

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)



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FOR RELEASE June 23, 1959

BLACK, SIVALLS & BRYSON FILES COMMON STOCK REGISTRATION

Black, Sivalls & Bryson, Inc., 7500 East 12th Street, Kansas City, Mo., filed a registration statement (File 2-15253) with the SEC on June 22, 1959, seeking registration of 152,100 shares of Common Stock, \$1 par value, issuable upon the exercise of outstanding warrants and stock options.

Of the shares being registered, 39,600 shares are issuable upon the exercise of 39,600 warrants presently outstanding, which were sold by the company in 1951 and expire December 31, 1961. Such warrants permit the holders thereof to purchase common stock at any time prior to their expiration date at a price of \$22 per share. If all of these warrants are so exercised, the company will realize gross proceeds of \$871,200. An additional 75,000 shares of common stock are issuable upon exercise of 75,000 warrants presently outstanding, which were sold by the company in 1957 and expire June 30, 1967. Such warrants permit the holders thereof to purchase common stock at any time prior to June 30, 1962, at \$27.50 per share and thereafter and at any time prior to their expiration date at \$30 per share. If all of these warrants are so exercised, the company may realize gross proceeds ranging from a minimum of \$2,062,500 to a maximum of \$2,250,000. The remaining 37,500 shares of common stock are issuable upon the exercise of a like number of non-transferable restricted stock options to be granted to officers and key managerial employees of the company under the terms of a stock option plan adopted in 1959 for officers and key managerial employees of the company. The options are exercisable at \$27.50 per share to June 30, 1962, and thereafter and at any time prior to June 30, 1965, at \$30 per share. If all of the options are so exercised, the company may realize gross proceeds ranging from a minimum of \$1,031,250 to a maximum of \$1,125,000.

The prospectus states that, since the company does not know when and to what extent from time to time the warrants and options may be exercised, if at all, it has made no definite plans for use of the proceeds to be received from the issuance of the 152,100 shares of common stock upon exercise of the warrants and options, but that it is expected that such proceeds will be added to the general funds of the company and will be used for general corporate purposes.

OHIO OIL PROPOSES EXCHANGE OFFER

The Ohio Oil Company, 539 South Maine Street, Findlay, Ohio, filed a registration statement (File 2-15254) with the SEC on June 22, 1959, seeking registration of 874,422 shares of its Common Capital Stock, without par value. The company has agreed with the holders of the outstanding shares of Aurora Gasoline Company to exchange such shares of Ohio Oil common at the rate of 25 shares of Ohio Oil common for each share of preferred stock of Aurora, 5,78438 shares of Ohio Oil common for each share of common stock of Aurora, and 5,78438 shares of Ohio Oil common for each share of Class A common stock of Aurora.

Aurora Gasoline Company was incorporated in 1932 under the laws of Michigan and is engaged primarily in the business of refining and marketing petroleum products in Michigan and adjacent areas. Its principal refinery is located at Detroit, Michigan.

BESTWALL GYPSUM COMPANY FILES COMMON STOCK REGISTRATION

Bestwall Gypsum Company, 120 East Lancaster Ave., Ardmore, Pa., filed a registration statement (File 2-15255) with the SEC on June 22, 1959, seeking registration of 75,769 shares of its Common Stock, 40¢ par value. The shares being registered have been or are being offered to officers and key employees of the company under restricted stock options, a portion of which may be offered to the

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public by the optionees. The prospectus states that the optionees, respectively, may offer to the public all or a portion of the shares each of them has acquired or may hereafter acquire, thereby becoming selling stockholders. Such offering to the public will be at such time or times as the optionees may determine, at such price as then prevails on the New York Stock Exchange. The selling stockholders will receive the net proceeds of such sales.

MISSOURI POWER AND LIGHT BANK BORROWINGS APPROVED

The SEC has issued an order under the Holding Company Act (Release 35-14029) authorizing Missouri Power & Light Company, Jefferson City, Mo., to continue its \$3,150,000 bank-credit arrangement through March 31, 1960, or such earlier date as Missouri will have consummated its contemplated permanent financing. Under a previous order of the Commission Missouri was authorized to issue short-term promissory notes in an aggregate amount up to \$3,150,000. The company's application, requesting a continuance of that authorization stated that Missouri's expenditures for construction had not been as great as had been originally anticipated and that permanent financing, which had been contemplated during the first six months of 1959, had been deferred, but that the company does intend, subject to approval of the Commission, to carry out permanent financing prior to March 31, 1960, in order to procure funds for the repayment of its promissory notes and for continuance of its construction program.

COLUMBIA GAS TRANSACTIONS WITH COLUMBIA GULF TRANSMISSION APPROVED

The SEC has issued an order under the Holding Company Act (Release 35-14030) authorizing The Columbia Gas System, Inc., New York holding company, to exchange its debentures for debentures of one of its non-utility subsidiaries, Columbia Gulf Transmission Company, and to effectuate certain other transactions with Columbia Gulf.

Columbia Gulf, in connection with its recent acquisition of substantially all of the assets of Gulf Interstate Gas Company, assumed liabilities of Gulf Interstate, including \$81,400,000 of First Mortgage Pipe Line Bonds, 4-1/8% Series due October 1, 1974, and \$60,000,000 of First Mortgage Pipe Line Bonds, 5% Series due October 31, 1978. Pursuant to agreements executed by Columbia Gas and the holders of all of the outstanding Pipe Line Bonds assumed by Columbia Gulf, Columbia Gas proposes to issue two series of its debentures, such debentures being designated 4-1/8% Debentures, Series 1, due 1974, and 5% Debentures, Series M, due 1978. Both series of debentures will be dated April 1, 1959, and will be issued in exchange for a like aggregate principal amount of the Columbia Gulf 4-1/8% and 5% Pipe Line Bonds, respectively.

Columbia Gas also proposes to sell to Columbia Gulf, for cash, at the principal amount thereof, \$10,000,000 principal amount of the 5% Pipe Line Bonds received pursuant to the proposed exchange. Such bonds will thereupon be cancelled by Columbia Gulf. The proceeds from this sale, representing excess funds now held by Columbia Gulf, will be made available to other subsidiaries in the Columbia system. Columbia Gas further proposes to deliver the balance of the Pipe Line Bonds acquired by it to Columbia Gulf for cancellation and to acquire in exchange therefor approximately \$93,720,000 of installment notes and 1,383,200 shares of common stock, \$25 par value, to be issued by Columbia Gulf.

UNION ELECTRIC RECEIVES SEC APPROVAL FOR BANK BORROWINGS

The SEC has issued an order under the Holding Company Act (Release 35-14031) authorizing Union Electric Company, St. Louis, to make bank borrowings from time to time prior to February 14, 1960, in amounts aggregating \$28,000,000. Of the \$28,000,000 proposed to be borrowed, borrowings heretofore made in the amount of \$13,500,000, under an exemption from the Holding Company Act, were outstanding at May 15, 1959. Union contemplated that late in the third or early in the fourth quarter of 1959 it will issue and sell additional common stock sufficient to obtain approximately \$30,000,000 and will use the proceeds therefrom to repay its outstanding short-term notes, the balance to be used for construction purposes. The Commission's authorization for the \$28,000,000 of borrowings will terminate on February 14, 1960, or such earlier date as the company consummates the issuance and sale of common stock.

WITHDRAWAL OF P. J. GRUBER BROKER-DEALER REGISTRATION GRANTED

In a decision announced today (Release 34-5994), the SEC, upon a petition for reconsideration, granted the request of P. J. Gruber & Co. (a Delaware corporation), Washington, D. C., for withdrawal of its application for registration as a broker-dealer. The Commission previously, by order of

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January 15, 1958, had denied such request, as well as the application for registration, after finding that P. J. Gruber & Co., a New York corporation now registered as a broker-dealer, and P. J. Gruber, individually, who controlled both corporations, had willfully violated the registration provisions of the Securities Act of 1933 and the record-keeping requirements of the Securities Exchange Act of 1934.

The Commission in its prior order had referred to a consent injunction by the United States District Court for the Southern District of New York enjoining P. J. Gruber & Co., Washington, and P. J. Gruber, individually, from violation of the record-keeping requirements of the Securities Exchange Act of 1934. The Commission, in making its prior findings, was not aware that the District Court Judge, in entering the injunction decree, had added a condition in his own handwriting that the matters alleged in the complaint should not form the basis of revocation proceedings prior to trial.

In the decision announced today, the Commission stated: "It is not clear to us that the Court intended to preclude reference to the injunction or to the matters alleged in the complaint in a proceeding of this nature. Nevertheless, under all the circumstances and in order to avoid any possibility of misinterpretation of the Court's order, we have concluded to rescind our order of January 15, 1958, and to grant applicant's request for withdrawal of its application for registration as a broker and dealer. However, we do not think that reconsideration of our findings with respect to willful violations is warranted."

HAMILTON OIL HEARING POSTPONED

The SEC has postponed from June 23, 1959, to July 7, 1959, the hearing in the consolidated proceedings to determine whether a registration statement filed by Hamilton Oil & Gas Corporation, Denver, Colo., contains false and misleading statements of material fact and, if so, whether a stop order should be issued suspending its effectiveness, and to determine whether to suspend the exemption from registration with respect to a prior public offering of securities of Hamilton Oil pursuant to the exemption from registration provided by Regulation A (for small offerings). Counsel for Hamilton Oil requested the postponement of the hearing.

THREE FUNDS SEEK REGISTRATION OF ADDITIONAL SHARES

The following investment companies filed amendments on June 22, 1959, to their registration statements seeking registration of additional shares, as indicated: COLONIAL FUND, INC., of Boston (File 2-10881), 100,000 shares of common stock; HAMILTON FUNDS, INC., of Denver (File 2-11053), \$10,000,000 of Hamilton Fund Periodic Investment Certificates; and KEYSTONE CUSTODIAN FUNDS, INC., of Boston, (Files 2-10526 and 2-10663), 1,000,000 of Keystone Custodian Fund Certificates of Participation, Series B4, and 1,000,000 Keystone Custodian Fund Certificates of Participation, Series S3.

CONSUMMATION OF INLAND GAS PLAN STAYED

The SEC today announced (Release CR-123) that the United States Court of Appeals for the Sixth Circuit on June 17, 1959, entered an order staying, pending appeal, the confirmed plan of reorganization of Inland Gas Corporation.

On May 28 and 29, 1959, hearings were held in the United States District Court for the Eastern District of Kentucky on a petition of three debenture holders of Kentucky Fuel Gas Corporation for leave to file alterations and modifications of the Trustee's plan of reorganization for Inland Gas Corporation which was confirmed by that Court on April 28, 1958. The Commission supported the petition but District Judge H. Church Ford dismissed it on the ground that the Court of Appeals for the 6th Circuit had directed the lower court to proceed with consummation of the Trustee's plan.

The confirmed plan and the proposed alterations and modifications both provide for the payment of principal and accrued interest to the public holders of the outstanding 7% Gold Notes issued by American Fuel & Power Company. The essential difference between the confirmed plan and the new proposals is in the treatment to be accorded to the public holders of the outstanding 6½% Bonds and Debentures issued by Kentucky Fuel in relation to the subordinated claims of Columbia Gas System, Inc.

The confirmed plan provides that the Kentucky Fuel public creditors will receive their principal in cash, with no provision for interest, and that Columbia, as a subordinated creditor, will receive all the new common stock of the reorganized Inland Gas Corporation having a value, as determined by the Court, of about \$3,000,000. Under the proposed amendments, Columbia would receive cash for principal and all accrued interest on its secured bonds and debentures issued by Inland and the full amount of principal on its unsecured claims against Inland. As of August 31, 1959, such cash payments would aggregate about \$5,500,000. In addition, Columbia would receive \$230,018 of additional interest on Inland bonds for the period during which distributions made in 1939 and 1944 on such bonds were impounded. The Kentucky Fuel public creditors, who are prior in rank to Columbia, would receive under the new proposal common stock of the reorganized Inland with a par value of \$10 per share, or an aggregate par value of about \$3,265,000 in lieu of cash of about \$2,466,000 under the confirmed plan. Pursuant to an underwriting commitment, Kentucky Fuel public creditors would, at their option, be entitled to receive cash equal to the par value of the stock proposed to be issued to them under the proposed alterations.

At the same time Judge Ford dismissed the creditors' petition, he ordered the Trustee to begin consummation of the confirmed plan. The creditors filed an appeal and on June 8 Judge Ford denied a motion for a stay pending the appeal. However, on June 17, 1959, Judge Shackelford Miller of the Court of Appeals for the 6th Circuit entered an order staying consummation of the confirmed plan pending the appeal.

This stay is not to be considered a determination on the merits of the proposal to modify the plan nor is it any assurance that the modifications will be approved by the Courts. The stay merely holds matters in abeyance until the Court of Appeals decides whether the proposed alterations of the plan are of sufficient merit to warrant a full hearing thereon which the District Court refused to grant.

DAMON INDICTED FOR VIOLATIONS IN SALE OF NEV-TAH STOCK

The SEC San Francisco Regional Office announced June 17, 1959, that a federal grand jury in Los Angeles had returned an indictment charging Arthur L. Damon of Reno, Nevada, with making fraudulent representations to investors in Nev-Tah Oil and Mining Company, a Utah corporation, and with using the United States mails to sell stock of that company, which was not registered with the Commission. (Lit. Release 1455)

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