline or distributing companies.

The additional 300,000 shares of stock are to be offered for subscription by holders of outstanding stock of record March 15, 1957. Net proceeds will be added to the general funds of the company. A part of the proceeds will be used to pay an indebtedness of the company to Edward Galt, its Board Chairman, in the approximate amount of \$23,463, occasioned by the company's holding payments of oil runs belonging to Galt. Approximately \$35,000 will be used to pay other current indebtedness. The remainder of the net proceeds will be used in drilling and completing development wells, the acquisition and exploration of additional oil and gas leases, and generally in the usual conduct of the oil and gas production business.

Holding Company Act Release No. 13485

General Public Utilities Corporation, New York holding company, has received SEC authorization to make cash capital contributions during the remainder of 1957 to its subsidiary, New Jersey Power & Light Company, of Dover, N. J. The latter will use such funds (a) to finance in part its current construction program, (b) to reimburse its treasury in part of expenditures made for construction purposes, and (c) to repay bank loans, the proceeds of which were so used.

Holding Company Act Release No. 13486

Metropolitan Edison Company (Berks County, Pa.) has received SEC authorization to issue and sell, at competitive bidding, \$19,000,000 of first mortgage bonds, Series due June 1, 1987. Of the proceeds, \$2,500,000 will be used (with \$1,400,000 of treasury funds) to prepay \$3,900,000 of bank borrowings; and the balance will be applied to the company's 1957 construction program and to repay short-term borrowings in 1957, the proceeds of which were used for construction purposes.

Holding Company Act Release No. 13487

The SEC has issued an order authorizing The Potomac Edison Company, of Frederick and Hagerstown, Md., to make additional common stock investments in its subsidiaries, Northern Virginia Power Company, Potomac Light and Power Company, and South Penn Power Company, in the respective amounts of \$1,050,000, \$900,000 and \$119,000. The subsidiaries will apply the funds for necessary property additions and improvements.

Holding Company Act Release No. 13488

The Western Colorado Power Company, Montrose, Colo., subsidiary of Utah Power & Light Company, has received SEC authorization to issue and sell an unsecured promissory note in the amount of \$200,000 to Utah Power. The note financing by Western is for the purpose of providing it with cash to make the June payment of its Income Taxes and interest on its debt. According to the company's application, Western

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Colorado recently spent approximately \$180,000 to repair the damage to its property and equipment caused by a snowslide and it is expected that the claims filed with insurance companies in connection with this accident will be settled for about \$150,000 by October, 1957.

Holding Company Act Release No. 13489

Standard Shares, Inc., of New York, has applied to the SEC for an order authorizing its sale, at competitive bidding, of 265,000 shares of common stock of Duquesne Light Company; and the Commission has issued an order giving interested persons until June 17, 1957, to request a hearing thereon. Standard holds 567,500 shares of the Duquesne common. Sale of the 265,000 shares is proposed in furtherance of its plan to become an investment company, under which plan Standard will reduce the system's holdings of Duquesne common to less than 5% of such shares outstanding. Standard proposes to use part of the proceeds of the sale of the Duquesne stock to retire its outstanding \$3,000,000 bank indebtedness. The balance is to be used for investment purposes.

Holding Company Act Release No. 13490

West Penn Railways Company, an inactive subsidiary of The West Penn Electric Company (New York), has applied to the SEC for an order authorizing the distribution of \$1,100,000 of unneeded cash to the parent; and the Commission has issued an order giving interested persons until June 20, 1957, to request a hearing thereon. Of the funds in question, \$766,317 is on deposit with the trustee under an indenture securing \$3,987,000 of bonds of Railways' predecessor, West Penn Traction Company, on which West Penn Electric assumed the principal and interest. It is further proposed to request the indenture trustee to use the \$766,317 to purchase the Traction Company bonds in the open market or at private sale, at current prices, through requests for tenders or otherwise.

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Thriftimart, Inc., Los Angeles, today filed a registration statement (File 2-13394) with the SEC seeking registration of \$5,000,000 of Convertible Subordinated Debentures due 1977, to be offered for public sale through an underwriting group headed by Reynolds & Co., Inc., and Lester, Ryons & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the debentures are to be applied to the extent of approximately \$1,030,000 to retire short-term bank loans incurred in connection with the retirement of the balance of an original issue of \$1,660,700 of 5% Series Subordinated Debentures issued by Smart & Final Co. and assumed by Thriftimart. The company also proposes to apply some \$2,300,000 of the net proceeds to the payment of short-term bank loans to Pratt-Low Preserving Corporation, a wholly-owned subsidiary, which loans are guaranteed by Thriftimart. The balance of the proceeds will be added to general corporate funds to finance the company's expansion program and increase working capital.

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Securities Act Release No. 3794

The Securities and Exchange Commission today announced the addition of fifteen Canadian companies to its "Canadian Restricted List", as follows:

Blumont Mines Limited  
Concor-Chibougamau Mines Limited  
Cree Mining Corporation Limited  
Demers Chibougamau Mines Limited  
Hoover Mining and Exploration Limited  
Landolac Mines Limited  
Lucky Creek Mining Company Limited  
Norcopper and Metals Corporation  
Plexterre Mining Corporation Limited  
Principle Strategic Minerals Limited  
Temanda Mines Limited  
Three Arrows Mining Explorations Limited  
Triton Mines and Metals Corporation Limited  
Valray Explorations Limited  
Westore Mines Limited

At the same time, on the basis of representations made and information furnished to the Commission, the following names were deleted from the said list:

Bibis Yukon Mines Limited  
Brunhurst Mines Limited  
Haitian Copper Mining Corporation Limited  
Hamil Silver-Lead Mines Limited  
Mining Endeavor Company Limited  
Wainwright Producers & Refiners Limited  
Yukeno Mines Limited

As previously indicated in the April 24, 1956 announcement of the original list (Release No. 3632), the Canadian Restricted List is composed of the names of Canadian companies whose securities, the Commission has reason to believe, recently have been or currently are being distributed in the United States in violation of the registration requirements of the Securities Act of 1933. The original list contained the names of 135, the first supplement, Securities Act Release No. 3647, contained the names of fourteen such companies, the second supplement, Securities Act Release No. 3705, contained nineteen names, the third supplement, Securities Act Release No. 3737, ten names, and the fourth supplement, Securities Act Release No. 3751, seven names. Of the 200 names of Canadian issuers which have been included in the Restricted List, 10 have been dropped from the list.

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