

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 June 26, 1959

VIOLATIONS CHARGED TO MAYO-BRISTOL SECURITIES

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether to revoke the broker-dealer registration of Frederic R. Mayo, doing business as The Bristol Securities Company, 130 South Main Street, Fall River, Mass.

According to the Commission's order, Mayo (doing business as Bristol Securities) has been registered with the Commission as a broker-dealer since October 10, 1954. The order further states that John P. Hanley was salesman for and in charge of Mayo's Boston office. The Commission asserts in its order that information developed in an investigation conducted by its staff tends, if true, to show that Mayo violated the reporting requirement of the Exchange Act by reason of his failure to file reports of financial condition for the years 1956 through 1958.

It further appears, according to the order, that Mayo and Hanley engaged (and Hanley caused Mayo to so engage) in a "course of business which operated as a fraud and deceit upon certain persons," in that they offered and sold bonds of National Finance Co. to such persons during the period September 1954 to November 1956 and, in connection therewith, made false and misleading statements of material facts concerning the redemption of said bonds.

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.

UNLISTED TRADING GRANTED BOSTON STOCK EXCHANGE

The SEC has issued orders under the Securities Exchange Act of 1934 granting applications of the Boston Stock Exchange for unlisted trading privileges in the capital stock of Universal Oil Products Company and in the common stocks of the following companies:

General Instrument Corporation
Northern Natural Gas Company
Scurry-Rainbow Oil Limited
Texas Gas Transmission Corporation
Texas Instruments Incorporated
Thiokol Chemical Corporation

FOUR STOCK OFFERINGS SUSPENDED

The SEC 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:

- (1) Cordillera Mining Company, Grand Junction, Colorado
In its notification, filed June 8, 1955, Cordillera proposed the public offering of 2,995,000 common shares at 10¢ per share
- (2) Greenlite Uranium Corporation, Las Vegas, Nevada
The public offering of 3,000,000 common shares at 10¢ per share was proposed by Greenlite in a notification filed January 27, 1956



OVER

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

- (3) Old Faithful Uranium, Inc., Casper, Wyoming
Old Faithful filed its notification on April 22, 1955, proposing the public offering of 4,500,000 common shares at 5¢ per share
- (4) Pumpkin Buttes Uranium Co., Inc., Rapid City, South Dakota
In its notification, filed October 6, 1955, Pumpkin Buttes proposed the public offering of 500,000 common shares at 10¢ per share

Regulation A provides a conditional exemption from registration under the Securities Act with respect to public offerings of securities not exceeding \$300,000 in amount. In its orders, the Commission asserts that Cordillera and Greenlite failed to comply with certain of the terms and conditions of Regulation A.

The orders further assert that the offering circulars of the respective companies contain false and misleading representations of material facts and that, under such circumstances, their stock offering would operate as a fraud or deceit upon purchasers of the stock.

Each of the orders provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

SEC ISSUES NOTICE OF PENNSYLVANIA ELECTRIC FINANCING

The SEC has issued an order (Release 35-14033) giving interested persons until July 23, 1959, to request a hearing upon the bond financing proposal of Pennsylvania Electric Company, Johnstown, Pa.

As previously reported (News Digest of June 16, 1959), Pennsylvania Electric proposes to issue and sell, pursuant to competitive bidding, \$15,000,000 of First Mortgage Bonds, due August 1, 1959. Of the net proceeds of the sale of the bonds, \$9,000,000 will be applied to repay short-term bank loans obtained for construction purposes and \$6,000,000 will be applied to the 1959 construction program or to partially reimburse the company's treasury for previous expenditures for that purpose. The 1959 construction program involves expenditures of about \$39,700,000.

HANCOCK INC. FILES FOR OFFERING

J. W. Hancock Inc., 369 Pine St., San Francisco, filed a registration statement (File 2-15272) with the SEC on June 25, 1959, seeking registration of 200,000 shares of 6% Cumulative Convertible Preferred Stock, \$2 par, and 100,000 shares of 10¢ par Common Stock. It is proposed to offer the 200,000 preferred shares and 50,000 shares of the common in units consisting of 4 shares of preferred and 1 share of common, at \$8.50 per unit. This offering is to be made on a best efforts basis by Kenneth Kass and three other firms, as underwriters, who will receive a selling commission of \$1.30 per unit.

The remaining 50,000 shares of common stock are to be offered to holders of outstanding 4% Subordinated Debentures at the rate of 1 share for each \$.50 face amount of such debentures surrendered for cancellation.

The company was organized in March 1959 under Delaware law for the purpose of engaging in the general construction business, with emphasis on institutional construction, construction of residential housing projects and shopping centers. It presently has no construction contracts. It is commencing business with certain assets acquired from its president, John W. Hancock, consisting principally of cash, receivables, and a small amount of construction equipment, trucks and automobiles, together with \$25,000 borrowed from a limited group of persons who received the debentures. In October 1959 it will acquire under an agreement with Hancock a 50% interest in property on 12 acres located in Red Bluff, California, and an undivided one-third interest in fees in 125 residential lots in the Highland Park area of Red Bluff. It is anticipated that the initial construction operations will be commenced on the Red Bluff properties. Net proceeds of this financing will be added to the general funds and working capital of the company and used for its general purposes.

According to the prospectus, Hancock owns all of the 150,000 outstanding shares of common stock, issued in exchange for some \$75,000 of assets transferred by him to the company.

INDUSTRIAL PLYWOOD FILES FINANCING PROPOSAL

Industrial Plywood Company, Inc., 105-15 180th St., Jamaica, N. Y., filed a registration statement (File 2-15273) with the SEC on June 25, 1959, seeking registration of 60,000 shares of 6% Cumulative Preferred Stock (\$10 par - convertible until August 31, 1969), with common stock purchase warrants. Each share of preferred will have one "A" and one "B" warrant attached, entitling the holder to purchase one share of common (for each two "A" Warrants) at \$12 per share, expiring June 30, 1961; and for each two "B" Warrants held at \$14 per share, expiring June 30, 1961. It is proposed to offer the preferred stock (with warrants) for public sale at \$10 per share. The offering is to be made on an "all or none" basis by an underwriting group headed by Standard Securities Corporation, Irving Weis & Co. and four other firms. The underwriters also will receive \$20,000 for expenses, and will be entitled to purchase 30,000 stock purchase warrants at 1¢ per warrant. The registration statement includes the 30,000 warrants, an additional 11,250 warrants owned by Standard Securities and received by it as additional compensation as an underwriting in connection with a previous offering, and the 101,925 common shares issuable upon the exercise of all the foregoing warrants.

The products of the company and its subsidiaries fall into four classifications - prefinished plywood wall panels, plywood, plastic laminates and miscellaneous products. Net proceeds of this financing will be applied, in part (\$100,000), to the reduction of short term bank loans; \$50,000 to liquidate long term debt; and the balance for additional working capital, to be used principally to carry inventories and accounts receivable.

PHILIP MORRIS FILES EMPLOYEE PLAN

Philip Morris Incorporated, 100 Park Avenue, New York, filed a registration statement (File 2-15274) with the SEC on June 25, 1959, seeking registration of 104,699 shares of its common stock, for offering to employees of the company and its subsidiaries pursuant to its Stock Option Plan.

PALL CORP. FILES FOR OFFERING AND SECONDARY

Pall Corporation, 30 Sea Cliff Ave., Glen Cove, L. I., New York, filed a registration statement (File 2-15275) with the SEC on June 25, 1959, seeking registration of \$750,000 of 5½% Fifteen-Year Subordinated Convertible Debentures, due July 1, 1974, and 40,000 outstanding shares of Class A stock.

The company proposed to offer the debentures for public sale through an underwriting group headed by L. F. Rothschild & Co., Faine, Webber, Jackson & Curtis, and Hayden, Stone & Co. The offering price and underwriting terms are to be supplied by amendment. A producer (with its subsidiaries) of stainless steel filters, the company plans to apply \$250,000 of the proceeds of the sale of debentures to the liquidation of short-term bank loans. An additional \$130,000 will be used to retire \$115,000 of 7½% Debenture Bonds and \$15,000 of 8% Debenture Bonds. A further \$31,166 will be applied to repayment of loans owing to principal stockholders on open account; chattel mortgages on machinery in the amount of nearly \$13,000 will be retired; and planned expansion of existing facilities will require payment of construction costs estimated at \$40,000. The balance will be added to working capital for general corporate purposes.

The company has outstanding 132,700 shares of Class A and 304,000 shares of Class B stock. David B. Pall, president and board chairman, and Abraham Appel each owns 138,696 Class B shares; and Madison Fund, Inc., owns 60,000 shares of the Class A stock. The latter proposes to sell 30,000 shares of its holdings of Class A stock; and Messrs. Pall and Appel propose to sell 5,000 shares of Class A stock each after converting shares of their holdings of Class B stock into a like number of shares of Class A stock for purposes of the offering.

TUBOSCOPE CO. FILES FOR SECONDARY

Tuboscope Company, 2919 Holmes Road, Houston, Texas, today filed a registration statement (File 2-15276) with the SEC seeking registration of 200,000 outstanding shares of its common stock, to be offered for public sale by the present holder thereof through an underwriting group headed by Glore, Forgan & Co. and Rowles, Winston & Co. The public offering price and underwriting terms are to be supplied by amendment. The company will receive none of the proceeds.

The primary business of Tuboscope Company is the non-destructive testing and inspection of drill pipe and other oil field tubular products. It has outstanding 400,000 common shares, all of which is now owned by Tusco Corporation. The latter proposes to sell one-half of its holdings.

HILLSBOROUGH INVESTMENT ENJOINED

The SEC Boston Regional Office announced June 24, 1959, that Judge Aloysius J. Connor (USDG, N.H.) had permanently enjoined Hillsborough Investment Corporation and Roger M. Mara from further offering and sale of Hillsborough Investment securities in violation of Securities Act registration requirements.

ADVANCED RESEARCH AND ACME TOOL HEARING CONSOLIDATED

The SEC, on motion of Staff Counsel, has ordered the consolidation of proceedings under the Securities Act of 1933 (1) to determine whether a stop order should be issued suspending the effectiveness of a registration statement proposing the public offering of securities by Advanced Research Associates, Inc., of Kensington, Md., (see Release 33-4081) and (2) to determine whether to vacate or make permanent an earlier order temporarily suspending a Regulation A exemption from registration with respect to a stock offering by Acme Tool & Engineering Corporation (now Polytronic Research, Inc.), also of Kensington (see Release 33-4091).

The hearing in the consolidated proceedings has been scheduled for June 29, 1959, at 10:00 A.M., in the Commission's Washington Office. Several days of hearing previously were held in the Advanced Research Associates stop order proceedings.

---ooo0ooo---