

# 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 October 10, 1957

Group Securities Inc., of Jersey City, N. J., filed an amendment on October 9, 1957 to its registration statement (File 2-10685) seeking registration of an additional 500,000 shares of Capital Stock, 1¢ par value.

## YANKEE ATOMIC ELECTRIC PROPOSES ADDITIONAL STOCK SALE

Yankee Atomic Electric Company, Boston, has requested SEC authorization to issue and sell an additional \$3,000,000 of common stock to its stockholder companies; and the Commission has issued an order giving interested persons until October 28, 1957, to request a hearing thereon.

Yankee Atomic has outstanding \$1,000,000 of common stock and \$1,000,000 of non-interest bearing notes. These are held in varying amounts by twelve stockholder companies. The largest holdings are those of New England Power Company (30%) and The Connecticut Light and Power Company (15%). It proposes to construct and operate a nuclear power plant of approximately 134,000 kw net electrical capacity. Construction costs are presently estimated at approximately \$60,000,000, of which up to \$5,000,000 will be provided by the Atomic Energy Commission for preliminary research and development. The proceeds of the sale of the additional stock will be used, in part, to retire \$1,000,000 of outstanding short-term notes and the balance will be used for construction. It is anticipated that plant construction will begin in early 1958 for completion in 1960.

## BELDEN MANUFACTURING FILES STOCK OPTION PLAN

Belden Manufacturing Company, Chicago, filed a registration statement (File 2-13668) with the SEC on October 9, 1957, seeking registration of 10,646 shares of its Capital Stock, to be issued to officers and key employees of the company under its restricted stock option plan.

## PRESTON OIL SALE OF STOCK AUTHORIZED

The SEC has issued an order authorizing The Preston Oil Company, of Columbus, O., to issue and sell to its parent, The Columbia Gas System, Inc., during 1957 and 1958, up to an aggregate of 10,000 common shares at the \$100 par value thereof. The proceeds are to be expended in acquiring oil and gas leases and in exploratory drilling. Preston Oil estimates that, of the proceeds, it will spend \$300,000 for leases and \$700,000 for drilling. (See Holding Company Act Release No. 13561.)

## MIDDLE SOUTH UTILITIES PROPOSES COMMON STOCK FINANCING

Middle South Utilities, Inc., New York, N. Y., filed a registration statement (File 2-13669) with the SEC on October 9, 1957, seeking registration of 451,894

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shares of its \$10 par Common Stock, to be offered for public sale at competitive bidding. The company proposes to invest approximately \$10,300,000 of the proceeds in additional common stocks of Louisiana Power & Light Company and New Orleans Public Service, Inc., prior to December 31, 1957, in order to assist those subsidiaries with the financing of construction. It further proposes to use \$1,275,000 to repay loans owing to banks. The remainder of the proceeds will be held in the company's treasury for further investments in common stocks of system operating companies and other corporate purposes. The company estimates the construction program of its four system operating companies at \$64,617,000 for 1957 and \$68,610,000 for 1958.

#### MAINE PUBLIC SERVICE FILES FOR COMMON STOCK OFFERING

Maine Public Service Company, Presque Isle, Me., filed a registration statement (File 2-13670) with the SEC on October 9, 1957, seeking registration of 50,000 shares of its \$7 par Common Stock, to be offered for public sale through an underwriting group headed by A. G. Becker & Co., Inc., Merrill Lynch, Pierce, Fenner & Beane, and Kidder, Peabody & Co. The public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the stock will be applied to the reduction of bank loans, aggregating \$1,300,000 on October 1, 1957, which were incurred for construction purposes. During the first eight months of 1957, the company spent approximately \$607,000 for property additions and improvements and expects to spend approximately \$393,000 for such purposes during the last four months of the year. Such expenditures for 1958 are estimated at \$2,000,000.

#### REICHHOLD CHEMICALS PROPOSES COMMON STOCK FINANCING

Reichhold Chemicals, Inc., White Plains, N. Y., today filed a registration statement (File 2-13671) with the SEC seeking registration of 200,000 shares of its \$1 par Common Stock, to be offered for public sale through an underwriting group headed by Blyth & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of this financing will be added to the general funds of the company. Approximately \$3,500,000 is expected to be applied to the company's 1958 construction program and the balance will be added to working capital. According to the prospectus substantial additions and improvements to the company's plants and properties are contemplated over the next few years. This program includes the expenditures of approximately \$3,500,000 during 1958. About \$1,250,000 will be used for expansion of existing and the construction of new chemical production facilities at Elizabeth, N. J., approximately \$400,000 for expansion of both resin and chemical production facilities at Detroit, Mich., and about \$400,000 for the expansion of chemical production facilities at Tuscaloosa, Ala.

#### SEC COMMENCES ACTION AGAINST ALFRED D. LAURENCE & CO.

NOTE: Following for release in Friday morning newspapers.

The Securities and Exchange Commission has instituted proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of Alfred D. Laurence & Co., of Miami, Fla., should be revoked for alleged violation of the anti-fraud and other provisions of the Federal Securities Laws by the company

and certain of its officers and salesmen.

A hearing for the purpose of taking evidence therein is scheduled for October 17, 1957, at 2:00 P.M. in the U. S. Post Office Building in Miami. The proceeding also involves the question of whether the company should be suspended or expelled 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 to show that, in the offering and sale of certain securities during the period December 1, 1956, to date, Laurence & Co. employed devices, schemes and artifices to defraud, obtained money and property by means of false and misleading representations of material facts, and engaged in acts, practices and a course of business which operated as a fraud and deceit upon the purchasers of the securities. Kirby G. Freeman, president and a director, and Alfred D. Laurence, secretary, treasurer, a director and owner of all the outstanding stock of Laurence & Co., together with Jacob P. Bluestein, Robert E. Botway, William Henry Bryant, John W. N. Price, Robert Bernard Sills, and Robert Richard Siska, its salesmen, are said to have caused the company to perform these acts.

The transactions in question involved the capital stock of Columbus-Rexall Oil Company and American Duchess Uranium and Oil Corporation. More particularly, it is asserted that in the offering and sale of these securities, false and misleading representations were made with respect to an immediate advance in the market prices for the securities, the commissions being charged on such transactions, and the prices at which such transactions were being effected. The Commission's order further charges that the securities were offered and sold at prices far in excess of the prevailing market prices therefor, without disclosing the prevailing market prices.

In addition, the Commission's order charges that Laurence & Co. made false, misleading and improper entries in its books and records with respect to sales of securities and contributions to surplus; that it conducted a securities business when its aggregate indebtedness exceeded the 2,000%-of-net-capital limitation prescribed by Commission rules; and that it failed to comply with certain provisions of Regulation T requiring the cancellation or liquidation of purchases by customers in special cash accounts upon failure of such customers to make full cash payment within seven days.

At the October 17th hearing, inquiry will be conducted for the purpose of determining whether the reported information is true; if so, whether Laurence & Co. and the named individuals have wilfully violated the Federal Securities Laws; and whether the company's broker-dealer registration should be revoked and whether it should be suspended or expelled from NASD membership. (See Securities Exchange Act Release No. 5587.)

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Keystone Custodian Funds, of Boston, Mass., filed an amendment on October 9, 1957 to its registration statement (File 2-10527) seeking registration of an additional 750,000 Keystone Custodian Fund Certificates of Participation, Series K-1.

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## SEC TEMPORARILY SUSPENDS REGULATION A EXEMPTIONS OF ESCALANTE AND MIA NINA

The Securities and Exchange Commission 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:

Escalante Garlic Corporation, Caliente, Nevada

In its Regulation A notification, filed January 20, 1956, Escalante proposed the public offering of 97,417 shares at \$1 per share

Mia Nina Mining Corporation, Salt Lake City, Utah

The Regulation A notification filed on August 11, 1955, by Mia Nina proposed the public offering of 1,196,000 shares at 25¢ 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. One of the conditions of the exemption is a requirement for the subsequent filing of semi-annual reports showing the shares sold and the use of the proceeds. In its orders, the Commission asserts that the respective companies failed to file these reports.

Furthermore, it is asserted in the order with respect to Mia Nina that the offering of that company's stock, if continued, would operate as a fraud or deceit upon purchasers for the reason that material changes have occurred in the affairs of the company which are not reflected in its offering circular, namely, the withdrawal of the underwriter from the offering and the fact that the issuer has never obtained title to the mining properties described in the circular. (See Securities Act Release No. 3847.)

## DISC, INC., FILES FOR COMMON STOCK OFFERING

Disc, Inc., Washington, D. C., today filed a registration statement (File 2-13672) with the SEC seeking registration of 400,000 Class A Common Shares, \$1 par, to be offered for public sale at \$2.50 per share. No underwriting is involved.

Organized in March 5, 1956, under laws of the District of Columbia, Disc, Inc., has engaged primarily in the business of acquiring direct ownership, mortgage, and other interests in real property, and in the development of real property. It is secondarily engaged in the acquisition of common and preferred stock, bonds, and business enterprises. As of August 31st it had 218,275 shares outstanding. Of this stock, Irving Lichtman, president and board chairman, owns 6,800 shares, beneficially and of record, and he holds of record only an additional 33,100 shares.

Disc, Inc., intends to invest the net proceeds from this offering in accordance with its investment policies. None of the proceeds has been allocated for particular purposes.