

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

brief summary of financial proposals filed with and actions by the S.E.C.



Washington 25, D.C.

FOR RELEASE October 21, 1958

FRANCIS CALLERY FILES FOR OFFERING

Francis A Callery, Agent, a New York partnership organized in 1958, filed a registration statement (File 2-14445) with the SEC on October 20, 1958, seeking registration of \$7,500,000 of interests under an Exploration Venture Agency Agreement, to be offered by Callery. Under the terms of the agreement, Callery will conduct an Exploration Venture - an arrangement for the exploration for oil and gas on a continuing basis, commencing in the first quarter of 1959. The funds will be used for screening prospects, ideas and proposals in the exploration for oil and gas; acquisition of oil and gas leases and other rights to explore or drill for oil and gas; examining, perfecting and defending title; geological, geophysical, engineering and other services; drilling, testing, completing and equipping or plugging and abandoning test wells; allocated overhead and supervisory, administrative and general services; delay rentals; and bottom-hole and dry-hold contributions. The activities of the Exploration Venture will be confined to South Louisiana and the Texas Gulf Coast and only under exceptional circumstances will exploration be undertaken elsewhere. F. A. Callery, Inc., will manage, supervise and operate any test well which has been completed as a producer.

SURETY OIL OFFERING SUSPENDED

The Securities and Exchange Commission has temporarily suspended a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public stock offering by Surety Oil Company, of Provo, Utah. 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 with respect to public offerings of securities not exceeding \$300,000 in amount. In a Regulation A notification filed May 28, 1958, Surety proposed the public offering of 1,200,000 common shares at 25¢ per share pursuant to such an exemption. In its suspension order, the Commission asserts (A) that the terms and conditions of Regulation A have not been complied with by Surety Oil, in that the offering exceeds the \$300,000 limitation and the notification fails to contain required information with respect to securities sold within one year of its filing; and (B) that the company's offering circular fails to set forth required information concerning the company's properties, including certain geological data.

The Commission's order also charges that Surety Oil's offering circular is false and misleading in respect of certain material facts, namely, (1) the failure to disclose securities issued or sold within one year and the consideration received from such sale; (2) statements in the geological reports concerning possibilities of profitable oil production; (3) failure to include estimates of oil reserves despite representations that there is commercial oil production on Surety Oil's properties; (4) the failure to disclose a contingent liability arising from the sale of securities in violation of the registration requirements of the Securities Act; (5) the failure

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to disclose the development on or near Surety Oil's properties, particularly the distance of each non-producing property from oil and gas production and from dry holes; and (6) the failure to disclose net production of oil and gas to Surety Oil's interest from each of its properties for the last four years, and monthly for the past year. Use of such offering circular in the sale of Surety Oil stock, the Commission stated, would violate Section 17 (the anti-fraud provision) of the Securities Act.

(NOTE: Foregoing also released by SEC Salt Lake Office)

SEC OPENS ST. LOUIS BRANCH OFFICE

Chairman Edward N. Gadsby of the Securities and Exchange Commission announced that the Commission has opened a St. Louis Branch of its Chicago Regional Office. The St. Louis Branch Office was opened by Commissioner James C. Sargent at 10:00 A.M. today. The new office is located in Room 1025, Arcade Building, 812 Olive Street, and will operate under the supervision of Thomas B. Hart, Chicago Regional Administrator.

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