

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 September 24, 1957

Chairman Edward N. Gadsby of the Securities and Exchange Commission announced the appointment of Ray Garrett, Jr., to the newly created position of Associate Executive Director.

Since January 7, 1956, Mr. Garrett has served as Director of the Division of Corporate Regulation. From October 25, 1954 to January 6, 1956, he served as Associate Director of that Division. Previously, he had been associated with the Chicago law firm of Gardner, Carton, Douglas, Roemer & Chilgren. He also had been a Teaching Fellow at Harvard Law School and an Assistant Professor at the New York University School of Law.

A graduate of Yale University (B.A., 1941), Mr. Garrett served from 1942 to 1946 in the Field Artillery, U. S. Army, with the rank of Captain, and is currently active in the Reserve with a Mobilization designation to the legal office of the Office of the Deputy Chief of Staff for Logistics, U. S. Army. He attended Harvard Law School, receiving his LL.B. in 1949.

Mr. Garrett was born August 11, 1920, and attended public schools in Glencoe and Evanston, Illinois, graduating from the Evanston Township High School. He is married to the former Virginia Hale of Rockdale, Texas, and they have four children.

In his new capacity, Mr. Garrett will be responsible also for some of the functions formerly performed by the Executive Assistant to the Chairman, which position has been abolished.

Chairman Gadsby also announced the appointment of Joseph C. Woodle to the position of Director of the Division of Corporate Regulation, succeeding Mr. Garrett. Mr. Woodle has served as Associate Director of that Division since November 2, 1956.

Mr. Woodle was born in Logan, West Virginia, on November 20, 1915. He received his A.B. degree from Princeton University in 1937, and his LL.B. degree from the University of Virginia Law School in 1942, where he was Notes Editor of the Law Review. He was admitted to the New York Bar in 1946, and admitted to practice before the United States Supreme Court in 1952.

From 1946 to 1955, Mr. Woodle was associate attorney with several law firms in New York City. In 1955, he became a partner in the law firm of Niels & Woodle in the general practice of law in White Plains, New York. From 1955 to November, 1956, he was a lecturer in law at the Berkeley School.

From 1942 to 1945, Mr. Woodle was a Lieutenant in the United States Navy, serving as Air Combat Intelligence Officer. In March, 1954, he was elected a member of the Board of Trustees of the Village of Irvington, New York, and was reelected in March, 1956. He is a member of the Association of the Bar of the City of New York, and of the American Bar Association. He is married to the former Jessica Slocum of Beacon, New York, and they have two children.

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VANADIUM CORP. FILES FOR STOCK OPTION PLAN

Vanadium Corporation of American, New York City, filed a registration statement (File 2-13615) with the SEC on September 23, 1957, seeking registration of 35,000 shares of its Capital Stock, to be offered to employees under the company's Stock Option Plan.

DUROX OF MINNESOTA FILES FOR COMMON STOCK OFFERING

Durox of Minnesota, Inc., Denver, filed a registration statement (File 2-13616) with the SEC on September 23, 1957, seeking registration of 750,000 shares of its \$1 par Common Stock. The company proposes to offer these shares for public sale at \$2 per share. The offering is to be made on a "best efforts" basis by American Underwriters, of Englewood, Colo., for which it will receive a selling commission of \$.40 per share.

Durox was organized under Colorado laws on July 2, 1957. It has no operating history; its business will be the manufacture and sale of a light-weight cellular concrete building material under the trade name "DUROX" in the State of Minnesota and part of the State of Wisconsin. The business will be carried on pursuant to a license agreement granted by Swedish-American Industries, Inc., a Colorado corporation. This license agreement was first entered into between the latter and Dean Roland, promoter and president of Durox, and at a cost to him of \$1,000. Roland assigned this license agreement to Durox for 37,500 shares of the latter's stock, of which 1,000 shares were transferred by Roland to each of the other four directors of the company. Durox, as one of the obligations of the agreement, has also issued 15,000 shares to Swedish-American Industries; and it has made 11 sales of 20,000 shares which netted the company \$20,000.

Of the proceeds of the sale of stock, \$14,000 is to be used for payment of the \$14,000 cash balance due under the license agreement and \$60,000 for purchase of a plant site, Minneapolis-St. Paul area. Construction of a plant and purchase of related equipment and raw materials are estimated at \$689,416.39. An additional \$75,000 is slated for advertising and promotion, \$100,000 for distribution yards in eight other localities in the area, and the balance of \$251,583.61 will be used for general corporate expenses and working capital purposes.

SIEGLER FILES FOR COMMON STOCK OFFERING

The Siegler Corporation, Anaheim, California, filed a registration statement (File 2-13617) with the SEC on September 23, 1957, seeking registration of 300,000 shares of its \$1 par Common Stock. The company proposes to offer the stock for public sale through an underwriting group headed by William R. Staats & Co. The public offering price and underwriting terms are to be supplied by amendment.

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

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Concurrently with the common stock offering, the company proposes to borrow \$5,250,000 from banks and an insurance company on long term notes. The net proceeds of the stock sale and of the borrowings will be used to retire \$4,729,350 of present long term debt of the company and its subsidiaries, to retire \$1,900,000 of short term bank debt of Unitronics Corporation (which was merged with Siegler on September 13, 1957) and The Hufford Corporation, and to reduce by \$2,300,000 the accounts payable of Unitronics. The balance of the proceeds will be added to the company's working capital and used for general corporate purposes. Hufford, according to the prospectus, was acquired by Siegler on September 12, 1957. It is now a wholly-owned subsidiary, and is engaged in the development of heavy machinery for the stretch-wrap forming of metals, used in the aircraft and missile industry. Unitronics was engaged primarily in the manufacture and sale of radio and television receivers, combination radio-phonograph-television receivers and high fidelity radio-phonograph combinations. It also makes and sells public address systems and other sound systems.

CONTINENTAL SCREW CO. FILES FOR COMMON STOCK OFFERING

Continental Screw Company, New Bedford, Mass., today filed a registration statement (File 2-13618) with the SEC seeking registration of 300,000 shares of \$1 par Common Stock, to be offered for public sale through an underwriting group headed by Lee Higginson Corporation. The public offering price and underwriting terms are to be supplied by amendment.

Continental was organized under Massachusetts law on August 8, 1957, to acquire and carry on, under the same management and with the same personnel, the business conducted by a Massachusetts corporation of the same name which has been engaged in the manufacture of screws and other fasteners since its organization in 1904. After purchase of the common stock by the underwriters and the purchase by the new company of the operating assets of the old company and its subsidiary, Hy-Pro Tool Company, the old company and Hy-Pro will each adopt a dissimilar name and change its purposes. Hy-Pro is said to produce taps and other metal-cutting tools.

Net proceeds of the sale of the common stock of the new company, plus the net proceeds of an issue of \$1,500,000 of 6% Bonds with common stock purchase warrants, will be applied to the purchase of the operating assets and business of the old company and Hy-Pro. The purchase price thereof is to be supplied by amendment. The balance of the proceeds will be used for general corporate purposes.

PUBLIC SERVICE OF NEW HAMPSHIRE FILES FOR BOND OFFERING

Public Service Company of New Hampshire, Manchester, today filed a registration statement (File 2-13619) with the SEC seeking registration of \$8,000,000 of First Mortgage Bonds, Series J, due 1987, to be offered for public sale at competitive bidding. Contemporaneously with the issuance of the bonds, the company also proposes to issue and sell to underwriters 262,890 shares of its \$5 par common stock, to be the subject of a later registration statement. Net proceeds from the sale of the bonds and common stock will be applied first to the payment of short-term bank borrowings incurred for interim financing of construction and the balance will be used for the construction of additional facilities and for other corporate purposes. The bank borrowings are estimated at \$7,500,000. Construction expenditures are estimated at \$9,300,000 for 1957, \$10,600,000 for 1958, \$16,200,000 in 1959, and \$17,200,000 in 1960.

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CONSUMERS POWER FILES DEBENTURE FINANCING PROPOSAL

Consumers Power Company, Jackson, Mich., today filed a registration statement (File 2-13620) seeking registration of \$35,156,700 of Convertible Debentures due 1972, to be offered for subscription by common stockholders of record October 16, 1957. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Morgan Stanley & Co. is listed as the principal underwriter. Stockholders will be entitled to subscribe for the debentures at the rate of \$100 of debentures for each 25 shares held on the record date.

Net proceeds of the sale of the debentures, together with the net proceeds of the sale of \$35,000,000 bonds under a registration statement which became effective September 18th, will be used for property additions and improvements and for the discharge or lawful refunding of obligations, including short-term bank loans, or to reimburse the company's treasury for expenditures made for such purposes. The company has made or proposes to make capital expenditures for property additions in 1957 and 1958 in an estimated amount of \$219,500,000.

COLUMBIA GAS ADVANCES \$3 MILLION TO TWO SUBSIDIARIES

The SEC has issued an order authorizing The Columbia Gas System, Inc., New York holding company, to make additional open account advances in the respective amounts of \$2,600,000 and \$400,000 to The Ohio Fuel Gas Company and Home Gas Company (of Columbus, O., and Pittsburgh, Pa.) for purchases of inventory gas. Total advances will thereby be increased to \$20,600,000 to Ohio Fuel and \$2,000,000 to Home Gas, and are based on revised estimates of the gas storage requirements of the subsidiaries. (See Holding Company Act Release No. 13552.)

COLUMBIA GAS TO PURCHASE ADDITIONAL PRESTON OIL STOCK

The Columbia Gas System, Inc., has joined with another subsidiary, The Preston Oil Company, of Columbus, O., in the filing of an application with the SEC for an order authorizing an additional common stock investment by Columbia Gas in Preston Oil; and the Commission has issued an order giving interested persons until October 4, 1957, to request a hearing thereon.

Preston is engaged primarily in the oil business. According to the application, it proposes to issue and sell to Columbia Gas from time to time during the balance of 1957 and 1958, up to an aggregate of 10,000 shares of its \$100 par common stock, the proceeds to be expended in acquiring leases in the Southwest (Texas and Louisiana) and in exploratory drilling. Of the \$1,000,000 proceeds of the stock sale, it is estimated that \$300,000 will be expended for acquisition of leases and \$700,000 for exploratory drilling. (See Holding Company Act Release No. 13550).

PENNSYLVANIA POWER FILES FINANCING PROPOSAL

The SEC has issued an order giving interested persons until October 7, 1957, to request a hearing upon the bond financing proposal of Pennsylvania Power Company (New Castle). As previously reported (News Digest of September 19th), Pennsylvania Power proposes to issue and sell \$8,000,000 of first mortgage bonds, due October 1, 1987, at competitive bidding. Of the net proceeds, \$4,500,000 will be applied to payment of bank loans and the balance, together with cash on hand and to be derived from operations, toward its cash requirements during 1957 and 1958 for property additions and improvements, estimated at \$24,367,000.

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Pennsylvania Power also proposes to issue \$773,000 of its first mortgage bonds, 3½% Series due 1982, to satisfy the sinking fund provisions of the mortgage for the years 1957, 1958 and 1959. In addition, it proposes to issue and deliver 50,000 shares of its \$30 par common stock to Ohio Edison Company, its parent. In connection therewith, Pennsylvania Power will transfer from its earned surplus account to common stock capital account an amount equal to the aggregate par value of such shares, \$1,500,000. (See Holding Company Act Release No. 13551.)

STEIN ROE & FARNHAM TO ACQUIRE MILIUS SHOE COMPANY

The Stein Roe & Farnham Fund, Incorporated, Chicago, Ill., investment company, has applied to the SEC for an exemption order permitting the issuance of Fund shares for substantially all of the assets of Milius Shoe Company; and the Commission has issued an order giving interested persons until October 10, 1957, to request a hearing thereon.

Milius Shoe is a private investment company having 26 shareholders. It was organized in 1923 as a shoe manufacturing company, but withdrew in 1948 from the shoe manufacturing business. Its assets now consist substantially of a diversified portfolio of investment securities. Under an agreement between the Fund and Milius and the stockholders of the latter, all of the assets of Milius are to be sold to the Fund, less (a) any Milius claims for refund of Federal income taxes, and (b) a cash reserve for certain expenses, in exchange for such number of shares of the Fund as shall, on the closing date, bear the same ratio to the total number of shares of the Fund outstanding as the value of the assets of Milius so acquired by the Fund, adjusted as set forth below, bears to the net asset value of the Fund. Milius will distribute the shares of the Fund received in exchange for its assets to its shareholders in liquidation.

The agreement also provides that Milius will, prior to the closing date, sell all assets other than investment securities, and will also sell certain investment securities set forth in the agreement and any other investment securities designated by the Fund as not suitable investments for the Fund. (See Investment Company Act Release No. 2603.)

SEC TEMPORARILY SUSPENDS REGULATION A EXEMPTION OF TRULY NOLEN PRODUCTS, INC.

The Securities and Exchange Commission has issued an order under the Securities Act of 1933 temporarily suspending a Regulation A exemption from registration with respect to a public offering of stock by Truly Nolen Products, Inc., of Miami, Florida.

In its order, the Commission asserts that it has reasonable ground to believe (1) that a Regulation A exemption is not available for the offering of Truly Nolen stock; (2) that the terms and conditions of Regulation A have not been complied with; and (3) that the company's offering circular is misleading. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Truly Nolen filed its Regulation A notification with the Commission on July 19, 1957. It proposed the public offering of 100,000 shares of common stock at \$2 per share. According to the Commission's suspension order, the aggregate offering price, computed as required by the regulation, exceeds the \$300,000 maximum permitted in respect of exempt offerings under the regulation; and Alfred D. Laurence & Co.,

of Miami, the person named as underwriter, is defendant in a court action instituted by the Commission based upon an alleged violation of the Commission's net capital rules.

The Commission's order further asserts that the company's offering circular failed to contain certain required information. Furthermore, the offering circular is said to be misleading, in that (1) it fails to state the extent of review by the accountant, whether the accountant made an independent audit, and whether the accountant gave the issuer any certificate as to the financial statements contained in the offering circular; (2) the balance sheet included therein fails to state the analysis of the capital surplus reflected therein; (3) the offering circular states that the contract described therein (a licensing agreement relating to the manufacture and sale of certain insecticides) is not assignable, whereas it later states that it has been assigned; and (4) the offering circular describes a contract as providing for the payment of \$100 a month as rent under a 14-year lease, whereas apparently the same payment is described in an exhibit as being compensation for the use of a name for 15 years.

UTAH URANIUM BROKERS REGISTRATION REVOKED

The SEC today announced the issuance of a decision revoking the broker-dealer registration of Utah Uranium Brokers, Inc., of Salt Lake City, for failure to make and keep current certain books and records as required by the Securities Exchange Act of 1934 and rules of the Commission thereunder. Expulsion from the National Association of Securities Dealers, Inc., also was ordered.

The Commission ruled that the violations of these requirements on the part of the company were wilful, and that they were "substantial and pervasive." The serious deficiencies in registrant's records made it impossible, for example, to determine registrant's financial condition or to determine whether it was in compliance with the Commission's net capital rule designed to provide safeguards to investors with respect to the financial responsibility of brokers and dealers. In addition the failure to keep records of the dates of payments for securities in cash transactions made it impossible to determine by analysis of the accounts whether registrant was in compliance with Regulation T governing the extension of credit in securities transactions.

Utah Uranium Brokers, Inc., became registered with the Commission in February, 1956, as successor to a sole proprietorship conducted by Verne H. Eliason, its president and controlling stockholder. The company's books and records were twice examined by Commission representatives, the last in September, 1956. It was found that they failed in several respects to comply with the requirements of the Commission's rules. At the time of the September inspection, the condition of the books was such that it was impossible, according to the decision to take a trial balance to ascertain registrant's financial condition. A statement of financial condition was filed by Eliason which, however, did not balance; and the figures included therein did not agree with the ledger entries, and Eliason was unable to reconcile the differences.

Under the circumstances, the Commission concluded that it was necessary in the public interest and for the protection of investors that the company's registration as a broker-dealer should be revoked and that it should be expelled from NASD membership.

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CANADIAN RESTRICTED LIST

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

Alouette Mines Limited
Atlas Gypsum Corporation Limited
Bellechasse Mining Corporation Limited
Cabanga Developments Limited
Comet Petroleum Limited
Consolidated Easter Island Mines Limited
Diadem Mines Limited
Jilbie Mining Company Limited
Lynwatin Nickel Copper Limited
New Spring Coulee Oil and Minerals Limited
Normalloy Explorations Limited
Quinalta Petroleum Limited
Stackpool Mining Company Limited
Trenton Mines Limited
Trojan Consolidated Mines Limited
Vico Explorations Limited

At the same time, on the basis of information furnished to the Commission, the following name was deleted from the List:

Nu-Age Uranium Mines Limited

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 revised list, Securities Act Release No. 3632, issued April 24, 1956, contained the names of 135 such companies. Since that time, in seven supplements (including this one), 82 names have been added and 11 have been dropped from the list, leaving a total of 206 as of this date. (See Securities Act Release No. 3840.)

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