

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 ⁷⁵ August 17, 1958

SEC ORDERS PROCEEDINGS AGAINST R. V. KLEIN CO.

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Rudolph V. Klein, doing business as R. V. Klein Company ("Registrant"), 170 Broadway, New York, N. Y., should be revoked, and whether Registrant should be suspended or expelled from membership in the National Association of Securities Dealers, Inc.

According to the Commission's order, information developed in an investigation conducted by its staff tends to show that during the period June to December 1956 Registrant offered and sold shares of the common stock of Micro-Moisture Controls, Inc., which were not registered under the Securities Act of 1933. This information, if true, further tends to show that Registrant wilfully violated the registration requirements of that Act, the order asserts. A hearing for the purpose of taking evidence with respect thereto will be held in the Commission's New York Regional Office, at a date to be designated by further order of the Commission.

The Commission's order also states that Registrant was permanently enjoined by an April 23, 1958, judgment of the U. S. District Court for the Southern District of New York, from engaging in or continuing certain conduct and practices in connection with the sale of securities. This judgment, from which Registrant has appealed, was issued on complaint of the Commission charging the offer and sale of Micro-Moisture stock in violation of the registration requirement.

SEC LIFTS STOP ORDER ON COLORADO VENTURE

The Securities and Exchange Commission today announced that it had vacated a "stop order" issued June 4, 1958, which suspended the effectiveness of a registration statement filed by Fall River Exploration and Mining Company, of Colorado Springs (then called Fall River Power Company).

The registration statement proposed the public offering of 500,000 shares of Fall River common stock at \$2 per share. The Commission's stop order was based upon false and misleading representations in the registration statement concerning the company's properties, the value ascribed thereto, the business to be conducted, the use of property valuation appraisal figures in the financial statements, and the intended use of the proceeds of the financing. The company had consented to entry of the stop order.

In lifting the stop order, the Commission ruled that the registration statement had been amended to meet the objections cited in its June 4th decision. The amendments include various revisions of Fall River's prospectus, including the following: (1) a change in the corporate name to more closely conform to the business to be conducted; (2) inclusion of an introductory statement pointing out that the company "is an exploratory mining venture and no assurance can be given the prospective investor that commercial ore bodies will be discovered," comparing the cash cost per share to the promoters and the price at which shares are to be offered for public sale, and reflecting that the company owes \$500,000 to a former owner of all the company's stock, that 90% of the first proceeds of the offering will be used to repay this obligation, and that if less than 50% of the stock is sold, the major portion of the proceeds will be paid to the former owner who would still claim secured by a mortgage against certain properties for the unpaid balance; (3) deletion of representations that the business to be conducted is that of a public utility and operation of

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mining properties; (4) inclusion of a statement to the effect that the management has no present intention to make any use of the company's water rights and hydro-electric facilities since there is no evidence of any demand for power; (5) inclusion of a statement that a sample of uranium oxide taken from the properties "is known to be nowise representative of any substantial amount of vein material exposed in the mine workings"; and (6) deletion of the appraisal valuation figures.

OFFERING OF PARTNERSHIP INTERESTS IN DILLARD ASSOCIATES PROPOSED

Arvin Ryan Dillard, Jr., Wichita Falls, Texas, filed a registration statement (File 2-14295) with the SEC on August 14, 1958, seeking registration of 300 Limited Partnership Interests, to be offered at \$10,000 per unit, in Dillard Associates Ltd. The latter is a limited partnership to be formed by Dillard, who will be the only general partner. The purpose of the Partnership will be "to engage in the exploration for and development and operation of oil and gas properties in any state or territory of the United States." The prospectus states that each subscriber may be assessed up to a maximum of one-half of his subscription for the development fund of the Partnership, in addition to the initial price of the partnership interest.

STEVENS MARKETS PROPOSES PREFERRED STOCK OFFERING

Stevens Markets, Inc., Miami, Fla., filed a registration statement (File 2-14296) with the SEC on August 14, 1958, seeking registration of 46,642 shares of its Cumulative Convertible Preferred Stock, \$25 par, to be offered for public sale through an underwriting group headed by R. S. Dickson & Company of Charlotte, N. Car. The dividend rate, public offering price and underwriting terms are to be supplied by amendment.

The company operates three large supermarkets. Net proceeds of the sale of the preferred stock will initially become a part of its general funds and as such may be applied to any corporate purposes. It is presently intended that such corporate purposes will include the use of some \$400,000 for opening and equipping a fourth super market in 1959, the balance of the funds to be used for additional working capital.

GULF STATES UTILITIES PROPOSES BOND OFFERING

Gulf States Utilities Company, Beaumont, Texas, filed a registration statement (File 2-14297) with the SEC on August 14, 1958, seeking registration of \$17,000,000 of First Mortgage Bonds, Series A due 1988, to be offered for public sale at competitive bidding. Net proceeds of the sale of the new bonds, together with cash on hand, will be used by the company to redeem and retire \$17,000,000 principal amount of First Mortgage Bonds, 4-7/8% Series due 1987, callable at 106.20%, plus accrued interest. The company is said to be engaged in a construction program which will involve expenditures estimated at \$110,000,000 for the years 1958-59.

TREASURE HUNTERS PROPOSES STOCK OFFERING

Treasure Hunters, Inc., Washington, D. C., filed a registration statement (File 2-14298) with the SEC on August 14, 1958, seeking registration of 1,946,499 shares of its 1¢ par Common Stock, to be offered for public sale at \$1 per share. No underwriting is involved, the sales to be made by the company at a cost estimated at 3¢ per share.

According to the prospectus the company was organized under the laws of Nevada "primarily to engage in the search for, and exploitation of, buried and sunken treasures, lost mines, sunken cargo ships, and commercial mineral deposits." The company intends to use the proceeds of this stock offering "to finance its program of research, exploration, and, it is hoped, recovery of buried and sunken treasure and exploitation of lost mines and other mineral deposits. The bulk of any funds received will be used to defray direct operating expenses." The prospectus further indicates that the possibility that "the funds from the sale of this issue may be supplemented by funds from the sale of movie, television, and magazine coverage rights."

The prospectus lists Commodore Robert E. Robinson, Jr., U. S. N. (Ret.) as Board Chairman and Daniel Stack as President.

WESTERN DEVELOPMENT PROPOSES DEBENTURE OFFERING

Western Development Company, Santa Fe, N. Mex., today filed a registration statement (File 2-4299) with the SEC seeking registration of \$3,500,000 of Convertible Debentures due 1970, to be offered for public sale through an underwriting group headed by W. C. Langley & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Organized in May, 1954, the company is engaged in the acquisition and development of oil and gas properties and it intends to continue in that business. Its principal properties are located in New Mexico and West Texas. Of the net proceeds of this financing, \$1,950,000 will be used to refund all existing term and current debt of the company, such debt having been incurred for the purpose of financing the acquisition and development of the company's properties. The balance of the proceeds will be added to the general funds of the company and will be available for the development of its present properties and the acquisition and development of additional oil and gas properties.

U. S. LAND DEVELOPMENT PROPOSES STOCK OFFERING

U. S. Land Development Corporation, Fort Lauderdale, Fla., today filed a registration statement (File 2-14300) with the SEC seeking registration of 1,200,000 shares of its \$1 par Common Stock, to be offered for public sale by an underwriting group headed by Palm Beach Investment Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company was organized under Florida law in 1958 for the purpose of acquiring and developing real property. It now owns Pineda Island near Mobile, Ala. The officers and directors of the company, Robert S. Gordon, president, Charles E. Hoy and Andrew T. Manno, purchased Pineda Island for \$1½ million and they are obligated to pay that amount by virtue of their joint promissory note given to the vendors. They have conveyed the Island to the company in exchange for 1½ million shares of its stock; and the company intends to develop the Island for commercial and waterfront homesites. Development operations have been commenced. Net cash proceeds of the stock sale will be added to the company's general funds and used to develop the Island.

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