

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the SEC

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Washington 25, D.C.

FOR RELEASE February 3, 1959

ROSS BARENGO REGISTRATION REVOKED

In a decision announced today (Release 34-5866), the SEC revoked the broker-dealer registration of Ross Natale Barengo, 220 South Virginia St., Reno, Nevada, for violation of the disclosure and related requirements of the Securities Exchange Act of 1934.

Barengo's registration with the Commission became effective September 8, 1956. Prior thereto he had been approached by one Semour Voris with a view to having him act as an underwriter for a stock offering by Oregon Timber Products Co., Inc. After being introduced by Voris to the latter's president, Barengo agreed to act as underwriter for the proposed offering; and to that end he filed the registration application. In it he stated that his business would be conducted under the name Ross Natale Barengo and that no other person directly or indirectly controlled his business.

However, according to the Commission's decision, the only business as a broker or dealer in which Barengo engaged was in connection with the underwriting of Timber Products stock, and Barengo used the name of Oregon Timber Underwriters ("Oregon Underwriters") for the purposes of that underwriting. Voris, who had arranged for the underwriting, played a dominant part in such activities. A brochure with respect to the Timber Products stock was prepared and mailed, either by Voris or by Voris in cooperation with Timber Products, to a large number of prospective investors. Barengo was not consulted regarding the contents of this brochure, although it stated that the brochure was "published for" Oregon Underwriters, and Barengo arranged for him to receive mail responses to the brochure. In addition a bank account was established under the name of Oregon Underwriters, and Voris in addition to Barengo was given unrestricted authority to draw checks against such account, and Voris in fact issued all the checks drawn against such account.

Under the circumstances, the Commission ruled, Barengo's application contained false and misleading statements of material facts because of the failure to disclose that he was subject to a controlling influence exercised by Voris and that he would engage in business under the name of Oregon Underwriters. In view thereof and Barengo's failure to correct his filing, the Commission concluded that its rules had been violated.

Furthermore, according to the decision, Barengo failed to file reports of his financial condition for the years 1956 and 1957, notwithstanding the fact that in 1957 he was notified by the Commission's staff of the necessity of filing his 1956 report, thereby violating another rule of the Commission.

(Sale of Timber Products stock by that company and its president in violation of the Securities Act registration requirement has been enjoined by court order. The SEC on November 16, 1956, suspended a Regulation A exemption from registration with respect to an offering of Timber Products stock.)

REICHHOLD CHEMICALS ADRS FILED

Guaranty Trust Company of New York filed a registration statement (File 2-14720) with the SEC on January 30, 1959, seeking registration of 80,000 American Depositary Receipts for Ordinary registered Shares of Reichhold Chemicals Limited, of England.

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

GLAXO LABORATORIES ADRS FILED

Guaranty Trust Company of New York filed a registration statement (File 2-14721) with the SEC on January 30, 1959, seeking registration of 60,000 American Depositary Receipts for Ordinary Stock of Glaxo Laboratories Limited, of England.

PACIFIC GAS FILES SAVINGS FUND PLAN

Pacific Gas and Electric Company, 245 Market Street, San Francisco, filed a registration statement (File 2-14722) with the SEC on February 2, 1959, seeking registration of \$62,000,000 of Interests in its Savings Fund Plan for Pacific Gas employees, together with 1,000,000 shares of Pacific Gas common which may be acquired pursuant to the plan.

WOLVERINE POWER VOTING TRUST FILES

Charles W. Greenough (of Boston) and three other individuals, trustees under a voting trust agreement for stock of Wolverine Power Corporation, Bay City, Mich., has filed a registration statement (File 2-14723) with the SEC seeking registration of voting trust certificates for 40,000 shares of Wolverine Power common stock.

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Commonwealth Income Fund, Inc., San Francisco, Calif. investment company, filed an amendment on February 2, 1959 to its registration statement (File 2-13527) seeking registration of an additional 700,000 shares of Common Capital Stock, \$1 par value.

GPU PROPOSES BANK BORROWINGS

General Public Utilities Corporation, New York holding company, has applied to the SEC for authorization to effect some \$15,000,000 of borrowings and reborrowings from commercial banks from time to time during the period ending March 31, 1960; and the Commission has issued an order (Release 35-13913) giving interested persons until February 16, 1959, to request a hearing thereon. The funds are to be used for additional investments in subsidiary companies or to reimburse GPU's treasury for such investments made subsequent to December 31, 1958.

GPU PROPOSES PURCHASE OF PENN. ELECTRIC STOCK

General Public Utilities Corporation has joined with its subsidiary, Pennsylvania Electric Company, of Johnstown, in the filing of an application with the SEC proposing the sale by the subsidiary to GPU of an additional 200,000 shares of common stock for \$6,000,000; and the Commission has issued an order (Release 35-13914) giving interested persons until February 16, 1959, to request a hearing thereon. The subsidiary will use the proceeds for property additions subsequent to December 31, 1957, or to reimburse its treasury for expenditures made for like purposes, or to repay bank loans the proceeds of which have been or will be applied to such purposes.

ELKIN MANAGEMENT TO PURCHASE INSURANCE AGENCY

Elkin Management Corporation, Los Angeles investment company, has filed an application with the SEC seeking an exemption order under the Investment Company Act permitting its purchase for \$1,200 of an insurance agency known as M. V. Robinson Agency, San Gabriel, California; and the Commission has issued an order (Release 40-2824) giving interested persons until February 16, 1959, to request a hearing thereon. The insurance agency is owned by M. V. Robinson, a director and shareholder of Elkin Management. In addition to payment of the \$1,200, Elkin Management proposes to pay Robinson a flat salary in return for which he will continue to manage the insurance business, which will then be operated as an unincorporated division of Elkin Management.

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FRANKLIN ATLAS HEARING POSTPONED

The SEC has authorized a postponement from February 23, to 25, 1959, of the hearing in the Commission's New York Regional Office on the question whether an order of the Commission temporarily suspending the Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed stock offering by Franklin Atlas Corporation, of New York, N.Y., should be vacated or made permanent.

ATLAS INVESTMENT FILES FOR OFFERING

Atlas Investment Company of 704 South Virginia St., Reno, Nevada, today filed a registration statement (File 2-14724) with the SEC seeking registration of 50,000 shares of Atlas Common Voting Stock, \$10 par. It is proposed to offer this stock for public sale at \$25 per share. The offering is to be made on a best efforts basis by or on behalf of the issuing company, for which a selling commission of \$3 per share is to be paid. The offering price is said to be 2½ times the price paid by those who originally purchased it at par and at a 25% increase over the price paid by purchasers of this stock last year. The offering price is said not to be warranted by an increase in the book value of the company but is based on the management's judgment of the intangible assets of Atlas and its subsidiary, Great Basin Insurance Co.

Atlas is primarily engaged in the insurance business through Great Basin Insurance and through its own brokerage of insurance. Most of the proceeds of its stock sale will be used to purchase additional contribution certificates of Great Basin Insurance.

Atlas was organized in April 1954. Rex W. Laub of Tremonton, Utah, is listed as a promoter and president and Perry Holley of Ogden, Utah, as a promoter and vice president. Assuming the public sale of the 50,000 common shares, the officers and directors of Atlas will own 8,740 of the total of 108,500 issued and outstanding common shares and 897,500 of the total of 1,000,000 issued and outstanding Class B stock, giving them 81.75% of the total voting power. The cost of the stock owned by the present officers and directors in money, services and property was \$197,350 in cash, \$10,000 in services, a car valued at \$3,000, and property appraised at \$25,000 which was exchanged for \$15,000 of Class B stock and \$10,000 of the common stock. Stockholders other than officers and directors will have paid the company \$1,999,650 for their stock, mostly in cash. They will own 99,760 common and 102,500 Class B shares.

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