

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington 25, D.C.

FOR RELEASE

June 3, 1957

## Statistical Release No. 1458

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended May 31, 1957, for the composite and by major industry groups, compared with the preceding week and with the highs and lows for 1957, is as follows:

	<u>(1939 - 100)</u>		Percent <u>Change</u>	<u>1957</u>	
	<u>5/31/57</u>	<u>5/24/57</u>		<u>High</u>	<u>Low</u>
Composite	355.1*	353.7	+ 0.4	355.1	322.5
Manufacturing	454.7*	452.5	+ 0.5	454.7	405.7
Durable Goods	419.0	418.2	+ 0.2	422.9	382.7
Non-Durable Goods	487.6*	484.1	+ 0.7	487.6	427.1
Transportation	293.0	295.4	- 0.8	317.5	286.1
Utility	163.5*	163.3	+ 0.1	163.5	156.2
Trade, Finance & Service	288.0	287.0	+ 0.3	290.1	274.8
Mining	393.3*	387.2	+ 1.6	393.3	340.5

\* New High

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Kerr-McGee Oil Industries, Inc., Oklahoma City, filed a registration statement (File 2-13395) with the SEC on May 31, 1957, seeking registration of \$20,000,000 of Sinking Fund Debentures, due June 1, 1977, and 225,000 shares of its \$1 par Common Stock. The company proposes to offer these securities for public sale through an underwriting group headed by Lehman Brothers and Straus, Blosser & McDowell. The interest rate of the debentures, and their public offering price and underwriting terms, are to be supplied by amendment. The common shares are to be offered at an initial public offering price related to the then current market price of the outstanding shares on the New York Stock Exchange; and the underwriting terms are to be supplied by amendment.

Net proceeds of this financing will be added to the general funds of Kerr-McGee and be available for capital expenditures, for retirement of certain bank loans, and for such other corporate purposes as the directors may determine. Of such funds, it is contemplated that a total of \$15,418,329.28 (plus interest accruals) will be applied to the immediate retirement of \$10,400,000 of 4 1/2% Bank Loans due 1957 and the \$5,018,329.28 of 4 1/2% Secured Bank Loans.

(OVER)

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

The company anticipates that its capital expenditures will continue to increase annually, so that its general funds as augmented by the balance of the proceeds of this financing and those generated internally, may be insufficient in future years for capital expenditures deemed necessary. The financial requirements for Kermac Nuclear Fuels Corp., Kerr-McGee's majority owned subsidiary, may be such as an additional \$30,000,000 by the fall of 1958, according to the prospectus.

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The Star Plywood Cooperative, Estacada, Oregon, filed a registration statement (File 2-13396) with the SEC on May 31, 1957, seeking registration of 335 Memberships in the Cooperative, to be offered for sale at \$6,500 per membership. The Cooperative will pay a 10% sales commission to Star Sales, Inc., of which James H. O'Leary is the manager. Star Sales, Inc., also has been retained as broker for the Cooperative's products, on which it will receive a 5% sales commission. Star Sales, Inc., is listed as one of the promoters of the Cooperative, which was formed in March, 1955.

Those who become members of the Cooperative will be its employees. Memberships will be sold at \$6,500 each, of which at least \$3,500 must be paid at the time the application for membership is executed. The total cost of Cooperative's proposed plywood plant is estimated at \$1,025,000. Harry L. Osborne of Estacada is listed as president.

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Rimrock Tidelands, Inc., Shreveport, La., today filed a registration statement (File 2-13397) with the SEC seeking registration of 1,200,000 shares of its Capital Stock, to be offered for public sale through an underwriting group headed by Bear, Stearns & Co. The public offering price and underwriting terms are to be supplied by amendment.

Rimrock is the surviving corporation resulting from a merger on May 31, 1957 of Trans-Tex Drilling Co. with Rimrock Tidelands, Inc. The company proposes to engage in offshore and onshore drilling of oil and gas wells on a contract basis and for its own account, in exploration for crude oil and natural gas, and in the acquisition and development of oil and gas leases. Of the net proceeds of this stock offering, an estimated \$2,000,000 is planned to be spent between July 1957 and February 1958 as equity payments on the various items to be purchased under the company's equipment acquisition program, the total cost of which is estimated to be \$5,500,000. It is intended to finance through borrowed funds or other credit arrangements the estimated \$3,500,000 balance of the cost of the new equipment to be purchased. The remainder of such proceeds will be added to the general funds of the company for use as working capital and for other corporate purposes.

As of May 31, 1957, the company had outstanding 3,987,227 shares of stock. Of this stock, 2,791,059 (70%) were owned by Husky Oil Company, of Cody, Wyoming. Husky Oil received this stock by reason of its ownership of all the outstanding 3,626 shares of Trans-Tex stock. Husky acquired 1,000 shares (100%) of the Trans-Tex stock in October 1952, in exchange for 36,380 shares of Husky common stock which had a then market value of \$13.75 per share. Husky later acquired an additional 2,626 shares of Trans-Tex stock in cancellation of \$2,626,000 of indebtedness.

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George S. Buchanan, of Cody, Wyoming, is Board Chairman and H. L. Rowley of Shreveport is president.

Securities Exchange Act Release No. 5524

The Securities and Exchange Commission today announced the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934, suspending trading on the American Stock Exchange in the \$1 par Capital Stock of Bellanca Corporation, New Castle, Delaware, for a further ten-day period, June 4, to June 13, 1957, inclusive.

The action was taken on the basis of Bellanca's failure to comply with the reporting requirements of Section 13 of the Act and the disclosure requirements of the Commission's proxy rules under Section 14, as well as its failure to file an annual report for the year ended December 31, 1956, due on or about April 30, 1957.

Upon the basis of a finding by the Commission that such suspension is necessary to prevent fraudulent, deceptive, or manipulative acts or practices in connection with trading in Bellanca stock, trading by brokers and dealers in such stock in the over-the-counter markets also is prohibited during the period of the suspension.

The Commission previously scheduled a hearing, pursuant to Section 19(a)(2) of the Act, on the question whether the Bellanca stock should be suspended for a period not exceeding 12 months, or withdrawn, from listing and registration on the Exchange. This hearing is now in adjournment until June 24, 1957, continuances of the hearing having been occasioned by conflicting engagements of company counsel.

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Zapata Petroleum Corporation, Midland, Texas, today filed a registration statement (File 2-13398) with the SEC seeking registration of \$3,000,000 of Convertible Debentures due 1972. These securities are to be offered for public sale at 100% of principal amount through an underwriting group headed by G. H. Walker & Co. The interest rate and underwriting terms are to be supplied by amendment.

Zapata and its subsidiary, Zavala Oil Company, are engaged primarily in the business of developing and operating oil and gas properties and exploring for oil and gas. It also owns 80% of the outstanding stock of Zapata Drilling Company, which is engaged primarily in the business of contract drilling for others and for its own account; approximately 40% of the stock of Zapata Off-Shore Company, which is engaged primarily in the contract drilling business in the offshore area of the Gulf of Mexico; and all of the stock of Moby Building Corporation, which owns the office building occupied by Zapata Petroleum in Midland.

Net proceeds of the sale of the debentures are to be applied as follows: \$1,250,000 to the retirement of bank loans; \$800,000 for the development of producing properties; and the balance as additional working capital.

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Southeastern Fund, Columbia, N. Car., today filed a registration statement (File 2-13399) with the SEC seeking registration of \$2,000,000 of 6½% Sinking Fund

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Subordinated Debentures, due June 15, 1972. The company proposes to offer \$1,500,000 of these debentures to its stockholders at an offering price equal to 95% of principal amount. The remaining \$500,000 of debentures, plus any unsubscribed portion of the \$1,500,000, will be offered to the public generally at 100% of principal amount. Smith, Clanton & Co., Powell & Company, and Frank S. Smith & Company, Inc., are listed as the principal underwriters. Underwriting commissions will range from 3% to 8%.

Southeastern is engaged primarily in the business of financing retail and wholesale sales of mobilehomes or house trailers. Net proceeds of this financing are to be added to the working capital of the company and used principally for the purchase of conditional sales contracts, chattel mortgages, and floor plan loans covering house trailers. The receipt of such proceeds, it is indicated, will enable the company to borrow additional funds from its present and other credit sources, which would be used generally in the trailer financing field.

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West Penn Power Company, Greensburg, Pa., today filed a registration statement (File 2-13400) with the SEC seeking registration of \$20,000,000 of First Mortgage Bonds, Series Q, due July 1, 1987, to be offered for public sale at competitive bidding. The company is presently engaged in a construction program which involves expenditures estimated at \$61,000,000 for 1957 and 1958. To carry out this construction, the company expects to use its cash resources, the net proceeds of this bond financing, and the proceeds of about \$12,400,000 from the sale of additional common stock in March and April, 1957. On the basis of present estimates, no additional financing will be necessary during 1957 and 1958.

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CORRECTION: In the News Digest of May 31, 1957, page 2, Texam Oil Corporation of San Antonio was incorrectly referred to as Texas Oil Corporation.

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