

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

(In ordering full text of Releases from Publications Unit, cite number)



Washington 25, D.C.

FOR RELEASE April 6, 1959

Statistical Release No. 1594

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended April 3, 1959, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1959, is as follows:

	<u>1939 = 100</u>		Percent Change	<u>1959</u>	
	<u>4/3/59</u>	<u>3/26/59</u>		<u>High</u>	<u>Low</u>
Composite	414.7	410.3	+1.1	417.2	400.1
Manufacturing	508.8	503.6	+1.0	512.3	490.7
Durable Goods	477.2	469.3	+1.7	481.0	457.8
Non-Durable Goods	528.0	525.5	+0.5	534.8	510.5
Transportation	354.7	348.3	+1.8	357.9	340.7
Utility	223.5*	220.3	+1.5	223.5	208.6
Trade, Finance & Service	399.6	399.3	+0.1	409.5	382.7
Mining	343.5	343.6	0.0	360.4	340.5

* New High

NAE OFFERING SUSPENDED

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of stock by North American Exploration Co., Inc., ("issuer") of 417 Paulsen Bldg., Spokane, Wash.

Regulation A provides a conditional exemption from Securities Act registration for public offerings of securities not exceeding \$300,000 in amount. The issuer filed a notification on February 26, 1959, proposing the public offering of 3,000,000 common shares at 10¢ per share. The Commission's order asserts that the issuer's offering circular is false and misleading in respect of various material facts and that the offering would violate Section 17 (the anti-fraud provision) of the Act. The order also provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

The issuer was formed for the purpose of acquiring mineral leases from Palmer and Associates, a limited partnership, whose members are the promoters of the issuer. William H. Palmer is listed as president. In its suspension order, the Commission challenges the failure of the issuer to make adequate disclosure in its offering circular of the nature and outcome of its operations and those of its predecessors and others on the issuer's properties; the terms of the issuer's mining leases and purchase agreements, particularly the amount of royalties payable thereunder and the total costs to the issuer of these mining properties and the payments due thereon; the background and capabilities of the management officials who are to direct its operations; information about the type, location and capacity of the issuer's mill and the justification for the proposed expenditures on the mill in light of the amount of known ore; and that since 1942 there have been substantial increases in the costs of operating mines and mills similar to those on the issuer's properties

OVER

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

while the price of gold has remained at \$35 an ounce. Moreover, the Commission questions the failure to include adequate financial statements, particularly a statement of cash receipts and disbursements of the predecessors, and the inclusion as an asset in the financial statement of \$149,215, a substantial portion of which represents the par value of shares issued to promoters and predecessors for mineral property rights, such amount being arbitrary and having no relation to the nominal cost actually paid for such leases by the promoters and predecessors.

(Note to Press: Copies of above also released by SEC Seattle Office.)

HEARING ORDERED ON NATIONAL LAND & ARMED FORCES FUND FILING

The Securities and Exchange Commission has granted a request of National Land Company of Arizona, Scottsdale, Ariz., for a hearing on the question whether to vacate, or make permanent, the February 13, 1959, order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed stock offering by National Land.

The hearing is to be held on April 20, 1959, in the U. S. Courthouse, 230 North First Avenue, Phoenix, Arizona; and it will be consolidated with a hearing ordered by the Commission on the question whether to vacate or make permanent another order issued on February 13th temporarily suspending a similar exemption from registration with respect to a proposed offering of stock by Armed Forces Investment Fund, Inc., also of Scottsdale.

At the hearing, inquiry will be conducted into the adequacy and accuracy of the offering circulars of the respective companies, particularly with respect to the failure to disclose that the two companies propose to engage in the same business operations, that Jack R. Foster, Jack R. Foster Realty, Inc., Homer W. Forrester, National Land, and Armed Forces are affiliates and that Foster Realty is to act as real estate agent for both companies, the intended use of the proceeds of the respective offerings, and similar matters.

EIGHT STOCK OFFERINGS SUSPENDED

The Securities and Exchange Commission has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of securities by the following:

Atlantic County Development Corporation
3210 Brigantine Blvd., Brigantine, N. J.
Avalon Investors Corp.
2686 Hempstead Turnpike, Levittown, N. Y.
Economart Inc.
91-08 Sutphin Blvd., Jamaica, N. Y.
Ferris Records, Inc.
1650 Broadway, New York, N. Y.
Micro-Mechanisms
2 East Northfield Road, Livingston, N. J.
Security Electronics Corporation
589 Fifth Ave., New York, N. Y.
Sheldon Enterprises, Inc.
195 Broadway, Paterson, N. J.
Summit Finance, Inc.
447 Springfield Ave., Summit, N. J.

The suspension orders are based upon the failure of the issuing companies to comply with a provision of Regulation A requiring the filing of semi-annual reports disclosing the amount of securities sold and the use of the proceeds thereof. Each order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

WESTINGHOUSE FILES OFFICER AND EMPLOYEE STOCK PLANS

Westinghouse Electric Corporation, 3 Gateway Center, Pittsburgh, filed a registration statement (File 2-14942) with the SEC on April 3, 1959, seeking registration of 400,000 shares of its Common Stock, to be offered under its "Employee Stock Plan" to employees of Westinghouse and

CONTINUED

of its subsidiaries.

In a second registration statement (File 2-14943), Westinghouse seeks registration of 1,000,000 common shares, to be offered under its "Restricted Stock Option Plans" to certain officers and other executive employees of Westinghouse and its subsidiaries.

CONSOLIDATED CIGAR FILES STOCK OPTION PLAN

Consolidated Cigar Corporation, 67 West 44th St., New York, filed a registration statement (File 2-14944) with the SEC on April 3, 1959, seeking registration of 31,200 shares of its Common Stock, to be offered to certain officers and key employees of the company and certain subsidiaries pursuant to options granted in December 1957. The exercise price of the options is \$30.375 per share.

WASHINGTON NATIONAL INSURANCE FILES EMPLOYEE PLAN

Washington National Insurance Company, 1630 Chicago Ave., Evanston, Ill., filed a registration statement (File 2-14945) with the SEC on April 2, 1959, seeking registration of a maximum of \$1,100,000 of participations or memberships in The Savings and Profit Sharing Pension Fund of Washington National Insurance Company Employees, to be offered to not more than 500 eligible employees.

LOUISIANA POWER PREFERRED STOCK OFFERING CLEARED

The SEC has issued an order under the Holding Company Act (Release 35-13969) authorizing Louisiana Power & Light Company, New Orleans, to offer for public sale at competitive bidding 75,000 additional shares of its \$100 par cumulative preferred stock. Net proceeds of the sale thereof will be used for property additions and improvements and for other corporate purposes. The 1959 construction program for Louisiana Power and its subsidiary, Louisiana Gas Service Company, is estimated at \$23,725,000.

ALABAMA POWER PROPOSES BOND OFFERING

Alabama Power Company, Birmingham, has applied to the SEC for an order under the Holding Company Act permitting its issuance and sale, at competitive bidding, of \$20,000,000 of First Mortgage Bonds, Series due 1989; and the Commission has issued an order (Release 35-13971) giving interested persons until April 20, 1959, to request a hearing thereon. Net proceeds of the sale of the bonds are to be applied to property additions and improvements. Alabama Power also proposes to issue an additional \$2,326,000 of 4-5/8% Series bonds due 1987 for sinking fund purposes.

EAST OHIO GAS TO PURCHASE PAINESVILLE O. GAS WORKS

The East Ohio Gas Company, Cleveland, has applied to the SEC for an order under the Holding Company Act permitting its purchase of the natural gas distribution properties owned by the City of Painesville, Ohio; and the Commission has issued an order (Release 35-13972) giving interested persons until April 21, 1959, to request a hearing thereon. The base purchase price for the properties, lying within the City corporate limits, is \$747,273, to which will be added about \$85,200 for recent property additions and \$20,000 for supplies on hand. According to the application, upon consummation of the acquisition rates to consumers in Painesville for the next five years will be reduced by approximately 9%.

UNION COLLIERY TO PAY PARTIAL LIQUIDATING DIVIDEND

Union Colliery Company, St. Louis, Mo., subsidiary of Union Electric Company, of St. Louis, has filed a proposal with the SEC for a reduction in its stated capital and the payment of a partial liquidating dividend to the parent; and the Commission has issued an order under the Holding Company Act (Release 35-13973) giving interested persons until April 20, 1959, to request a hearing thereon.

Union Colliery ceased its operations in June 1958 following the sale of its coal mine near Duquoin, Ill., and its coal reserves in Perry and Jackson Counties, Ill. It still holds extensive coal reserves in Gallatin County, Ill., but has no plans for resumption of operations in the foreseeable future. All of Union Colliery's 12,500 outstanding shares are owned by Union Electric. It is proposed to reduce the par value thereof from \$100 to \$56 per share, or by \$550,000, and to pay Union Electric a partial liquidating dividend in that amount.

CIVIL AND MILITARY INVESTORS FUND SEEKS REHEARING

Civil and Military Investors Mutual Fund, Inc., Washington investment company, has applied to the SEC for a modification of its decision and order of June 9, 1958, under the Investment Company Act declaring that its corporate name is deceptive and misleading; and the Commission has issued an order (Release 40-2858) scheduling the application for hearing on April 20, 1959.

In its June 1958 decision, the Commission ruled that the Fund's name, and specifically the words "Civil and Military Investors" therein, were deceptive and misleading in violation of Section 35(d) of the Act, as implying that the Fund's securities have special investment and other advantages for civilian and military government personnel that did not in fact exist. In support of its application for a modification of said decision, the Fund states that additional evidence has become available respecting the issues raised by its name and that changes have been made in the terms of its offering. These changes, in general, are that sales of Fund shares will be restricted to employees of the Federal, State or local government and members of the armed forces of the United States, and that no sales load will be made in connection with such sales.

STRATEGIC MINERALS HEARING POSTPONED

At the request of counsel for Strategic Minerals, Inc., the SEC has authorized a postponement from April 7 to May 5, 1959, of the hearing in the "stop order" proceedings under the Securities Act of 1933 to determine whether to suspend the effectiveness of a registration statement filed by Strategic Minerals which proposed the public offering of \$1,000,000 of bonds and 1,200,000 common shares. The Commission's order authorizing the proceedings (33-4059) challenged the accuracy and adequacy of various informational disclosures contained in the company's registration statement and prospectus.

GILLETTE FILES EMPLOYEE STOCK PLAN

The Gillette Company, Gillette Park, Boston, filed a registration statement (File 2-14946) seeking registration of 100,000 shares of common stock, to be offered for sale (along with 136,200 shares covered by two prior filings) pursuant to the terms of the company's Employees' Stock Option Plan.

NATIONAL GYPSUM FILES FOR EXCHANGE OFFER

National Gypsum Company, 325 Delaware Ave., Buffalo, today filed a registration statement (File 2-14947) with the SEC seeking registration of 1,014,300 shares of common stock. The company proposes to offer this stock in exchange for all but not less than 98% of the outstanding common shares of Huron Portland Cement Company in the ratio of 7/10ths of a share of National stock for each 1 share of Huron stock. According to the prospectus, Huron on January 10, 1959, had 54 stockholders, including Emory M. Ford, who owned 352,950 shares, or 24.4%. An additional 183,600 shares are owned by Frederick S. Ford and 163,110 by John B. Ford, Jr., all of Detroit.

BUTLER BROS. FILES EMPLOYEE STOCK PLAN

Butler Brothers, 165 North Canal St., Chicago, today filed a registration statement (File 2-14948) with the SEC seeking registration of 40,000 shares of common stock, to be offered for sale by the company upon the exercise of options which have been or are to be issued pursuant to the company's Employees' Stock Purchase Plan.

SOUTHERN NEVADA POWER FILES FINANCING PROPOSAL

Southern Nevada Power Co., Las Vegas, Nevada, today filed a registration statement (File 2-14949) with the SEC seeking registration of 75,000 shares of Cumulative Preferred Stock, \$20 par, and \$5,500,000 of First Mortgage Bonds, Series D due 1989. The bonds are to be offered for public sale at competitive bidding; and the preferred shares are to be offered for sale through underwriters, the dividend rate, public offering price, underwriting terms, and names of the underwriters to be supplied by amendment.

The company intends to apply the net proceeds of the sale of the new bonds and preferred shares to reduce its short-term bank loans (\$3,240,000 at April 3, 1959, plus an additional \$4,000,000 to be borrowed to cover the redemption of outstanding First Mortgage Bonds, Series C due

1986 in the amount of \$3,882,000 plus redemption premium of \$235,250.) The remaining portion of the bank loans are expected to be repaid subsequently from internal sources.

The company estimates its 1959 construction expenditures at \$2,735,000; and 1960 expenditures are estimated at \$7,530,000.

ARKANSAS WESTERN GAS PROPOSES DEBENTURE OFFERING

Arkansas Western Gas Company, 28 East Center St., Fayetteville, Ark., today filed a registration statement (File 2-14950) with the SEC seeking registration of \$1,000,000 of Sinking Fund Debentures due 1984 (convertible until 4/1/69), to be offered for public sale through an underwriting group headed by Snow, Sweeney & Co., Inc., and A. C. Allyn and Company, Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the financing will be added to the company's general funds and from time to time applied to defer a portion of the cost of the company's anticipated 1959 program of property additions and improvements. During the last five years construction expenditures have averaged some \$1,037,682 per year; and expenditures for 1959 are estimated at \$1,336,325.

---ooo0ooo---