

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 September 17, 1957

INTERMOUNTAIN PETROLEUM DELISTING PROCEEDINGS ORDERED

The Securities and Exchange Commission has ordered proceedings under the Securities Exchange Act of 1934 to determine whether the 10¢ par Common Stock of Intermountain Petroleum, Inc. (formerly Magnolia Uranium & Oil Company), of Salt Lake City, Utah, should be suspended or withdrawn from listing and registration on the Salt Lake Stock Exchange. A hearing for the purpose of taking evidence therein will commence on October 21, 1957, in the Salt Lake City Branch Office of the Commission.

According to its order, the Commission has reason to believe that Intermountain failed to comply with the reporting and disclosure requirements of Section 13 of the Act in the following respects:

- (1) In its current report filed September 19, 1955, for the month of August, 1955, Intermountain falsely claimed an exemption from the registration requirements of the Securities Act of 1933 for the issuance of 1,400,000 shares of its stock in exchange for certain leases held by General Oil & Uranium, Inc., and Powder River Lease & Minerals Co. In addition, this report was not filed within the time provided by the Commission's rules.
- (2) Intermountain delinquently filed on March 20, 1957, a report for the month of April, 1956. Intermountain falsely stated in said report that 274,500 shares of its stock were issued for leases acquired from General Oil & Uranium, Inc., and Powder River Lease & Minerals Co., when, in fact, these shares were issued to another company. Moreover, Intermountain failed to furnish all of the information required by the report and falsely claimed an exemption from the registration requirements of the Securities Act of 1933 for the issuance of these shares.
- (3) Intermountain failed to file a current report with the Commission reflecting the acquisition of all of the assets of Aztec Uranium Company in exchange for approximately 274,500 shares of Intermountain stock in April, 1956.
- (4) On March 20, 1957, Intermountain delinquently filed its current report for the month of May, 1956. This report disclosed certain transactions with officers and directors involving the sales of approximately 60 uranium mining claims to Intermountain in exchange for securities, and the issuance of additional securities by Intermountain to its officers and directors for cash. This report appears to be false and misleading concerning the exemption from registration claimed under the Securities Act and the valuation of uranium mining claims involved.

At the hearing, inquiry will be conducted into the foregoing matters to determine whether there has been a failure to comply with Section 13 of the Act in the respects indicated and, if so, whether it is necessary or appropriate in the public interest or for the protection of investors to suspend for a period not exceeding twelve months, or to withdraw, the Intermountain common stock from listing and registration on the Exchange.

UTAH POWER FINANCING CLEARS SEC

The SEC has issued an order authorizing Utah Power & Light Company, Salt Lake City, to issue and sell at competitive bidding (a) 400,000 shares of its \$12.80 par Common Stock and (b) \$15,000,000 of First Mortgage Bonds, Series due 1987. Of the proceeds, \$21,000,000 will be used to pay bank loans made in connection with Utah Power's construction program; and the remainder of the proceeds, together with the company's available cash, will be used to carry forward the construction program of the company and its subsidiary, The Western Colorado Power Company. This program involves expenditures estimated at \$46,000,000 for the three-year period 1957-59. (Holding Company Act Release No. 13547)

ALLSTATE COMMERCIAL PROPOSES COMMON STOCK OFFERING

Allstate Commercial Corporation, New York City, filed a registration statement (File 2-13602) with the SEC on September 16, 1957, seeking registration of 256,300 shares of Class A Common Stock (1¢ par). The company proposes to make a public offering of 233,000 shares at \$1.50 per share. The offering is to be made on a best efforts basis by Midland Securities, Inc., for which it will receive a selling commission of 30¢ per share. In addition, Allstate has agreed to reimburse the underwriter for expenses in the amount of \$.075 per share, and to pay the expenses of qualification under the "blue sky" laws of certain states. If all the 233,000 shares are sold, the underwriter also will receive warrants to purchase 35,000 Class A shares at \$1.50 per share within a three-year period. Allstate also has sold to Ben Degaetano, the president and sole stockholder of the underwriter at a price of 1¢ per share, 23,300 Class A shares, which Degaetano proposes to offer for public sale at \$1.50 per share upon completion of the sale of the 233,000 shares in behalf of the issuer.

Allstate was organized under Delaware law on September 9, 1957, for the principal purpose of engaging in the business of investing in, buying and selling mortgages on real estate, lending funds for construction loans and otherwise dealing in connection with the financing of real estate, its purchase, sale and construction. Its business will be speculative, according to the prospectus, and its proposed program is dependent upon this financing. Net proceeds of the financing are estimated at \$247,000, which are to be added to the company's general funds and working capital for use in its realty financing activities.

The prospectus lists Herbert S. Geist, of New York, as president. The organizers were Arthur Gottlieb, of Levittown, N. Y., and Stanley P. Levine, of North Babylon, N. Y. They and Mrs. Geist have acquired all of the outstanding Class B (voting) common stock, for which they paid \$2,000. The Class A shares are non-voting.