

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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FOR RELEASE March 12, 1959

PERUVIAN OILS SEEKS SHARE REGISTRATION

Peruvian Oils & Minerals, Limited, 85 Richmond Street West, Toronto, filed a registration statement (File 2-14823) with the SEC on March 11, 1959, seeking registration of 400,000 shares of Capital Stock.

According to the prospectus, the company on December 8, 1958, entered into a contract pursuant to which it acquired oil producing properties in the Province of Alberta from Eugene Constantin, Jr., David Parham Reynolds, Mina Ballard Chambers, Mina Jones Peabody and Warner Lavalley Jones, Jr., carrying on business under the name of Constantin and Associates, an Alberta partnership, through the transfer of certain Petroleum and Natural Gas Leases from the Department of Mines and Minerals of the Province of Alberta. In consideration therefor the company paid Constantin and Associates \$150,000 in cash and agreed to issue to Constantin and Associates 400,000 shares of capital stock. Constantin and Associates have advised the company that certain individuals have agreed to purchase from them 125,000 of the shares at \$1.50 (in American currency) per share and that one individual associated with Constantin and Associates is to receive 9,000 of such 400,000 shares. Certain individuals who have agreed to purchase some of the 400,000 shares, who might be deemed to be "underwriters" within the meaning of the Securities Act of 1933, have advised the company that they may from time to time reoffer part or all of such shares on the American or Toronto Stock Exchanges at prices then prevailing thereon. Accordingly, the company seeks to register the stock. The company will not receive any of the proceeds of such sales.

UNIFIED FUNDS SEEKS EXEMPTION RE PURCHASE

Unified Funds, Inc., Indianapolis, Ind., investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to the proposed purchase by Unified Underwriters, Inc., from Unified Funds, of shares of Unified Reserve Life Insurance Company; and the Commission has issued an order (Release 40-2841) giving interested persons until March 25, 1959, to request a hearing thereon.

According to the application, Unified Underwriters, which is the principal underwriter for certificates issued by Unified Funds, is the parent of that company and of the Insurance Company. It proposes to purchase from Unified Funds, at \$25 per share, all of its holdings of 1,900 shares (4.6%) of the common stock of Insurance Company. At June 30, 1958, Unified Underwriters held 19,461 shares (47%) of the Insurance Company stock.

VIOLATIONS CHARGED TO DOMINICK J. LAMBERT

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Dominick J. Lambert, doing business as D. J. Lambert & Co., 721½ Broadway, Saratoga Springs, New York, has engaged in transactions which operated as "a fraud and deceit" upon his customers and, if so, whether it is in the public interest to revoke his broker-dealer registration and/or to suspend or expel him 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 if true to show that Lambert "engaged in transactions, practices, and a course
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of business which operated as a fraud and deceit" upon his customers in that during the period August 15, 1957, to September 29, 1958, Lambert induced various persons to purchase common stocks of various companies, representing that he would sell such securities to said persons at prices bearing a reasonable relationship to the prevailing market prices therefor, when in fact Lambert intended not to, and did not, sell the securities to such persons at such prices but, on the contrary, at prices not bearing a reasonable relationship to the prevailing market prices for such securities. The order also asserts a failure by Lambert to make and keep current certain books and records as required by rules of the Commission.

A hearing for the purpose of taking evidence with respect to the foregoing will be held at a time and place later to be announced.

CANADIAN RESTRICTED LIST
Nineteenth Supplement

The Securities and Exchange Commission has added the following companies to its Canadian Restricted List:

Windy Hill Mining Corporation
Korich Mining Company Limited

The list is comprised of the names of Canadian companies whose securities the Commission has reason to believe, based upon information obtained as the result of investigations by its staff and otherwise, recently have been or currently are being distributed in the United States in violation of the registration requirement of the Securities Act of 1933. Evasion of such requirement, which is applicable to securities of foreign as well as domestic companies offered for public sale in the United States, deprives U. S. investors of the financial and other information about the issuing company which registration would provide and which is essential to an evaluation of its securities.

With the addition of the two named companies, the list now includes 212 such companies.

GRAHAM-PAIGE FILES FOR PREFERRED STOCK OFFERING

Graham-Paige Corporation, 40 Wall Street, New York, filed a registration statement (File 2-14824) with the SEC seeking registration of 350,000 shares of 6% Cumulative Preferred Stock, \$10 par, to be offered for public sale through an underwriting group headed by Bache & Co. The public offering price and underwriting terms are to be supplied by amendment.

An investment company, Graham-Paige proposes that, of the net proceeds of the preferred stock sale, \$2,400,000 will be used to repay bank loans in that amount incurred in connection with its purchase of capital stock of Madison Square Garden Corporation. The remainder of the proceeds will be used to replenish a portion of its working capital expended in such purchase.

According to the prospectus, on February 19, 1959, Graham-Paige completed the purchase from the Norris-Wirtz interests of 219,350 shares of Madison Square Garden stock at a total price of \$3,948,300. On the same date, Royal American Corporation, a subsidiary, purchased an additional 123,800 shares of Madison Square Garden stock for \$2,228,400 and agreed to purchase 6,450 further shares in July 1959 for \$116,100. Such purchases were all at a price of \$18 per share and result in a total holding by Graham-Paige and Royal American of 349,600 shares, or 62% of the 563,500 outstanding shares.

ARMCO STEEL PROPOSES DEBENTURE OFFERING

Armco Steel Corporation, 703 Curtis St., Middletown, O., filed a registration statement (File 2-14825) with the SEC on March 11, 1959, seeking registration of \$75,000,000 of Twenty-five Year Sinking Fund Debentures due 1984, to be offered for public sale through an underwriting group headed by Smith, Barney & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Net proceeds of the debenture sale will be added to the general funds of the company and, together with additional funds derived from the company's cash resources or, if required, from the sale of additional securities or borrowings, will be used for property

additions and improvements in the period 1959 to 1966. The more important projects contemplated during that period are expansion of steel making capacity at the Ashland Works, additional cold rolling and processing facilities at the Butler Works, an additional coating unit at the Middletown Works, additional steel making capacity and a new plant for the manufacture of bar joists at the Kansas City Works, and development of the coal property in Oklahoma.

ONE WILLIAM STREET FUND FILES FOR ADDITIONAL SHARES

The One William Street Fund, Inc., New York investment company, filed an amendment on March 11, 1959, to its registration statement (File 2-14025), seeking registration of an additional 5,000,000 shares of its capital stock.

CARLON PRODUCTS FILES FOR STOCK OFFERING

Carlton Products Corporation, Aurora, O., today filed a registration statement (File 2-14826) with the SEC seeking registration of 100,000 shares of its Common Stock, to be offered for public sale by Shearson, Hammill & Co. The public offering price and underwriting terms are to be supplied by amendment.

Carlton Products is a manufacturer of plastic pipe and pipe fittings. Net proceeds of its stock sale will be available for additional working capital and other corporate purposes. According to the prospectus, additional working capital will permit savings through the stockpiling of certain raw materials, the accumulation of inventories during the winter months and more efficient use of production facilities through longer production runs of various items. The company plans to open a new plant in High Springs, Fla., under a lease-purchase arrangement; and some \$100,000 of the proceeds will be used for new machinery and equipment for this plant and related expenditures. An additional \$100,000 will be used for the purchase of new molds and dies and for other new equipment at existing plants. The balance of the proceeds will be added to working capital, of which \$250,000 will be used to retire short term bank loans.

AMPEX CORP. FILES FOR RIGHTS OFFERING

Ampex Corporation, 934 Charter St., Redwood City, Calif., today filed a registration statement (File 2-14827) with the SEC seeking registration of 204,191 shares of Common Stock, to be offered for subscription by common stockholders of record at the rate of one new share for each 10 shares then held. The offering price and underwriting terms are to be supplied by amendment. Blyth & Co., Inc., and Irving Lundborg & Co. are listed as the principal underwriters.

The registration statement also includes an additional 206,250 common shares to be issued to holders of warrants attached to the company's 5% Sinking Fund Debentures. Many of such holders have advised the company of their intent to exercise the warrants.

Ampex is said to be a specialized company engaged in the development, manufacture, application and sale of magnetic tape recording equipment. Net proceeds of its stock sale will be added to the general funds of the company. In addition, the company has received or will receive up to \$3,877,500 subsequent to January 31, 1959, upon the exercise of debenture warrants, which proceeds have been or will be added to general funds. Total proceeds are expected in the first instance to be applied to the repayment of short term indebtedness amounting to \$4,150,000 at April 1, 1959, which was incurred to provide additional working capital. Part of the proceeds will be used to comprise the initial capitalization of a new subsidiary. The balance of proceeds will be available for increased working capital and for general corporate purposes.

The company proposes to organize a subsidiary to finance sales of Ampex products and which also may engage in the business of leasing Ampex equipment to others. It is not intended to participate in financing consumer sales to the home entertainment market.

JACOBS STOCK FURTHER SUSPENDED BON AMI STOCK SUSPENSION NOT RENEWED

The Securities and Exchange Commission has issued an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934 suspending trading in the common stock of F. L. Jacobs Co. for a further ten-day period, March 13 to 22, 1959, inclusive.

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At the same time, the Commission announced that it would not renew the temporary suspension of trading in the Class A and Class B common stocks of Bon Ami Company, the period of suspension expiring at the close of business March 12, 1959.

The Jacobs stock is listed and registered on the New York Stock Exchange and it is also admitted to unlisted trading privileges on the Detroit Stock Exchange. Upon the basis of a finding by the Commission that the suspension of trading on these Exchanges is necessary to prevent fraudulent, deceptive or manipulative acts or practices, trading by brokers and dealers in the Jacobs stock in the over-the-counter markets also is prohibited during the period of the suspension, by reason of the Commission's Rule 15c2-2. The New York Stock Exchange previously had suspended trading in the Jacobs stock; and by an earlier order the Commission scheduled a hearing for March 16, 1959, pursuant to Section 19(a)(2) of the Act, to determine whether Jacobs has failed to comply with the disclosure and reporting requirements of the Act and, if so, whether it is necessary in the public interest to suspend its stock from listing and registration for a period not exceeding twelve months, or to withdraw same from such listing and registration.

Proceedings with respect to the question of suspension or withdrawal of the Bon Ami Class A and Class B shares also were previously authorized by the Commission, the hearing thereon being scheduled for March 23, 1959. Trading in the shares of the New York Stock Exchange is suspended by action of the Exchange.

The Commission concluded that the issuance of further orders of temporary suspension with respect to Bon Ami, which would bar trading in Bon Ami shares in the over-the-counter markets, was not necessary in the public interest. The present management had petitioned the Commission not to issue further orders of temporary suspension. In support thereof, it was urged that the present management of Bon Ami is independent of the Alexander Guterma interests; that the present management has purchased from Silver Co. 13,380 shares of Bon Ami stock pledged to secure a loan to Comficor Inc. and has purchased from Judson Commercial Corporation 20,000 shares pledged to secure a loan to Guterma, thus avoiding a possible distribution of such shares and that an audit of the company's books and records is in progress and should be completed within the next two or three weeks. In permitting the resumption of over-the-counter trading in Bon Ami shares, investors should be mindful of the fact that the question of the adequacy or accuracy of the financial and other information which was filed by Bon Ami under the former management cannot be resolved until the audit report is completed, proper reports have been filed with the Commission and the Exchange, and the Commission's "delisting" proceedings are concluded.

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