

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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FOR RELEASE July 7, 1959

FURTHER VIOLATIONS CHARGED TO TRUEN & COHEN

The SEC has issued an amended order charging additional violations of the Federal Securities Laws by Jerome H. Truen and Jack Cohen, president and secretary, respectively, of A. J. Caradean & Co., Inc., Hempstead, New York, and owners of 50% each of its outstanding stock.

The said Caradean & Co. has applied to the Commission for registration as a broker-dealer under the Securities Exchange Act of 1934; and by order dated May 7, 1959, the Commission authorized proceedings on the question whether registration should be denied. The May 7, 1959, order charged that Truen and Cohen, while employed as salesman for N. Pinsker & Co., Inc., offered and sold stock of Tyrex Drug & Chemical Corporation by means of false and misleading representations of material facts and "engaged in acts, practices and a course of business which would and did operate as a fraud and deceit" upon the purchasers of such stock. (Proceedings also are pending on the question whether the broker-dealer registration of Pinsker & Co. should be revoked.)

In its amended order, it is further charged that during the period September 1957 to March 1959, Truen and Cohen, while employed as salesman for Pinsker & Co., made false and misleading representations of material fact in the offer and sale of Seaford-Mar Marina, Inc., and "engaged in acts, practices and a course of business which operated as a fraud and deceit" upon the purchasers of the stock. The misrepresentations related, among other things, to an increase in the market price of the stock, listing of the stock on an exchange, investment in or loan to Seaford-Mar Marina by a leading New York City bank, and the building and operation of marinas by that company at great profits.

The hearing for the purpose of taking evidence on the foregoing matters will be held at a time and place later to be announced.

LOOMIS-SAYLES FUND OF CANADA FILES FOR OFFERING SEC ORDER PERMITS OFFERING IN UNITED STATES

Loomis-Sayles Fund of Canada Ltd., 55 Yonge St., Toronto, filed a registration statement (File 2-15223) with the SEC on July 6, 1959, seeking registration of 800,000 shares of common stock. The shares are to be offered initially at \$25 per share through Loomis, Sayles & Company, Incorporated, to clients, officers, directors and employees of the latter. The shares also are to be offered to shareholders of Loomis-Sayles Mutual Fund, Incorporated, of record July 15, 1959. After July 31, 1959, the offering price will be net asset value. After September 15, 1959, shares will be offered only to shareholders of the Fund of Canada, clients, officers and employees of Loomis, Sayles & Company, Incorporated, and its affiliated companies.

The company was organized in January 1959. Its policies and operations are based on the investment research and recommendation of Loomis, Sayles & Company investment counsel organization. The major part of its investments will be in companies whose operations are centered in Canada, but the Fund is authorized to invest up to 40% of its assets in other than Canadian or United States securities. The prospectus lists Maurice T. Freeman, of Boston as president. He is executive vice president of Loomis, Sayles & Company, Inc.

OVER

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

Pursuant to an application filed by the Fund of Canada pursuant to SEC Rule N-7D-1 under the Investment Company Act, the Commission has issued an order (Release 40-2895) permitting it to register as an investment company under that Act and to make a public offering of its securities in the United States. According to the order, the application contains certain undertakings and agreements, as specified in the Rule, which together with the provisions of the Fund's charter and by-laws are proposed as "special circumstances and arrangements" justifying the entry of the requested order.

ADRs FOR DRESDNER BANK FILED

The Chemical Corn Exchange Bank, New York, filed a registration statement (File 2-15324) with the SEC on July 6, 1959, seeking registration of 50,000 American Depositary Receipts for Common Capital Stock of Dresdner Bank Aktiengesellschaft, a German corporation.

HEARING ORDERED ON CONSOLIDATED PETROLEUM INDUSTRIES CASE

At the request of the respondent company, the Securities and Exchange Commission has scheduled a hearing for July 14, 1959, in its Fort Worth Regional Office, to determine whether to vacate or make permanent an earlier order of the Commission temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of securities by Consolidated Petroleum Industries, Inc., of San Antonio, Texas.

In a notification filed April 30, 1959, Consolidated Petroleum proposed the public offering of 80,000 shares of preferred stock and 80,000 shares of common stock, to be sold in units of one share of preferred and one share of common at a unit price of \$3.75 per share. By order dated June 9, 1959 (Release 33-4095), the Commission temporarily suspended the exemption on the basis that the company's offering circular contained false and misleading representations of material facts with respect, among other things, to the company's properties and the stock holdings of promoters and management officials and the consideration paid therefor in relation to the consideration to be received from the public sale of stock.

At the July 14th hearing, inquiry will be conducted into the foregoing matters for the purpose of determining whether the suspension should be vacated or made permanent.

JACOBS CO. HEARING POSTPONED

The SEC today announced that, at the further request of counsel for the Trustees of F. L. Jacobs Co., the hearing scheduled for this date in the administrative proceedings under the Securities Exchange Act of 1934 to determine whether to suspend or withdraw the Jacobs Co. common stock from listing and registration on the New York Stock Exchange has been continued to August 3, 1959.

Jacobs Co. is undergoing reorganization in proceedings pursuant to Chapter X of the Bankruptcy Act pending in the United States District Court in Detroit. The administrative proceedings are based upon alleged non-compliance by the company, prior to institution of the Chapter X proceedings, with the disclosure and reporting requirements of the Commission. Counsel for the Trustees requested a further continuance of the hearing because the audit of the company's books and records has not been completed and counsel is in no position to proceed with the hearing.

PACIFIC POWER FILES FOR DEBENTURE OFFERING

Pacific Power & Light Company, Portland, Ore., today filed a registration statement (File 2-15327) with the SEC seeking registration of \$10,996,000 of Convertible Debentures due 1974. The company proposes to offer the debentures for subscription by common stockholders of record August 3, 1959, at the rate of \$100 of debentures for each 40 common shares then held. The subscription price is to be 100% of principal amount. The offering is to be underwritten by competitive bidding.

Net proceeds of the sale of the debentures, together with cash presently on hand and to be internally generated, will be used in completing the company's construction program for 1959 and in supplying funds for starting the 1960 construction program. Construction expenditures in 1959 are estimated at \$23,500,000 and for 1960 at \$37,000,000.