

# 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 25, 1956

## Securities Act Release No. 3710

The Securities and Exchange Commission announced today that it will hold a public hearing in regard to the proposed amendments to Regulation A which were announced July 23, 1956, in Securities Act Release No. 3664. The hearing will be held on December 12, 1956, at 10:00 A. M. in Room 193 at the office of the Commission, 425 Second Street, N. W., Washington, D. C. The proposed amendments would have the effect of making the general exemption from registration under the Securities Act of 1933 which is afforded by Regulation A available only to issuers and offerings meeting specified standards based either upon the existence of a record of net earnings on the part of the issuer or upon a limitation of the number of securities which might be issued pursuant to the exemption.

Any person interested in presenting his views on the proposed amendments at the public hearing should, not later than 5:30 P. M. on December 5, 1956, submit to the Commission, in writing, a statement of his intention to appear at the hearing, together with a written statement of his views, and should limit his request for time to make oral presentation so as to provide an opportunity for all interested persons to be heard.

The Commission has extended to November 15, 1956, the time within which other interested persons may submit their views and comments on the proposed amendments in writing to the Commission.

## Securities Exchange Act Release No. 5382

The Securities and Exchange Commission announced today that the United States Court of Appeals for the District of Columbia Circuit denied an application for a stay by Great Sweet Grass Oils Ltd. of an order of the District Court dissolving a temporary restraining order. On October 20, 1956, the Commission was temporarily restrained by an ex parte order from enforcing its order and notice for hearing under Section 19(a) (2) of the Securities Exchange Act of 1934 In the Matter of Great Sweet Grass Oils Ltd. On motion of the Commission the District Court dissolved the temporary restraining order effective at 3:00 P. M., October 24, 1956.

After the Court of Appeals refused to grant the stay requested by the company, the Commission entered an amended order and notice of hearing under Section 19(a) (2) of the Securities Exchange Act In the Matter of Great Sweet Grass Oils Ltd. On October 19, 1956, the Commission issued an order for a notice of hearing to determine whether it is necessary or appropriate for the protection of investors to suspend for a period not exceeding 12 months, or to withdraw, the registration on the American Stock Exchange of the capital stock of this company.

The original order was based upon the fact that the Commission had reason to believe that Great Sweet Grass Oils Ltd. misrepresented its oil and gas reserves in a report filed with the Commission on January 24, 1956, relating to properties acquired from Depositors Mutual Oil Development Company, an Oklahoma corporation, and from Pitt Petroleum Ltd., an Alberta corporation, and that the Commission had reason to believe that the balance sheet included in the annual report of Great Sweet Grass Oils Ltd., filed with the Commission on May 16, 1956, was false and misleading in valuing the oil and gas properties to be acquired from Depositors Mutual Oil Development Company at \$6,597,500.

The amended order includes an additional allegation that the Commission had reason to believe that an amendment filed by the Company on October 17, 1956, continued to misrepresent the oil and gas reserves and was false and misleading in valuing the oil and gas properties to be acquired from Depositors Mutual Oil Development Company.

#### Securities Exchange Act Release No. 5383

The Securities and Exchange Commission has instituted proceedings under the Securities Exchange Act of 1934 to determine whether the broker-dealer registration of "Mid America Securities Inc. of Ogden," of Ogden, Utah, should be revoked, or whether a withdrawal of the registration should be permitted only on terms and conditions, and scheduled a hearing therein for November 26, 1956 in the Commission's Salt Lake City Branch Office, Room 201, Boston Building, Salt Lake City, Utah.

Mid America Securities Inc. of Ogden became registered with the Commission as a broker-dealer on January 7, 1956. On September 24, 1956, Mid America Securities Inc. of Ogden filed a notice of withdrawal of its registration, which withdrawal has not become effective.

In its order for proceedings, the Commission asserts that information obtained as a result of an inspection by its staff "tends to show" that Mid America Securities Inc. of Ogden did not make and keep current certain of the books and records relating to its business required by Rule X-17A-3, which rule had been adopted by the Commission under the Securities Exchange Act of 1934. At the hearing, inquiry will be conducted into the question whether Mid America Securities Inc. of Ogden failed to make and keep current the books and records required by the said rule, and if so, whether Mid-America Securities Inc. of Ogden wilfully violated the rule in question, and whether it is in the public interest to revoke its broker-dealer registration, or to permit withdrawal to become effective only on terms or conditions.

#### Investment Company Act Release No. 2428

High Voltage Engineering Corporation and Baird Associates-Atomic Instrument Company, both of Cambridge, Massachusetts, and both affiliates of American Research and Development Corporation, Boston investment company, have received an exemption order from the SEC with respect to certain transactions which, because of inter-company affiliations, would be prohibited unless exempted by the SEC. High Voltage and Baird have entered into an indenture of lease as of May 31, 1956, under which

Baird has leased the real estate owned by High Voltage, located in Cambridge. Under the lease, Baird has an option to purchase the leased properties for \$275,000 at any time between May 31, 1956, and June 1, 1957, subject to the provision that High Voltage may share in the profit on any resale of the property by Baird within two years after exercise of the option.

Investment Company Act Release No. 2429

The SEC has issued an exemption order under the Investment Company Act of 1940 permitting the purchase by E. I. du Pont de Nemours and Company from General Motors Corporation of the 33-1/3% equity interest of GM in International Freighting Corporation for \$136,447.

E. I. du Pont de Nemours and Company is controlled by Christiana Securities Company, a registered closed-end, non-diversified investment company, which is, in turn, controlled by Delaware Realty and Investment Company, also a registered closed-end, non-diversified investment company, and, because of the inter-company affiliations, the aforesaid transaction is prohibited by the Investment Company Act unless an exemption is granted by the Commission.

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San Jacinto Petroleum Corp., Houston, Texas, filed a registration statement (File 2-12870) with the SEC on October 24, 1956, seeking registration of \$3,000,000 of Subordinated Convertible Debentures, 1956 Series, due November 1, 1971, for public sale through an underwriting group headed by White, Weld & Co. The offering price and underwriting terms are to be supplied by amendment.

Proceeds from the sale of the debentures will be used as follows: \$4,050,000 for the retirement of outstanding bank loans; approximately \$1,000,000 for investment in, or advance to, the company's Venezuelan subsidiary, San Jacinto Venezolano, C. A., in connection with exploration and development activities; and the remainder in connection with the partial discharge of the registrant's obligations to Mecom Petroleums and for such other corporate purposes as the company's board of directors may from time to time determine.

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The Consumers Cooperative Association, Kansas City, Mo., today filed a registration statement (File 2-12871) with the SEC, seeking registration of 180,000 shares of 5½% Preferred Stock (Cumulative to extent earned before patronage refunds) and 20,000 shares of 4% Second Preferred Stock (Cumulative to extent earned before patronage refunds).

The securities to be offered are to be sold directly to members and others by the Consumers Cooperative Association's employees and not through any underwriter, Dealer or broker. No commission is paid to anyone in conjunction with such sales. It is the intention of the Association to sell 5½% Preferred Stock to any purchaser other than member cooperatives.

The net proceeds of the \$5,000,000 to be received from the sale of the preferred stock to be offered has not been allocated to any particular project. Such proceeds as received will be added to the general funds of the Association and will be used for general corporate purposes.

The Consumers Cooperative Association was incorporated under the laws of Kansas in 1931 and is a cooperative wholesale purchasing and manufacturing association. The Association is organized and operates on a cooperative basis as a supply source for local farmers' cooperative associations in the states of Colorado, Iowa, Kansas, Missouri, Nebraska, North and South Dakota, Oklahoma and Wyoming.

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AMP Incorporated, Harrisburg, Pennsylvania, and Pamcor, Inc., San Juan, Puerto Rico an affiliate of AMP Incorporated, filed a registration statement (File No. 2-12869) with the Securities and Exchange Commission on October 24, 1956 seeking registration with respect to 328,700 shares of the Common Stock of AMP Incorporated, par value \$1, bearing an endorsement representing a beneficial interest in 3,287 shares of Common Stock of Pamcor, Inc., par value \$1. Each certificate of the Common Stock of AMP Incorporated offered bears an endorsement evidencing that the certificate also represents a beneficial interest presently in the same proportion to the Common Stock of Pamcor, Inc. as the certificate represents of the Common Stock of AMP Incorporated. Of the shares to be offered by an underwriting group headed by Kidder, Peabody & Co. the underwriters are to purchase 148,200 shares that are presently outstanding from AMP Incorporated and 150,500 shares from certain selling stockholders. The underwriters are also to purchase from AMP Incorporated such number of an additional 30,000 presently outstanding shares being offered by AMP Incorporated to employees as are not subscribed by them.

Of the 328,700 shares represented by endorsed certificates to be offered, 178,200 purchased from employees and one other stockholder are being offered for the account of AMP Incorporated. The net proceeds to be received by AMP Incorporated will be added to the general funds of the company for general corporate purposes, to permit the company to carry an increased inventory and to allow the company to finance a larger balance of receivables.

The remaining 150,500 shares represented by endorsed certificates are to be offered for the account of certain selling stockholders of AMP Incorporated or Pamcor or both, no part of the proceeds of which will be received by AMP Incorporated.

AMP Incorporated, formerly Aircraft Marine Products, Inc., was incorporated in New Jersey in 1941 and is in the business of designing and manufacturing solderless electric wire terminals and manufacturing practically all forms of electrical appliances and equipment.

Pamcor, Inc., incorporated in 1952 under the laws of Puerto Rico, is an affiliate of AMP Incorporated formed to manufacture terminals and connectors in Puerto Rico under license from AMP Incorporated.

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CORRECTION of News Digest of Wednesday, October 24, 1956:

Page 2, last paragraph, line 5 - The figure \$275,000 should be \$275,000,000.