

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.

December 5, 1957

FOR RELEASE

AMERICAN LIFE AND CASUALTY FILES FOR STOCK OFFERING.

American Life and Casualty Insurance Company, Fargo, N. Dak., filed a registration statement (File 2-13777) with the SEC on December 3, 1957, seeking registration of 101,667 shares of its \$1 par common stock. The company proposes to offer this stock for initial subscription pro rata by stockholders at \$10 per share, unsubscribed shares to be offered for public sale at the same price. No underwriting is involved. A total of 203,333 common shares are now outstanding. Net proceeds of the sale of the additional stock will be added to the company's general funds, according to the prospectus, to permit it to engage more aggressively in the pursuit of new business through the expansion of its agency operations. The additional funds also will facilitate the financing of contemplated acquisitions of other insurance companies, the prospectus indicates.

BORROWINGS BY GENERAL PUBLIC UTILITIES, AND CAPITAL INVESTMENT IN PENNSYLVANIA ELECTRIC RECEIVES SEC CLEARANCE.

The SEC has issued an order (Holding Company Act Release No. 13619) authorizing General Public Utilities Corporation, New York holding company, to borrow up to \$10,000,000 in the aggregate between now and March 31, 1958, and to invest a like amount in the purchase of up to an additional 500,000 shares of the \$20 par common stock of its subsidiary, Pennsylvania Electric Company, of Johnstown, Pa., over the same period. The subsidiary will apply the proceeds to the cost of property additions, or to reimburse its treasury for construction expenditures, or to repay bank loans.

PIXIE BEVERAGE CORPORATION STOCK OFFERING SUSPENDED

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of securities by Pixie Beverage Corporation, Reno, Nevada. The company's Regulation A notification, filed April 26, 1955, proposed the public offering of 300,000 shares of stock at \$1 par share.

Regulation A provides a conditional exemption from registration for public offerings of securities not exceeding \$300,000 in amount. One of the conditions is a requirement that the issuer file semi-annual reports reflecting the number of shares sold and the use to which the proceeds were applied. The Commission's order asserts that Pixie Beverage failed to file such reports, despite requests by the Commission's staff therefor. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent. (See Securities Act Release No. 3871.)

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

(OVER)

NATIONAL BOWLERO FILES FINANCING PROPOSAL

National Bowlero, Inc., Cleveland, filed a registration statement (File 2-13778) with the SEC on December 4, 1957, seeking registration of \$900,000 of 5% Ten Year Debenture Bonds, 9,000 shares of 4% Non-Cumulative Preferred Stock, \$100 par, and 15,000 shares of Common Stock, \$10 par. The company proposes to offer these securities for public sale in units, each consisting of \$9,000 of debenture bonds, 90 shares of preferred stock, and 150 shares of common stock, at the principal amount or par value thereof, or \$19,500 in the aggregate. No underwriting is involved.

The company was recently organized and intends to build and operate two sports centers, each equipped with automatic pin setting machines and a snack bar or restaurant, cocktail lounge and other facilities for use as a family recreational center. It has outstanding 2,500 common shares, acquired by the organizers at \$10 per share. They include William N. Skirball, president, of Cleveland, 900 shares; Jack H. Skirball, of Hollywood, vice-president, 900 shares; and Harry J. Takiff, Treasurer, 700 shares. Under an agreement with the company, the organizers will be enabled to purchase or sell sufficient common shares to retain a 25% interest in the then-outstanding common stock.

Proceeds of the financing are to be used for the erection and operation of two bowling sports centers, including the purchase of land and building, landscaping, architect and other fees, bowling lands, furniture and fixtures, and other related items. A portion of the required funds will be obtained from mortgage loans.

KENTUCKY POWER BORROWINGS CLEARED

Kentucky Power Company has been authorized by SEC order (Holding Company Act Release 13620) to make additional bank borrowings of \$1,000,000 prior to the end of 1958 over and above \$4,100,000 of borrowings heretofore authorized, to assist in the financing of its construction program in 1958. The company now contemplates that in 1959 it will seek approval for renewal of the outstanding bank notes and to increase the amount thereof, and that in 1960 it will issue approximately \$7,000,000 of bonds and apply the proceeds in part to the retirement of all then outstanding bank notes.

PENNSYLVANIA BANKSHARES PROPOSES DISSOLUTION

Pennsylvania Bankshares & Securities Corporation, Pittsburgh, Pennsylvania investment company, has applied to the SEC for an exemption order with respect to certain transactions incident to its liquidation and dissolution; and the Commission has issued an order (Investment Company Act Release 2637) giving interested persons until December 18, 1957 to request a hearing thereon.

Bankshares has outstanding 104,022 shares of \$5 par common stock, of which 99,217 shares (95.4%) are owned by J. H. Hillman & Sons Company. The remaining shares are owned by 39 other stockholders, their holdings ranging from 1 to 500. Under the plan of liquidation and dissolution, each minority stockholder may, in the liquidation, elect to receive his distributive share either in cash or in cash and portfolio securities to the extent that portfolio securities can be delivered without the necessity of delivering fractional shares. Hillman & Sons proposes to receive its distributive share in portfolio securities to the extent they are available after elections have been made by the minority stockholders. Because of the inter-company affiliations, receipt of such securities by Hillman & Sons is prohibited by the Investment Company Act unless an exemption order is issued by the Commission.

(Continued)

PYRAMID MINING AND METAL CORPORATION STOCK OFFERING SUSPENDED

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of stock by Pyramid Mining and Metal Corporation, Lubbock, Texas. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration for public offerings of securities not exceeding \$300,000 in amount. In a Regulation A notification filed October 28, 1957, Pyramid proposed the public offering of 236,000 shares of common stock at \$1.25 per share, or \$295,000 in the aggregate. The Commission asserts in its suspension order that the terms and conditions of Regulation A have not been complied with, in that (1) an exemption is not available because the \$300,000 limitation would be exceeded by reason of a previous stock offering within the past year; (2) the written consents of accountants, engineers and geologists named as having prepared statements, reports and valuations referred to in the notification and in Pyramid's offering circular have not been filed; (3) the notification fails to contain the required information with respect to affiliates of Pyramid; and (4) the offering circular fails to set forth certain required information, including the percentage of the outstanding securities of Pyramid held or to be held by its promoters and officials and the cash consideration paid therefor, in relation to the shares to be held by public investors and the cash consideration paid therefor, assuming all 236,000 shares are sold, an itemized statement of the proposed use of the proceeds of the stock being offered for public sale, information concerning the metallic or other constituents of the deposits to be explored on the so-called Hidalgo properties, and appropriate financial statements of Pyramid.

Moreover, it is alleged in the Commission's order that Pyramid's notification and offering circular are false and misleading in respect of various material facts, namely, (1) Pyramid's ore reserves; (2) Pyramid's estimated profits; (3) the value of Pyramid's properties; (4) the education, experience and competence of mining engineers and geologists who have made reports and appraisals referred to in the said notification and offering circular; (5) the financial condition of Pyramid; (6) the liabilities of Pyramid, including contingent liabilities incurred by Pyramid as a result of stock sales; (7) the cash receipts and disbursements of Pyramid; (8) the status of the titles to properties in which Pyramid has an interest, including, among other things, the dates, terms and material provisions of the company's leases and options which are Pyramid's only properties; (9) the interests in Pyramid and its properties of Pyramid's officers, directors, promoters, affiliates, engineers and geologists; (10) the use to be made of the proceeds of the offering; and (11) the plans of Pyramid to distribute the 236,000 shares. (See Securities Act Release 3870.)